



Contract # AR3760

# STATE OF UTAH COOPERATIVE CONTRACT

1. CONTRACTING PARTIES: This contract is between the Division of Purchasing and the following Contractor:

<u>Merit International</u>		
Name		
<u>1001 Broadway, Suite 100</u>		
Address		
<u>Millbrae</u>	<u>California</u>	<u>94030</u>
City	State	Zip

LEGAL STATUS OF CONTRACTOR

- Sole Proprietor
- Non-Profit Corporation
- For-Profit Corporation
- Partnership
- Government Agency

Contact Person Jacob Orin Phone #408-726-3055 Email jacob@gomerits.com  
Vendor # 73515B Commodity Code #92005

2. CONTRACT PORTFOLIO NAME: Platform Management

3. PROCUREMENT: This contract is entered into as a result of Solicitation #KM21-47.

4. CONTRACT PERIOD: Effective Date: 2/1/2025 Termination Date: 9/14/26 unless terminated early or extended in accordance with the terms and conditions of this contract. Renewal options (if any): Two 1 Year renewal options.

5. Prompt Payment Discount (if any): Refer to Attachment C. Price Guarantee Period (if any): N/A.

6. Administrative Fee, as described in the Solicitation and Attachment A: .25%.

7. ATTACHMENT A: NASPO ValuePoint Master Agreement Terms and Conditions

ATTACHMENT B: Scope of Work

ATTACHMENT C: Price Schedule

ATTACHMENT D: End User License Agreements (as applicable)

**Any conflicts between Attachment A and the other Attachments will be resolved in favor of Attachment A.**

8. DOCUMENTS INCORPORATED INTO THIS CONTRACT BY REFERENCE BUT NOT ATTACHED:

- a. All other governmental laws, regulations, or actions applicable to the goods and/or services authorized by this contract.
- b. Utah State Procurement Code, Procurement Rules, the Solicitation, and Contractor's response to the Solicitation.

9. Each person signing this Agreement represents and warrants that he/she is duly authorized and has legal capacity to execute and deliver this Agreement and bind the parties hereto. Each signatory represents and warrants to the other that the execution and delivery of the Agreement and the performance of each party's obligations hereunder have been duly authorized and that the Agreement is a valid and legal agreement binding on the parties and enforceable in accordance with its terms.

IN WITNESS WHEREOF, the parties sign and cause this contract to be executed. Notwithstanding verbal or other representations by the parties, the "Effective Date" of this Contract shall be the date provided within Section 4 above.

### CONTRACTOR

Contractor's Signature

Jacob Orrin  
Print Name

COO  
Title

02 / 28 / 2025  
Date

### STATE

DocuSigned by:  
  
C38BE9DAC528424...  
Director, Division of Purchasing

3/10/2025  
Date



## ATTACHMENT A

### NASPO VALUEPOINT MASTER AGREEMENT TERMS AND CONDITIONS

#### I. Definitions

- 1.1 **Acceptance** means acceptance of goods and services as set forth in Section IX of this Master Agreement.
- 1.2 **Contractor** means a party to this Master Agreement, whether a person or entity, that delivers goods or performs services under the terms set forth in this Master Agreement.
- 1.3 **Embedded Software** means one or more software applications which permanently reside on a computing device.
- 1.4 **Intellectual Property** means any and all patents, copyrights, service marks, trademarks, trade secrets, trade names, patentable inventions, or other similar proprietary rights, in tangible or intangible form, and all rights, title, and interest therein.
- 1.5 **Lead State** means the State centrally administering any resulting Master Agreement(s) who is a party to this Master Agreement.
- 1.6 **Master Agreement** or **Contract** means the underlying agreement executed by and between the Lead State, acting in cooperation with NASPO ValuePoint, and the Contractor, as now or hereafter amended.
- 1.7 **NASPO ValuePoint** is a division of the National Association of State Procurement Officials ("NASPO"), a 501(c)(3) limited liability company. NASPO ValuePoint facilitates administration of the NASPO cooperative group contracting consortium of state chief procurement officials for the benefit of state departments, institutions, agencies, and political subdivisions and other eligible entities (i.e., colleges, school districts, counties, cities, some nonprofit organizations, etc.) for all states, the District of Columbia, and territories of the United States. NASPO ValuePoint is identified in the Master Agreement as the recipient of reports and may perform contract administration functions relating to collecting and receiving reports, as well as other contract administration functions as assigned by the Lead State.
- 1.8 **Order** or **Purchase Order** means any purchase order, sales order, contract or other document used by a Purchasing Entity to order the Products.

- 1.9 Participating Addendum** means a bilateral agreement executed by a Contractor and a Participating Entity incorporating this Master Agreement and any additional Participating Entity-specific language or other requirements (e.g., ordering procedures specific to the Participating Entity, entity-specific terms and conditions, etc.).
- 1.10 Participating Entity** means a state (as well as the District of Columbia and US territories), city, county, district, other political subdivision of a State, or a nonprofit organization under the laws of some states properly authorized to enter into a Participating Addendum, that has executed a Participating Addendum.
- 1.11 Participating State** means a state that has executed a Participating Addendum or has indicated an intent to execute a Participating Addendum.
- 1.12 Product or Products and Services** means any equipment, software (including embedded software), documentation, service, or other deliverable supplied or created by the Contractor pursuant to this Master Agreement. The term Product includes goods and services.
- 1.13 Purchasing Entity** means a state (as well as the District of Columbia and US territories), city, county, district, other political subdivision of a State, or a nonprofit organization under the laws of some states if authorized by a Participating Addendum, that issues a Purchase Order against the Master Agreement and becomes financially committed to the purchase.

## II. Term of Master Agreement

- 2.1 Initial Term.** The initial term of this Master Agreement is for Five (5) years, beginning when the first master agreement under this portfolio is signed. The term of this Master Agreement may be amended beyond the initial term for two (2) additional years at the Lead State's discretion and by mutual agreement and upon review of requirements of Participating Entities, current market conditions, and Contractor performance.
- 2.2 Amendment Limitations.** The terms of this Master Agreement will not be waived, altered, modified, supplemented, or amended in any manner whatsoever without prior written agreement of the Lead State and Contractor.
- 2.3 Amendment Term.** The term of the Master Agreement may be amended past the initial term and stated renewal periods for a reasonable period if in the judgment of the Lead State a follow-on competitive procurement will be unavoidably delayed (despite good faith efforts) beyond the planned date of execution of the follow-on master agreement. This subsection will not be deemed to limit the authority of a Lead State under its state law to otherwise negotiate contract extensions.

### III. Order of Precedence

**3.1 Order.** Any Order placed under this Master Agreement will consist of the following documents:

**3.1.1** A Participating Entity's Participating Addendum ("PA");

**3.1.2** NASPO ValuePoint Master Agreement, including all attachments thereto;

**3.1.3** A Purchase Order or Scope of Work/Specifications issued against the Master Agreement;

**3.1.4** The Solicitation or, if separately executed after award, the Lead State's bilateral agreement that integrates applicable provisions;

**3.1.5** Contractor's response to the Solicitation, as revised (if permitted) and accepted by the Lead State.

**3.2 Conflict.** These documents will be read to be consistent and complementary. Any conflict among these documents will be resolved by giving priority to these documents in the order listed above. Contractor terms and conditions that apply to this Master Agreement are only those that are expressly accepted by the Lead State and must be in writing and attached to this Master Agreement as an Exhibit or Attachment.

**3.3 Participating Addenda.** Participating Addenda will not be construed to diminish, modify, or otherwise derogate any provisions in this Master Agreement between the Lead State and Contractor. Participating Addenda will not include a term of agreement that exceeds the term of the Master Agreement.

### IV. Participants and Scope

**4.1 Requirement for a Participating Addendum.** Contractor may not deliver Products under this Master Agreement until a Participating Addendum acceptable to the Participating Entity and Contractor is executed.

**4.2 Applicability of Master Agreement.** NASPO ValuePoint Master Agreement Terms and Conditions are applicable to any Order by a Participating Entity (and other Purchasing Entities covered by their Participating Addendum), except to the extent altered, modified, supplemented or amended by a Participating Addendum, subject to Section III. For the purposes of illustration and not limitation, this authority may apply to unique delivery and invoicing requirements, confidentiality requirements, defaults on Orders, governing law and venue relating to Orders by a Participating Entity, indemnification, and insurance requirements. Statutory or constitutional requirements relating to availability of funds may require specific language in some Participating Addenda in order to comply with applicable law. The expectation is that these alterations, modifications, supplements, or amendments will be addressed in the Participating Addendum or, with the consent of the Purchasing Entity and Contractor, may be included in the ordering

document (e.g., purchase order or contract) used by the Purchasing Entity to place the Order.

- 4.3 Authorized Use.** Use of specific NASPO ValuePoint Master Agreements by state agencies, political subdivisions and other Participating Entities is subject to applicable state law and the approval of the respective State Chief Procurement Official. Issues of interpretation and eligibility for participation are solely within the authority of the respective State Chief Procurement Official.
- 4.4 Obligated Entities.** Obligations under this Master Agreement are limited to those Participating Entities who have signed a Participating Addendum and Purchasing Entities within the scope of those Participating Addenda. States or other entities permitted to participate may use an informal competitive process to determine which Master Agreements to participate in through execution of a Participating Addendum. Participating Entities incur no financial obligations on behalf of other Purchasing Entities.
- 4.5 Notice of Participating Addendum.** Contractor shall email a fully executed PDF copy of each Participating Addendum to [pa@naspovaluepoint.org](mailto:pa@naspovaluepoint.org) to support documentation of participation and posting in appropriate databases.
- 4.6 Eligibility for a Participating Addendum.** Eligible entities who are not states may under some circumstances sign their own Participating Addendum, subject to the consent of the Chief Procurement Official of the state where the entity is located. Coordinate requests for such participation through NASPO ValuePoint. Any permission to participate through execution of a Participating Addendum is not a determination that procurement authority exists; the entity must ensure that they have the requisite procurement authority to execute a Participating Addendum.
- 4.7 Prohibition on Resale.** Subject to any specific conditions included in the solicitation or Contractor's proposal as accepted by the Lead State, or as explicitly permitted in a Participating Addendum, Purchasing Entities may not resell Products purchased under this Master Agreement. Absent any such condition or explicit permission, this limitation does not prohibit: payments by employees of a Purchasing Entity for Products; sales of Products to the general public as surplus property; and fees associated with inventory transactions with other governmental or nonprofit entities and consistent with a Purchasing Entity's laws and regulations. Any sale or transfer permitted by this subsection must be consistent with license rights granted for use of intellectual property.
- 4.8 Individual Customers.** Except as may otherwise be agreed to by the Purchasing Entity and Contractor, each Purchasing Entity shall follow the terms and conditions of the Master Agreement and applicable Participating Addendum and will have the same rights and responsibilities for their purchases as the Lead State has in the Master Agreement and as the Participating Entity has in the Participating Addendum, including but

not limited to any indemnity or right to recover any costs as such right is defined in the Master Agreement and applicable Participating Addendum for their purchases. Each Purchasing Entity will be responsible for its own charges, fees, and liabilities. The Contractor will apply the charges and invoice each Purchasing Entity individually.

- 4.9 Release of Information.** Throughout the duration of this Master Agreement, Contractor must secure from the Lead State prior approval for the release of information that pertains to the potential work or activities covered by the Master Agreement. This limitation does not preclude publication about the award of the Master Agreement or marketing activities consistent with any proposed and accepted marketing plan.
- 4.10 No Representations.** The Contractor shall not make any representations of NASPO ValuePoint, the Lead State, any Participating Entity, or any Purchasing Entity's opinion or position as to the quality or effectiveness of the services that are the subject of this Master Agreement without prior written consent.

## V. NASPO ValuePoint Provisions

- 5.1 Applicability.** NASPO ValuePoint is not a party to the Master Agreement. The terms set forth in Section V are for the benefit of NASPO ValuePoint as a third-party beneficiary of this Master Agreement.
- 5.2 Administrative Fees**
- 5.2.1 NASPO ValuePoint Fee.** Contractor shall pay to NASPO ValuePoint, or its assignee, a NASPO ValuePoint Administrative Fee of one-quarter of one percent (0.25% or 0.0025) no later than sixty (60) days following the end of each calendar quarter. The NASPO ValuePoint Administrative Fee must be submitted quarterly and is based on all sales of products and services under the Master Agreement (less any charges for taxes or shipping). The NASPO ValuePoint Administrative Fee is not negotiable. This fee is to be included as part of the pricing submitted with a vendor's response to the Lead State's solicitation.
- 5.2.2 State Imposed Fees.** Some states may require an additional fee be paid directly to the state on purchases made by Purchasing Entities within that state. For all such requests, the fee rate or amount, payment method and schedule for such reports and payments will be incorporated into the applicable Participating Addendum. Unless agreed to in writing by the state, Contractor may not adjust the Master Agreement pricing to include the state fee for purchases made by Purchasing Entities within the jurisdiction of the state. No such agreement will affect the NASPO ValuePoint Administrative Fee percentage or the prices paid by Purchasing Entities outside the jurisdiction of the state requesting the additional fee.

### 5.3 NASPO ValuePoint Summary and Detailed Usage Reports

- 5.3.1 Summary Sales Data.** The Contractor shall submit quarterly sales reports directly to NASPO ValuePoint using the NASPO ValuePoint Quarterly Sales/Administrative Fee Reporting Tool found at <http://calculator.naspovaluepoint.org>. All sales made under this Master Agreement must be reported as cumulative totals by state. Contractor must submit a report for each quarter, including quarters during which a Contractor has no sales, in which case this will be indicated in the Reporting Tool. Reports must be submitted no later than thirty (30) days following the end of the calendar quarter (as specified in the reporting tool).
- 5.3.2 Detailed Sales Data.** Contractor shall also report detailed sales data in accordance with the instructions in Attachment J.1 and in the format set forth in Attachment J, or as otherwise instructed by NASPO ValuePoint. Reports are due on a quarterly basis and must be received by the Lead State and NASPO ValuePoint Cooperative Development Team no later than thirty (30) days after the end of the reporting period. Reports must be delivered to the Lead State and to the NASPO ValuePoint Cooperative Development Team electronically through a designated portal or other method as determined by the Lead State and NASPO ValuePoint. Detailed sales data reports must include sales information for all sales under Participating Addenda executed under this Master Agreement.
- 5.3.3 Reporting on Personal Use.** Reportable sales for the summary sales data report and detailed sales data report includes sales to employees for personal use where authorized by the solicitation and the Participating Addendum. Report data for employees should be limited to ONLY the state and entity ((state and agency, city, county, school district, etc.) under whose authority the employee is purchasing Product for personal use and the amount of sales. No personal identification numbers (e.g., names, addresses, social security numbers or any other numerical identifier) may be submitted with any report.
- 5.3.4 Executive Summary.** Contractor shall, upon request, provide NASPO ValuePoint cooperative contract coordinator with an executive summary that includes, at a minimum and for the preceding quarter, a list of states with an active Participating Addendum, states that Contractor is in negotiations with and any Participating Addendum roll out or implementation activities and issues. NASPO ValuePoint cooperative contract coordinator and Contractor will determine the format and content of the executive summary.

**5.3.5 Use of Data.** Timely submission of these reports is a material requirement of the Master Agreement. The recipient of the reports will have exclusive ownership of the media containing the reports. The Lead State and NASPO ValuePoint shall have a perpetual, irrevocable, non-exclusive, royalty free, transferable right to display, modify, copy, and otherwise use reports, data and information provided under this section.

**5.4 NASPO ValuePoint Cooperative Program Marketing, Training, and Performance Review**

**5.4.1 Staff Education.** Contractor shall work cooperatively with NASPO ValuePoint personnel. Contractor shall present plans to NASPO ValuePoint for the education of Contractor's contract administrator(s) and sales/marketing workforce regarding the Master Agreement contract, including the competitive nature of NASPO ValuePoint procurements, the master agreement and participating addendum process, and the manner in which eligible entities can participate in the Master Agreement.

**5.4.2 Onboarding Plan.** Upon request by NASPO ValuePoint, Contractor shall, as Participating Addendums are executed, provide plans to launch the program for the Participating Entity. Plans will include time frames to launch the agreement and confirmation that the Contractor's website has been updated to properly reflect the scope and terms of the Master Agreement as available to the Participating Entity and eligible Purchasing Entities.

**5.4.3 Annual Contract Performance Review.** Contractor shall participate in an annual contract performance review with the Lead State and NASPO ValuePoint, which may at the discretion of the Lead State be held in person and which may include a discussion of marketing action plans, target strategies, marketing materials, Contractor reporting, and timeliness of payment of administration fees.

**5.4.4 Use of NASPO ValuePoint Logo.** The NASPO ValuePoint logos may not be used by Contractor in sales and marketing until a separate logo use agreement is executed with NASPO ValuePoint.

**5.4.5 Most Favored Customer.** Contractor shall, within thirty (30) days of their effective date, to notify the Lead State and NASPO ValuePoint of any contractual most-favored-customer provisions in third-party contracts or agreements that may affect the promotion of this Master Agreements or whose terms provide for adjustments to future rates or pricing based on rates, pricing in, or Orders from this Master Agreement. Upon request of the Lead State or NASPO ValuePoint, Contractor shall provide a copy of any such provisions.

**5.5 Cancellation.** In consultation with NASPO ValuePoint, the Lead State may, in its discretion, cancel the Master Agreement pursuant to section 28, or not exercise an option to renew, when utilization of Contractor's Master Agreement does not warrant further administration of the Master Agreement. The Lead State may also exercise its right to not renew the Master Agreement if vendor fails to record or report revenue for three consecutive quarters, upon 60-calendar day written notice to the Contractor. Cancellation based on nonuse or under-utilization will not occur sooner than [two years] after execution of the Master Agreement. This subsection does not limit the discretionary right of either the Lead State or Contractor to cancel the Master Agreement or terminate for default subject to the terms herein. This subsection also does not limit any right of the Lead State to cancel the Master Agreement under applicable laws.

## **VI. Pricing, Payment & Leasing**

- 6.1 Pricing.** The prices contained in this Master Agreement or offered under this Master Agreement represent the not-to-exceed price to any Purchasing Entity.
- 6.1.1** All prices and rates must minimally be guaranteed for the first year of the Master Agreement.
- 6.1.2** Following the first year of the Master Agreement, any request for a price or rate adjustment must be for an equal guarantee period and must be made at least thirty (30) days prior to the effective date.
- 6.1.3** Requests for a price or rate adjustment must include sufficient documentation supporting the request. Any adjustment or amendment to the Master Agreement will not be effective unless approved in writing by the Lead State.
- 6.1.4** No retroactive adjustments to prices or rates will be allowed.
- 6.2 Payment.** Unless otherwise agreed upon in a Participating Addendum or Order, Payment after Acceptance will be made within thirty (30) days following the date the entire order is delivered or the date a correct invoice is received, whichever is later. After 45 days the Contractor may assess overdue account charges up to a maximum rate of one percent per month on the outstanding balance, unless a different late payment amount is specified in a Participating Addendum or Order, or otherwise prescribed by applicable law. Payments will be remitted in the manner specified in the Participating Addendum or Order. Payments may be made via a purchasing card with no additional charge.
- 6.3 Leasing or Alternative Financing Methods.** The procurement and other applicable laws of some Purchasing Entities may permit the use of leasing or alternative financing methods for the acquisition of Products under this Master Agreement. Where the terms and conditions are not otherwise prescribed in an applicable Participating Addendum, the terms and

conditions for leasing or alternative financing methods are subject to negotiation between the Contractor and Purchasing Entity.

## VII. Ordering

- 7.1 Order Numbers.** Master Agreement order and purchase order numbers must be clearly shown on all acknowledgments, packing slips, invoices, and on all correspondence.
- 7.2 Quotes.** Purchasing Entities may define entity-specific or project-specific requirements and informally compete the requirement among companies having a Master Agreement on an “as needed” basis. This procedure may also be used when requirements are aggregated or other firm commitments may be made to achieve reductions in pricing. This procedure may be modified in Participating Addenda and adapted to the Purchasing Entity’s rules and policies. The Purchasing Entity may in its sole discretion determine which Master Agreement Contractors should be solicited for a quote. The Purchasing Entity may select the quote that it considers most advantageous, cost, and other factors considered.
- 7.3 Applicable Rules.** Each Purchasing Entity will identify and utilize its own appropriate purchasing procedure and documentation. Contractor is expected to become familiar with the Purchasing Entities’ rules, policies, and procedures regarding the ordering of supplies and/or services contemplated by this Master Agreement.
- 7.4 Required Documentation.** Contractor shall not begin work without a valid Purchase Order or other appropriate commitment document under the law of the Purchasing Entity.
- 7.5 Term of Purchase.** Orders may be placed consistent with the terms of this Master Agreement and applicable Participating Addendum during the term of the Master Agreement and Participating Addendum.
- 7.5.1** Orders must be placed pursuant to this Master Agreement prior to the termination date thereof, but may have a delivery date or performance period up to 120 days past the then-current termination date of this Master Agreement.
- 7.5.2** Notwithstanding the previous, Orders must also comply with the terms of the applicable Participating Addendum, which may further restrict the period during which Orders may be placed or delivered.
- 7.5.3** Financial obligations of Purchasing Entities payable after the current applicable fiscal year are contingent upon agency funds for that purpose being appropriated, budgeted, and otherwise made available.
- 7.5.4** Notwithstanding the expiration, cancellation or termination of this Master Agreement, Contractor shall perform in accordance with the terms of any Orders then outstanding at the time of such expiration or termination. Contractor shall not honor any Orders placed after

the expiration, cancellation, or termination of this Master Agreement, or in any manner inconsistent with this Master Agreement's terms.

**7.5.5** Orders for any separate indefinite quantity, task order, or other form of indefinite delivery order arrangement priced against this Master Agreement may not be placed after the expiration or termination of this Master Agreement, notwithstanding the term of any such indefinite delivery order agreement.

**7.6 Order Form Requirements.** All Orders pursuant to this Master Agreement, at a minimum, must include:

**7.6.1** The services or supplies being delivered;

**7.6.2** A shipping address and other delivery requirements, if any;

**7.6.3** A billing address;

**7.6.4** Purchasing Entity contact information;

**7.6.5** Pricing consistent with this Master Agreement and applicable Participating Addendum and as may be adjusted by agreement of the Purchasing Entity and Contractor;

**7.6.6** A not-to-exceed total for the products or services being ordered; and

**7.6.7** The Master Agreement number or the applicable Participating Addendum number, provided the Participating Addendum references the Master Agreement number.

**7.7 Communication.** All communications concerning administration of Orders placed must be furnished solely to the authorized purchasing agent within the Purchasing Entity's purchasing office, or to such other individual identified in writing in the Order.

**7.8 Contract Provisions for Orders Utilizing Federal Funds.** Pursuant to Appendix II to 2 Code of Federal Regulations (CFR) Part 200, Contract Provisions for Non-Federal Entity Contracts Under Federal Awards, Orders funded with federal funds may have additional contractual requirements or certifications that must be satisfied at the time the Order is placed or upon delivery. These federal requirements may be proposed by Participating Entities in Participating Addenda and Purchasing Entities for incorporation in Orders placed under this Master Agreement.

## **VIII. Shipping and Delivery**

**8.1 Shipping Terms.** All deliveries will be F.O.B. destination, freight pre-paid, with all transportation and handling charges paid by the Contractor.

**8.1.1** Notwithstanding the above, responsibility and liability for loss or damage will remain the Contractor's until final inspection and acceptance when responsibility will pass to the Purchasing Entity

except as to latent defects, fraud, and Contractor's warranty obligations.

- 8.2 Minimum Shipping.** The minimum shipment amount, if any, must be contained in the Master Agreement. Any order for less than the specified amount is to be shipped with the freight prepaid and added as a separate item on the invoice. Any portion of an Order to be shipped without transportation charges that is back ordered will be shipped without charge.
- 8.3 Inside Deliveries.** To the extent applicable, all deliveries will be "Inside Deliveries" as designated by a representative of the Purchasing Entity placing the Order. Inside Delivery refers to a delivery to a location other than a loading dock, front lobby, or reception area. Specific delivery instructions will be noted on the order form or Purchase Order. Costs to repair any damage to the building interior (e.g., scratched walls, damage to the freight elevator, etc.) caused by Contractor or Contractor's carrier will be the responsibility of the Contractor. Immediately upon becoming aware of such damage, Contractor shall notify the Purchasing Entity placing the Order.
- 8.4 Packaging.** All products must be delivered in the manufacturer's standard package. Costs must include all packing and/or crating charges. Cases must be of durable construction, in good condition, properly labeled and suitable in every respect for storage and handling of contents. Each shipping carton must be marked with the commodity, brand, quantity, item code number and the Purchasing Entity's Purchase Order number.

## **IX. Inspection and Acceptance**

- 9.1 Laws and Regulations.** Any and all Products offered and furnished must comply fully with all applicable Federal, State, and local laws and regulations.
- 9.2 Applicability.** Unless otherwise specified in the Master Agreement, Participating Addendum, or ordering document, the terms of this Section IX will apply. This section is not intended to limit rights and remedies under the applicable commercial code.
- 9.3 Inspection.** All Products are subject to inspection at reasonable times and places before Acceptance. Contractor shall provide right of access to the Lead State, or to any other authorized agent or official of the Lead State or other Participating or Purchasing Entity, at reasonable times, to monitor and evaluate performance, compliance, and/or quality assurance requirements under this Master Agreement.
- 9.3.1** Products that do not meet specifications may be rejected. Failure to reject upon receipt, however, does not relieve the contractor of liability for material (nonconformity that substantial impairs value) latent or hidden defects subsequently revealed when goods are put to use.

**9.3.2** Acceptance of such goods may be revoked in accordance with the provisions of the applicable commercial code, and the Contractor is liable for any resulting expense incurred by the Purchasing Entity related to the preparation and shipping of Product rejected and returned, or for which Acceptance is revoked.

**9.4 Failure to Conform.** If any services do not conform to contract requirements, the Purchasing Entity may require the Contractor to perform the services again in conformity with contract requirements, at no increase in Order amount. When defects cannot be corrected by re-performance, the Purchasing Entity may require the Contractor to take necessary action to ensure that future performance conforms to contract requirements and reduce the contract price to reflect the reduced value of services performed.

**9.5 Acceptance Testing.** Purchasing Entity may establish a process, in keeping with industry standards, to ascertaining whether the Product meets the standard of performance or specifications prior to Acceptance by the Purchasing Entity.

**9.5.1** The Acceptance Testing period will be thirty (30) calendar days, unless otherwise specified, starting from the day after the Product is delivered or, if installed by Contractor, the day after the Product is installed and Contractor certifies that the Product is ready for Acceptance Testing.

**9.5.2** If the Product does not meet the standard of performance or specifications during the initial period of Acceptance Testing, Purchasing Entity may, at its discretion, continue Acceptance Testing on a day-to-day basis until the standard of performance is met.

**9.5.3** Upon rejection, the Contractor will have fifteen (15) calendar days to cure. If after the cure period, the Product still has not met the standard of performance or specifications, the Purchasing Entity may, at its option: (a) declare Contractor to be in breach and terminate the Order; (b) demand replacement Product from Contractor at no additional cost to Purchasing Entity; or, (c) continue the cure period for an additional time period agreed upon by the Purchasing Entity and the Contractor.

**9.5.4** Contractor shall pay all costs related to the preparation and shipping of Product returned pursuant to the section.

**9.5.5** No Product will be deemed Accepted and no charges will be paid until the standard of performance or specification is met.

## **X. Warranty**

**10.1 Applicability.** Unless otherwise specified in the Master Agreement, Participating Addendum, or ordering document, the terms of this Section X will apply.

- 10.2 Warranty.** The Contractor warrants for a period of one year from the date of Acceptance that: (a) the Product performs according to all specific claims that the Contractor made in its response to the solicitation, (b) the Product is suitable for the ordinary purposes for which such Product is used, (c) the Product is suitable for any special purposes identified in the solicitation or for which the Purchasing Entity has relied on the Contractor's skill or judgment, (d) the Product is designed and manufactured in a commercially reasonable manner, and (e) the Product is free of defects.
- 10.3 Breach of Warranty.** Upon breach of the warranty set forth above, the Contractor will repair or replace (at no charge to the Purchasing Entity) the Product whose nonconformance is discovered and made known to the Contractor. If the repaired and/or replaced Product proves to be inadequate, or fails of its essential purpose, the Contractor will refund the full amount of any payments that have been made.
- 10.4 Rights Reserved.** The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or equity, including, without limitation, actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees and costs.
- 10.5 Warranty Period Start Date.** The warranty period will begin upon Acceptance, as set forth in Section IX.

## **XI. Product Title**

- 11.1 Conveyance of Title.** Upon Acceptance by the Purchasing Entity, Contractor shall convey to Purchasing Entity title to the Product free and clear of all liens, encumbrances, or other security interests.
- 11.2 Embedded Software.** Transfer of title to the Product must include an irrevocable and perpetual license to use any Embedded Software in the Product. If Purchasing Entity subsequently transfers title of the Product to another entity, Purchasing Entity shall have the right to transfer the license to use the Embedded Software with the transfer of Product title. A subsequent transfer of this software license will be at no additional cost or charge to either Purchasing Entity or Purchasing Entity's transferee.
- 11.3 License of Pre-Existing Intellectual Property.** Contractor grants to the Purchasing Entity a nonexclusive, perpetual, royalty-free, irrevocable, license to use, publish, translate, reproduce, transfer with any sale of tangible media or Product, perform, display, and dispose of the Intellectual Property, and its derivatives, used or delivered under this Master Agreement, but not created under it ("Pre-existing Intellectual Property"). The Contractor shall be responsible for ensuring that this license is consistent with any third-party rights in the Pre-existing Intellectual Property.

## **XII. Indemnification**

**12.1 General Indemnification.** The Contractor shall defend, indemnify and hold harmless NASPO, NASPO ValuePoint, the Lead State, Participating Entities, and Purchasing Entities, along with their officers and employees, from and against third-party claims, damages or causes of action including reasonable attorneys' fees and related costs for any death, injury, or damage to tangible property arising from any act, error, or omission of the Contractor, its employees or subcontractors or volunteers, at any tier, relating to performance under this Master Agreement.

**12.2 Intellectual Property Indemnification.** The Contractor shall defend, indemnify and hold harmless NASPO, NASPO ValuePoint, the Lead State, Participating Entities, Purchasing Entities, along with their officers and employees ("Indemnified Party"), from and against claims, damages or causes of action including reasonable attorneys' fees and related costs arising out of the claim that the Product or its use infringes Intellectual Property rights of another person or entity ("Intellectual Property Claim").

**12.2.1** The Contractor's obligations under this section will not extend to any combination of the Product with any other product, system or method, unless the Product, system or method is:

**12.2.1.1** provided by the Contractor or the Contractor's subsidiaries or affiliates;

**12.2.1.2** specified by the Contractor to work with the Product;

**12.2.1.3** reasonably required to use the Product in its intended manner, and the infringement could not have been avoided by substituting another reasonably available product, system or method capable of performing the same function; or

**12.2.1.4** reasonably expected to be used in combination with the Product.

**12.2.2** The Indemnified Party shall notify the Contractor within a reasonable time after receiving notice of an Intellectual Property Claim. Even if the Indemnified Party fails to provide reasonable notice, the Contractor shall not be relieved from its obligations unless the Contractor can demonstrate that it was prejudiced in defending the Intellectual Property Claim resulting in increased expenses or loss to the Contractor. If the Contractor promptly and reasonably investigates and defends any Intellectual Property Claim, it shall have control over the defense and settlement of the Intellectual Property Claim. However, the Indemnified Party must consent in writing for any money damages or obligations for which it may be responsible.

**12.2.3** The Indemnified Party shall furnish, at the Contractor's reasonable request and expense, information and assistance necessary for such defense. If the Contractor fails to vigorously

pursue the defense or settlement of the Intellectual Property Claim, the Indemnified Party may assume the defense or settlement of the Intellectual Property Claim and the Contractor shall be liable for all costs and expenses, including reasonable attorneys' fees and related costs, incurred by the Indemnified Party in the pursuit of the Intellectual Property Claim.

**12.2.4** Unless otherwise set forth herein, Section 12.2 is not subject to any limitations of liability in this Master Agreement or in any other document executed in conjunction with this Master Agreement.

### **XIII. Insurance**

**13.1 Term.** Contractor shall, during the term of this Master Agreement, maintain in full force and effect, the insurance described in this section. A Participating Entity may negotiate alternative Insurance requirements in their Participating Addendum.

**13.2 Class.** Contractor shall acquire such insurance from an insurance carrier or carriers licensed to conduct business in each Participating Entity's state and having a rating of A-, Class VII or better, in the most recently published edition of A.M. Best's Insurance Reports. Failure to buy and maintain the required insurance may result in this Master Agreement's termination or, at a Participating Entity's option, result in termination of its Participating Addendum.

**13.3 Coverage.** Coverage must be written on an occurrence basis. The minimum acceptable limits will be as indicated below:

**13.3.1** Contractor shall maintain Commercial General Liability insurance covering premises operations, independent contractors, products and completed operations, blanket contractual liability, personal injury (including death), advertising liability, and property damage, with a limit of not less than \$1 million per occurrence and \$2 million general aggregate;

**13.3.2** Contractor must comply with any applicable State Workers Compensation or Employers Liability Insurance requirements.

**13.4 Notice of Cancellation.** Contractor shall pay premiums on all insurance policies. Contractor shall provide notice to a Participating Entity who is a state within five (5) business days after Contractor is first aware of expiration, cancellation or nonrenewal of such policy or is first aware that cancellation is threatened or expiration, nonrenewal or expiration otherwise may occur.

**13.5 Notice of Endorsement.** Prior to commencement of performance, Contractor shall provide to the Lead State a written endorsement to the Contractor's general liability insurance policy or other documentary evidence acceptable to the Lead State that (1) provides that written notice of cancellation will be delivered in accordance with the policy provisions,

and (2) provides that the Contractor's liability insurance policy will be primary, with any liability insurance of any Participating State as secondary and noncontributory.

- 13.6 Participating Entities.** Contractor shall provide to Participating States and Participating Entities the same insurance obligations and documentation as those specified in Section XIII, except the endorsement is provided to the applicable Participating State or Participating Entity.
- 13.7 Furnishing of Certificates.** Contractor shall furnish to the Lead State copies of certificates of all required insurance in a form sufficient to show required coverage within thirty (30) calendar days of the execution of this Master Agreement and prior to performing any work. Copies of renewal certificates of all required insurance will be furnished within thirty (30) days after any renewal date to the applicable state Participating Entity. Failure to provide evidence of coverage may, at the sole option of the Lead State, or any Participating Entity, result in this Master Agreement's termination or the termination of any Participating Addendum.
- 13.8 Disclaimer.** Insurance coverage and limits will not limit Contractor's liability and obligations under this Master Agreement, any Participating Addendum, or any Purchase Order.

#### **XIV. General Provisions**

##### **14.1 Records Administration and Audit**

- 14.1.1** The Contractor shall maintain books, records, documents, and other evidence pertaining to this Master Agreement and Orders placed by Purchasing Entities under it to the extent and in such detail as will adequately reflect performance and administration of payments and fees. Contractor shall permit the Lead State, a Participating Entity, a Purchasing Entity, the federal government (including its grant awarding entities and the U.S. Comptroller General), and any other duly authorized agent of a governmental agency, to audit, inspect, examine, copy and/or transcribe Contractor's books, documents, papers and records directly pertinent to this Master Agreement or orders placed by a Purchasing Entity under it for the purpose of making audits, examinations, excerpts, and transcriptions. This right will survive for a period of six (6) years following termination of this Agreement or final payment for any order placed by a Purchasing Entity against this Master Agreement, whichever is later, or such longer period as is required by the Purchasing Entity's state statutes, to assure compliance with the terms hereof or to evaluate performance hereunder.
- 14.1.2** Without limiting any other remedy available to any governmental entity, the Contractor shall reimburse the applicable Lead State, Participating Entity, or Purchasing Entity for any overpayments

inconsistent with the terms of the Master Agreement or Orders or underpayment of fees found as a result of the examination of the Contractor's records.

- 14.1.3** The rights and obligations herein exist in addition to any quality assurance obligation in the Master Agreement that requires the Contractor to self-audit contract obligations and that permits the Lead State to review compliance with those obligations.

## **14.2 Confidentiality, Non-Disclosure, and Injunctive Relief**

- 14.2.1 Confidentiality.** Contractor acknowledges that it and its employees or agents may, in the course of providing a Product under this Master Agreement, be exposed to or acquire information that is confidential to Purchasing Entity or Purchasing Entity's clients.

- 14.2.1.1** Any and all information of any form that is marked as confidential or would by its nature be deemed confidential obtained by Contractor or its employees or agents in the performance of this Master Agreement, including but not necessarily limited to (1) any Purchasing Entity's records, (2) personnel records, and (3) information concerning individuals, is confidential information of Purchasing Entity ("Confidential Information").

- 14.2.1.2** Any reports or other documents or items (including software) that result from the use of the Confidential Information by Contractor shall be treated in the same manner as the Confidential Information.

- 14.2.1.3** Confidential Information does not include information that (1) is or becomes (other than by disclosure by Contractor) publicly known; (2) is furnished by Purchasing Entity to others without restrictions similar to those imposed by this Master Agreement; (3) is rightfully in Contractor's possession without the obligation of nondisclosure prior to the time of its disclosure under this Master Agreement; (4) is obtained from a source other than Purchasing Entity without the obligation of confidentiality, (5) is disclosed with the written consent of Purchasing Entity; or (6) is independently developed by employees, agents or subcontractors of Contractor who can be shown to have had no access to the Confidential Information.

- 14.2.2 Non-Disclosure.** Contractor shall hold Confidential Information in confidence, using at least the industry standard of

confidentiality, and shall not copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties or use Confidential Information for any purposes whatsoever other than what is necessary to the performance of Orders placed under this Master Agreement.

- 14.2.2.1** Contractor shall advise each of its employees and agents of their obligations to keep Confidential Information confidential. Contractor shall use commercially reasonable efforts to assist Purchasing Entity in identifying and preventing any unauthorized use or disclosure of any Confidential Information.
- 14.2.2.2** Without limiting the generality of the foregoing, Contractor shall advise Purchasing Entity, applicable Participating Entity, and the Lead State immediately if Contractor learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Master Agreement, and Contractor shall at its expense cooperate with Purchasing Entity in seeking injunctive or other equitable relief in the name of Purchasing Entity or Contractor against any such person.
- 14.2.2.3** Except as directed by Purchasing Entity, Contractor will not at any time during or after the term of this Master Agreement disclose, directly or indirectly, any Confidential Information to any person, except in accordance with this Master Agreement, and that upon termination of this Master Agreement or at Purchasing Entity's request, Contractor shall turn over to Purchasing Entity all documents, papers, and other matter in Contractor's possession that embody Confidential Information.
- 14.2.2.4** Notwithstanding the foregoing, Contractor may keep one copy of such Confidential Information necessary for quality assurance, audits, and evidence of the performance of this Master Agreement.

**14.2.3 Injunctive Relief.** Contractor acknowledges that Contractor's breach of Section 14.2 would cause irreparable injury to the Purchasing Entity that cannot be inadequately compensated in monetary damages. Accordingly, Purchasing Entity may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies that may be available. Contractor acknowledges and agrees that the covenants contained herein are necessary

for the protection of the legitimate business interests of Purchasing Entity and are reasonable in scope and content.

**14.2.4 Purchasing Entity Law.** These provisions will be applicable only to extent they are not in conflict with the applicable public disclosure laws of any Purchasing Entity.

**14.2.5 NASPO ValuePoint.** The rights granted to Purchasing Entities and Contractor's obligations under this section will also extend to NASPO ValuePoint's Confidential Information, including but not limited to Participating Addenda, Orders or transaction data relating to Orders under this Master Agreement that identify the entity/customer, Order dates, line-item descriptions and volumes, and prices/rates. This provision does not apply to disclosure to the Lead State, a Participating State, or any governmental entity exercising an audit, inspection, or examination pursuant to this Master Agreement. To the extent permitted by law, Contractor shall notify the Lead State of the identify of any entity seeking access to the Confidential Information described in this subsection.

**14.2.6 Public Information.** This Master Agreement and all related documents are subject to disclosure pursuant to the Lead State's public information laws.

### **14.3 Assignment/Subcontracts**

**14.3.1** Contractor shall not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this Master Agreement, in whole or in part, without the prior written approval of the Lead State.

**14.3.2** The Lead State reserves the right to assign any rights or duties, including written assignment of contract administration duties, to NASPO ValuePoint and other third parties.

**14.4 Changes in Contractor Representation.** The Contractor must, within ten (10) calendar days, notify the Lead State in writing of any changes in the Contractor's key administrative personnel managing the Master Agreement. The Lead State reserves the right to approve or reject changes in key personnel, as identified in the Contractor's proposal. The Contractor shall propose replacement key personnel having substantially equal or better education, training, and experience as was possessed by the key person proposed and evaluated in the Contractor's proposal.

**14.5 Independent Contractor.** Contractor is an independent contractor. Contractor has no authorization, express or implied, to bind the Lead State, Participating States, other Participating Entities, or Purchasing Entities to any agreements, settlements, liability or understanding whatsoever, and shall not to hold itself out as agent except as expressly

set forth herein or as expressly set forth in an applicable Participating Addendum or Order.

**14.6 Cancellation.** Unless otherwise set forth herein, this Master Agreement may be canceled by either party upon sixty (60) days' written notice prior to the effective date of the cancellation. Further, any Participating Entity may cancel its participation upon thirty (30) days' written notice, unless otherwise limited or stated in the Participating Addendum. Cancellation may be in whole or in part. Any cancellation under this provision will not affect the rights and obligations attending Orders outstanding at the time of cancellation, including any right of a Purchasing Entity to indemnification by the Contractor, rights of payment for Products delivered and accepted, rights attending any warranty or default in performance in association with any Order, and requirements for records administration and audit. Cancellation of the Master Agreement due to Contractor default may be immediate.

**14.7 Force Majeure.** Neither party to this Master Agreement shall be held responsible for delay or default caused by fire, riot, unusually severe weather, other acts of God, or acts of war which are beyond that party's reasonable control. The Lead State may terminate this Master Agreement upon determining such delay or default will reasonably prevent successful performance of the Master Agreement.

#### **14.8 Defaults and Remedies**

**14.8.1** The occurrence of any of the following events will be an event of default under this Master Agreement:

**14.8.1.1** Nonperformance of contractual requirements;

**14.8.1.2** A material breach of any term or condition of this Master Agreement;

**14.8.1.3** Any certification, representation or warranty by Contractor in response to the solicitation or in this Master Agreement that proves to be untrue or materially misleading;

**14.8.1.4** Institution of proceedings under any bankruptcy, insolvency, reorganization or similar law, by or against Contractor, or the appointment of a receiver or similar officer for Contractor or any of its property, which is not vacated or fully stayed within thirty (30) calendar days after the institution or occurrence thereof; or

**14.8.1.5** Any default specified in another section of this Master Agreement.

**14.8.2** Upon the occurrence of an event of default, the Lead State shall issue a written notice of default, identifying the nature of the default, and providing a period of fifteen (15) calendar days in

which Contractor shall have an opportunity to cure the default. The Lead State shall not be required to provide advance written notice or a cure period and may immediately terminate this Master Agreement in whole or in part if the Lead State, in its sole discretion, determines that it is reasonably necessary to preserve public safety or prevent immediate public crisis. Time allowed for cure will not diminish or eliminate Contractor's liability for damages, including liquidated damages to the extent provided for under this Master Agreement.

**14.8.3** If Contractor is afforded an opportunity to cure and fails to cure the default within the period specified in the written notice of default, Contractor shall be in breach of its obligations under this Master Agreement and the Lead State shall have the right to exercise any or all of the following remedies:

**14.8.3.1** Any remedy provided by law;

**14.8.3.2** Termination of this Master Agreement and any related Contracts or portions thereof;

**14.8.3.3** Assessment of liquidated damages as provided in this Master Agreement;

**14.8.3.4** Suspension of Contractor from being able to respond to future bid solicitations;

**14.8.3.5** Suspension of Contractor's performance; and

**14.8.3.6** Withholding of payment until the default is remedied.

**14.8.4** Unless otherwise specified in the Participating Addendum, in the event of a default under a Participating Addendum, a Participating Entity shall provide a written notice of default as described in this section and shall have all of the rights and remedies under this paragraph regarding its participation in the Master Agreement, in addition to those set forth in its Participating Addendum. Unless otherwise specified in an Order, a Purchasing Entity shall provide written notice of default as described in this section and have all of the rights and remedies under this paragraph and any applicable Participating Addendum with respect to an Order placed by the Purchasing Entity. Nothing in these Master Agreement Terms and Conditions will be construed to limit the rights and remedies available to a Purchasing Entity under the applicable commercial code.

**14.9 Waiver of Breach.** Failure of the Lead State, Participating Entity, or Purchasing Entity to declare a default or enforce any rights and remedies will not operate as a waiver under this Master Agreement, any Participating Addendum, or any Purchase Order. Any waiver by the Lead State, Participating Entity, or Purchasing Entity must be in writing. Waiver

by the Lead State or Participating Entity of any default, right or remedy under this Master Agreement or Participating Addendum, or by Purchasing Entity with respect to any Purchase Order, or breach of any terms or requirements of this Master Agreement, a Participating Addendum, or Purchase Order will not be construed or operate as a waiver of any subsequent default or breach of such term or requirement, or of any other term or requirement under this Master Agreement, any Participating Addendum, or any Purchase Order.

**14.10 Debarment.** The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in public procurement or contracting by any governmental department or agency. This certification represents a recurring certification made at the time any Order is placed under this Master Agreement. If the Contractor cannot certify this statement, attach a written explanation for review by the Lead State.

**14.11 No Waiver of Sovereign Immunity**

**14.11.1** In no event will this Master Agreement, any Participating Addendum or any contract or any Purchase Order issued thereunder, or any act of the Lead State, a Participating Entity, or a Purchasing Entity be a waiver of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court.

**14.11.2** This section applies to a claim brought against the Participating Entities who are states only to the extent Congress has appropriately abrogated the state's sovereign immunity and is not consent by the state to be sued in federal court. This section is also not a waiver by the state of any form of immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

**14.12 Governing Law and Venue**

**14.12.1** The procurement, evaluation, and award of the Master Agreement will be governed by and construed in accordance with the laws of the Lead State sponsoring and administering the procurement. The construction and effect of the Master Agreement after award will be governed by the law of the state serving as Lead State. The construction and effect of any Participating Addendum or Order against the Master Agreement will be governed by and construed in accordance with the laws of the Participating Entity's or Purchasing Entity's state.

**14.12.2** Unless otherwise specified in the RFP, the venue for any protest, claim, dispute or action relating to the procurement, evaluation, and award is in the state serving as Lead State. Venue for any claim, dispute or action concerning the terms of the Master Agreement will be in the state serving as Lead State. Venue for any claim, dispute, or action concerning any Order placed against the Master Agreement or the effect of a Participating Addendum will be in the Purchasing Entity's state.

**14.12.3** If a claim is brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for (in decreasing order of priority): the Lead State for claims relating to the procurement, evaluation, award, or contract performance or administration if the Lead State is a party; a Participating State if a named party; the state where the Participating Entity or Purchasing Entity is located if either is a named party.

**14.13 Assignment of Antitrust Rights.** Contractor irrevocably assigns to a Participating Entity who is a state any claim for relief or cause of action which the Contractor now has or which may accrue to the Contractor in the future by reason of any violation of state or federal antitrust laws (15 U.S.C. § 1-15 or a Participating Entity's state antitrust provisions), as now in effect and as may be amended from time to time, in connection with any goods or services provided in that state for the purpose of carrying out the Contractor's obligations under this Master Agreement or Participating Addendum, including, at the Participating Entity's option, the right to control any such litigation on such claim for relief or cause of action.

## Exhibit 1 to the Master Agreement: Software-as-a-Service

1. **Data Ownership:** The Purchasing Entity will own all right, title and interest in its data that is related to the Services provided by this Master Agreement. The Contractor shall not access Purchasing Entity user accounts or Purchasing Entity data, except (1) in the course of data center operations, (2) in response to service or technical issues, (3) as required by the express terms of this Master Agreement, Participating Addendum, SLA, and/or other contract documents, or (4) at the Purchasing Entity's written request.

Contractor shall not collect, access, or use user-specific Purchasing Entity Data except as strictly necessary to provide Service to the Purchasing Entity. No information regarding a Purchasing Entity's use of the Service may be disclosed, provided, rented or sold to any third party for any reason unless required by law or regulation or by an order of a court of competent jurisdiction. This obligation shall survive and extend beyond the term of this Master Agreement.

2. **Data Protection:** Protection of personal privacy and data shall be an integral part of the business activities of the Contractor to ensure there is no inappropriate or unauthorized use of Purchasing Entity information at any time. To this end, the Contractor shall safeguard the confidentiality, integrity and availability of Purchasing Entity information and comply with the following conditions:
  - a. The Contractor shall implement and maintain appropriate administrative, technical and organizational security measures to safeguard against unauthorized access, disclosure or theft of Personal Data and Non-Public Data. Such security measures shall be in accordance with recognized industry practice and not less stringent than the measures the Contractor applies to its own Personal Data and Non-Public Data of similar kind.
  - b. All data obtained by the Contractor in the performance of the Master Agreement shall become and remain the property of the Purchasing Entity.
  - c. All Personal Data shall be encrypted at rest and in transit with controlled access. Unless otherwise stipulated, the Contractor is responsible for encryption of the Personal Data. Any stipulation of responsibilities will identify specific roles and responsibilities and shall be included in the service level agreement (SLA), or otherwise made a part of the Master Agreement.
  - d. Unless otherwise stipulated, the Contractor shall encrypt all Non-Public Data at rest and in transit. The Purchasing Entity shall identify data it deems as Non-Public Data to the Contractor. The level of protection and encryption for all Non-Public Data shall be identified in the SLA.
  - e. At no time shall any data or processes — that either belong to or are intended for the use of a Purchasing Entity or its officers, agents or

employees — be copied, disclosed or retained by the Contractor or any party related to the Contractor for subsequent use in any transaction that does not include the Purchasing Entity.

- f. The Contractor shall not use any information collected in connection with the Services issued from this Master Agreement for any purpose other than fulfilling the Services.

**3. Data Location:** The Contractor shall provide its services to the Purchasing Entity and its end users solely from data centers in the U.S. Storage of Purchasing Entity data at rest shall be located solely in data centers in the U.S. The Contractor shall not allow its personnel or contractors to store Purchasing Entity data on portable devices, including personal computers, except for devices that are used and kept only at its U.S. data centers. The Contractor shall permit its personnel and contractors to access Purchasing Entity data remotely only as required to provide technical support. The Contractor may provide technical user support on a 24/7 basis using a Follow the Sun model, unless otherwise prohibited in a Participating Addendum.

**4. Security Incident or Data Breach Notification:**

- a. Incident Response: Contractor may need to communicate with outside parties regarding a security incident, which may include contacting law enforcement, fielding media inquiries and seeking external expertise as mutually agreed upon, defined by law or contained in the contract. Discussing security incidents with the Purchasing Entity should be handled on an urgent as-needed basis, as part of Contractor’s communication and mitigation processes as mutually agreed upon, defined by law or contained in the Master Agreement.
- b. Security Incident Reporting Requirements: The Contractor shall report a security incident to the Purchasing Entity identified contact immediately as soon as possible or promptly without out reasonable delay, or as defined in the SLA.
- c. Breach Reporting Requirements: If the Contractor has actual knowledge of a confirmed data breach that affects the security of any purchasing entity’s content that is subject to applicable data breach notification law, the Contractor shall (1) as soon as possible or promptly without out reasonable delay notify the Purchasing Entity, unless shorter time is required by applicable law, and (2) take commercially reasonable measures to address the data breach in a timely manner.

**5. Personal Data Breach Responsibilities:** This section only applies when a Data Breach occurs with respect to Personal Data within the possession or control of the Contractor.

- a. The Contractor, unless stipulated otherwise, shall immediately notify the appropriate Purchasing Entity identified contact by telephone in

accordance with the agreed upon security plan or security procedures if it reasonably believes there has been a security incident.

- b. The Contractor, unless stipulated otherwise, shall promptly notify the appropriate Purchasing Entity identified contact within 24 hours or sooner by telephone, unless shorter time is required by applicable law, if it has confirmed that there is, or reasonably believes that there has been a Data Breach. The Contractor shall (1) cooperate with the Purchasing Entity as reasonably requested by the Purchasing Entity to investigate and resolve the Data Breach, (2) promptly implement necessary remedial measures, if necessary, and (3) document responsive actions taken related to the Data Breach, including any post-incident review of events and actions taken to make changes in business practices in providing the services, if necessary.
- c. Unless otherwise stipulated, if a data breach is a direct result of Contractor's breach of its contractual obligation to encrypt personal data or otherwise prevent its release as reasonably determined by the Purchasing Entity, the Contractor shall bear the costs associated with (1) the investigation and resolution of the data breach; (2) notifications to individuals, regulators or others required by federal and state laws or as otherwise agreed to; (3) a credit monitoring service required by state (or federal) law or as otherwise agreed to; (4) a website or a toll-free number and call center for affected individuals required by federal and state laws — all not to exceed the average per record per person cost calculated for data breaches in the United States (currently \$217 per record/person) in the most recent Cost of Data Breach Study: Global Analysis published by the Ponemon Institute at the time of the data breach; and (5) complete all corrective actions as reasonably determined by Contractor based on root cause.

**6. Notification of Legal Requests:** The Contractor shall contact the Purchasing Entity upon receipt of any electronic discovery, litigation holds, discovery searches and expert testimonies related to the Purchasing Entity's data under the Master Agreement, or which in any way might reasonably require access to the data of the Purchasing Entity. The Contractor shall not respond to subpoenas, service of process and other legal requests related to the Purchasing Entity without first notifying and obtaining the approval of the Purchasing Entity, unless prohibited by law from providing such notice.

**7. Termination and Suspension of Service:**

- a. In the event of a termination of the Master Agreement or applicable Participating Addendum, the Contractor shall implement an orderly return of purchasing entity's data in a CSV or another mutually agreeable format at a time agreed to by the parties or allow the Purchasing Entity to extract it's data and the subsequent secure disposal of purchasing entity's data.

- b. During any period of service suspension, the Contractor shall not take any action to intentionally erase or otherwise dispose of any of the Purchasing Entity's data.
- c. In the event of termination of any services or agreement in entirety, the Contractor shall not take any action to intentionally erase purchasing entity's data for a period of:
  - 10 days after the effective date of termination, if the termination is in accordance with the contract period
  - 30 days after the effective date of termination, if the termination is for convenience
  - 60 days after the effective date of termination, if the termination is for cause

After such period, the Contractor shall have no obligation to maintain or provide any purchasing entity's data and shall thereafter, unless legally prohibited, delete all purchasing entity's data in its systems or otherwise in its possession or under its control.

- d. The purchasing entity shall be entitled to any post termination assistance generally made available with respect to the services, unless a unique data retrieval arrangement has been established as part of an SLA.
  - e. Upon termination of the Services or the Agreement in its entirety, Contractor shall securely dispose of all Purchasing Entity's data in all of its forms, such as disk, CD/ DVD, backup tape and paper, unless stipulated otherwise by the Purchasing Entity. Data shall be permanently deleted and shall not be recoverable, according to National Institute of Standards and Technology (NIST)-approved methods. Certificates of destruction shall be provided to the Purchasing Entity.
- 8. Background Checks:** Upon the request of the Purchasing Entity, the Contractor shall conduct criminal background checks and not utilize any staff, including subcontractors, to fulfill the obligations of the Master Agreement who have been convicted of any crime of dishonesty, including but not limited to criminal fraud, or otherwise convicted of any felony or misdemeanor offense for which incarceration for up to 1 year is an authorized penalty. The Contractor shall promote and maintain an awareness of the importance of securing the Purchasing Entity's information among the Contractor's employees and agents. If any of the stated personnel providing services under a Participating Addendum is not acceptable to the Purchasing Entity in its sole opinion as a result of the background or criminal history investigation, the Purchasing Entity, in its' sole option shall have the right to either (1) request immediate replacement of the person, or (2) immediately terminate the Participating Addendum and any related service agreement.

- 9. Access to Security Logs and Reports:** The Contractor shall provide reports on a schedule specified in the SLA to the Purchasing Entity in a format as specified in the SLA agreed to by both the Contractor and the Purchasing Entity. Reports shall include latency statistics, user access, user access IP address, user access history and security logs for all public jurisdiction files related to this Master Agreement and applicable Participating Addendum.
- 10. Contract Audit:** The Contractor shall allow the Purchasing Entity to audit conformance to the Master Agreement terms. The Purchasing Entity may perform this audit or contract with a third party at its discretion and at the Purchasing Entity's expense.
- 11. Data Center Audit:** The Contractor shall perform an independent audit of its data centers at least annually at its expense, and provide an unredacted version of the audit report upon request to a Purchasing Entity. The Contractor may remove its proprietary information from the unredacted version. A Service Organization Control (SOC) 2 audit report or approved equivalent sets the minimum level of a third-party audit.
- 12. Change Control and Advance Notice:** The Contractor shall give a minimum forty eight (48) hour advance notice (or as determined by a Purchasing Entity and included in the SLA) to the Purchasing Entity of any upgrades (e.g., major upgrades, minor upgrades, system changes) that may impact service availability and performance. A major upgrade is a replacement of hardware, software or firmware with a newer or better version in order to bring the system up to date or to improve its characteristics. It usually includes a new version number.
- Contractor will make updates and upgrades available to Purchasing Entity at no additional costs when Contractor makes such updates and upgrades generally available to its users.
- No update, upgrade or other charge to the Service may decrease the Service's functionality, adversely affect Purchasing Entity's use of or access to the Service, or increase the cost of the Service to the Purchasing Entity.
- Contractor will notify the Purchasing Entity at least sixty (60) days in advance prior to any major update or upgrade.
- 13. Security:** As requested by a Purchasing Entity, the Contractor shall disclose its non-proprietary system security plans (SSP) or security processes and technical limitations to the Purchasing Entity such that adequate protection and flexibility can be attained between the Purchasing Entity and the Contractor. For example: virus checking and port sniffing — the Purchasing Entity and the Contractor shall understand each other's roles and responsibilities.
- 14. Non-disclosure and Separation of Duties:** The Contractor shall enforce separation of job duties, require commercially reasonable non-disclosure agreements, and limit staff knowledge of Purchasing Entity data to that which is absolutely necessary to perform job duties.

- 15. Import and Export of Data:** The Purchasing Entity shall have the ability to import or export data in piecemeal or in entirety at its discretion without interference from the Contractor at any time during the term of Contractor's contract with the Purchasing Entity. This includes the ability for the Purchasing Entity to import or export data to/from other Contractors. Contractor shall specify if Purchasing Entity is required to provide its' own tools for this purpose, including the optional purchase of Contractors tools if Contractors applications are not able to provide this functionality directly.
- 16. Responsibilities and Uptime Guarantee:** The Contractor shall be responsible for the acquisition and operation of all hardware, software and network support related to the services being provided. The technical and professional activities required for establishing, managing and maintaining the environments are the responsibilities of the Contractor. The system shall be available 24/7/365 (with agreed-upon maintenance downtime), and provide service to customers as defined in the SLA.
- 17. Subcontractor Disclosure:** Contractor shall identify all of its strategic business partners related to services provided under this Master Agreement, including but not limited to all subcontractors or other entities or individuals who may be a party to a joint venture or similar agreement with the Contractor, and who shall be involved in any application development and/or operations.
- 18. Right to Remove Individuals:** The Purchasing Entity shall have the right at any time to require that the Contractor remove from interaction with Purchasing Entity any Contractor representative who the Purchasing Entity believes is detrimental to its working relationship with the Contractor. The Purchasing Entity shall provide the Contractor with notice of its determination, and the reasons it requests the removal. If the Purchasing Entity signifies that a potential security violation exists with respect to the request, the Contractor shall immediately remove such individual. The Contractor shall not assign the person to any aspect of the Master Agreement or future work orders without the Purchasing Entity's consent.
- 19. Business Continuity and Disaster Recovery:** The Contractor shall provide a business continuity and disaster recovery plan upon request and ensure that the Purchasing Entity's recovery time objective (RTO) of XXX hours/days is met. (XXX hour/days shall be provided to Contractor by the Purchasing Entity.) Contractor must work with the Purchasing Entity to perform an annual Disaster Recovery test and take action to correct any issues detected during the test in a time frame mutually agreed between the Contractor and the Purchasing Entity.
- 20. Compliance with Accessibility Standards:** The Contractor shall comply with and adhere to Accessibility Standards of Section 508 Amendment to the Rehabilitation Act of 1973, or any other state laws or administrative regulations identified by the Participating Entity.
- 21. Web Services:** The Contractor shall use Web services exclusively to interface with the Purchasing Entity's data in near real time.

**22. Encryption of Data at Rest:** The Contractor shall ensure hard drive encryption consistent with validated cryptography standards as referenced in FIPS 140-2, Security Requirements for Cryptographic Modules for all Personal Data, unless the Purchasing Entity approves in writing for the storage of Personal Data on a Contractor portable device in order to accomplish work as defined in the statement of work.

**23. Subscription Terms:** Contractor grants to a Purchasing Entity a license to: (i) access and use the Service for its business purposes; (ii) for SaaS, use underlying software as embodied or used in the Service; and (iii) view, copy, upload and download (where applicable), and use Contractor's documentation.

No Contractor terms, including standard click through license or website terms or use of privacy policy, shall apply to Purchasing Entities unless such terms are included in this Master Agreement.

## Exhibit 2 to the Master Agreement: Platform-as-a-Service

1. **Data Ownership:** The Purchasing Entity will own all right, title and interest in its data that is related to the Services provided by this Master Agreement. The Contractor shall not access Purchasing Entity user accounts or Purchasing Entity data, except (1) in the course of data center operations, (2) in response to service or technical issues, (3) as required by the express terms of this Master Agreement, Participating Addendum, SLA, and/or other contract documents, or (4) at the Purchasing Entity's written request.

Contractor shall not collect, access, or use user-specific Purchasing Entity Data except as strictly necessary to provide Service to the Purchasing Entity. No information regarding a Purchasing Entity's use of the Service may be disclosed, provided, rented or sold to any third party for any reason unless required by law or regulation or by an order of a court of competent jurisdiction. This obligation shall survive and extend beyond the term of this Master Agreement.

2. **Data Protection:** Protection of personal privacy and data shall be an integral part of the business activities of the Contractor to ensure there is no inappropriate or unauthorized use of Purchasing Entity information at any time. To this end, the Contractor shall safeguard the confidentiality, integrity and availability of Purchasing Entity information and comply with the following conditions:
  - a. The Contractor shall implement and maintain appropriate administrative, technical and organizational security measures to safeguard against unauthorized access, disclosure or theft of Personal Data and Non-Public Data. Such security measures shall be in accordance with recognized industry practice and not less stringent than the measures the Contractor applies to its own Personal Data and Non-Public Data of similar kind.
  - b. All data obtained by the Contractor in the performance of the Master Agreement shall become and remain the property of the Purchasing Entity.
  - c. All Personal Data shall be encrypted at rest and in transit with controlled access. Unless otherwise stipulated, the Contractor is responsible for encryption of the Personal Data. Any stipulation of responsibilities will identify specific roles and responsibilities and shall be included in the service level agreement (SLA), or otherwise made a part of the Master Agreement.
  - d. Unless otherwise stipulated, the Contractor shall encrypt all Non-Public Data at rest and in transit. The Purchasing Entity shall identify data it deems as Non-Public Data to the Contractor. The level of protection and encryption for all Non-Public Data shall be identified in the SLA.
  - e. At no time shall any data or processes — that either belong to or are intended for the use of a Purchasing Entity or its officers, agents or

employees — be copied, disclosed or retained by the Contractor or any party related to the Contractor for subsequent use in any transaction that does not include the Purchasing Entity.

- f. The Contractor shall not use any information collected in connection with the Services issued from this Master Agreement for any purpose other than fulfilling the Services.
- 3. Data Location:** The Contractor shall provide its services to the Purchasing Entity and its end users solely from data centers in the U.S. Storage of Purchasing Entity data at rest shall be located solely in data centers in the U.S. The Contractor shall not allow its personnel or contractors to store Purchasing Entity data on portable devices, including personal computers, except for devices that are used and kept only at its U.S. data centers. The Contractor shall permit its personnel and contractors to access Purchasing Entity data remotely only as required to provide technical support. The Contractor may provide technical user support on a 24/7 basis using a Follow the Sun model, unless otherwise prohibited in a Participating Addendum.
  - 4. Security Incident or Data Breach Notification:** The Contractor shall inform the Purchasing Entity of any security incident or data breach within the possession and control of the Contractor and related to the service provided under the Master Agreement, Participating Addendum, or SLA. Such notice shall include, to the best of Contractor's knowledge at that time, the persons affected, their identities, and the Confidential Information and Data disclosed, or shall include if this information is unknown.
    - a. Incident Response: The Contractor may need to communicate with outside parties regarding a security incident, which may include contacting law enforcement, fielding media inquiries and seeking external expertise as mutually agreed upon, defined by law or contained in the Master Agreement, Participating Addendum, or SLA. Discussing security incidents with the Purchasing Entity should be handled on an urgent as-needed basis, as part of Contractor's communication and mitigation processes as mutually agreed, defined by law or contained in the Master Agreement, Participating Addendum, or SLA.
    - b. Security Incident Reporting Requirements: Unless otherwise stipulated, the Contractor shall immediately report a security incident related to its service under the Master Agreement, Participating Addendum, or SLA to the appropriate Purchasing Entity.
    - c. Breach Reporting Requirements: If the Contractor has actual knowledge of a confirmed data breach that affects the security of any Purchasing Entity data that is subject to applicable data breach notification law, the Contractor shall (1) promptly notify the appropriate Purchasing Entity within 24 hours or sooner, unless shorter time is required by applicable law, and (2) take commercially reasonable measures to address the data breach in a timely manner

**5. Breach Responsibilities:** This section only applies when a Data Breach occurs with respect to Personal Data within the possession or control of the Contractor.

- a. The Contractor, unless stipulated otherwise, shall immediately notify the appropriate Purchasing Entity identified contact by telephone in accordance with the agreed upon security plan or security procedures if it reasonably believes there has been a security incident.
- b. The Contractor, unless stipulated otherwise, shall promptly notify the appropriate Purchasing Entity identified contact within 24 hours or sooner by telephone, unless shorter time is required by applicable law, if it has confirmed that there is, or reasonably believes that there has been a data breach. The Contractor shall (1) cooperate with the Purchasing Entity as reasonably requested by the Purchasing Entity to investigate and resolve the data breach, (2) promptly implement necessary remedial measures, if necessary, and (3) document responsive actions taken related to the data breach, including any post-incident review of events and actions taken to make changes in business practices in providing the services, if necessary.
- c. Unless otherwise stipulated, if a Data Breach is a direct result of Contractor's breach of its contractual obligation to encrypt Personal Data or otherwise prevent its release, the Contractor shall bear the costs associated with (1) the investigation and resolution of the data breach; (2) notifications to individuals, regulators or others required by federal and state laws or as otherwise agreed to; (3) a credit monitoring service required by state (or federal) law or as otherwise agreed to; (4) a website or a toll-free number and call center for affected individuals required by federal and state laws — all not to exceed the average per record per person cost calculated for data breaches in the United States (currently \$217 per record/person) in the most recent Cost of Data Breach Study: Global Analysis published by the Ponemon Institute at the time of the data breach; and (5) complete all corrective actions as reasonably determined by Contractor based on root cause.

**6. Notification of Legal Requests:** The Contractor shall contact the Purchasing Entity upon receipt of any electronic discovery, litigation holds, discovery searches and expert testimonies related to the Purchasing Entity's data under the Master Agreement, or which in any way might reasonably require access to the data of the Purchasing Entity. The Contractor shall not respond to subpoenas, service of process and other legal requests related to the Purchasing Entity without first notifying and obtaining the approval of the Purchasing Entity, unless prohibited by law from providing such notice.

**7. Termination and Suspension of Service:**

- a. In the event of an early termination of the Master Agreement, Participating or SLA, Contractor shall allow for the Purchasing Entity to retrieve its

digital content and provide for the subsequent secure disposal of the Purchasing Entity's digital content.

- b. During any period of service suspension, the Contractor shall not take any action to intentionally erase or otherwise dispose of any of the Purchasing Entity's data.
- c. In the event of early termination of any Services or agreement in entirety, the Contractor shall not take any action to intentionally erase any Purchasing Entity's data for a period of 1) 45 days after the effective date of termination, if the termination is for convenience; or 2) 60 days after the effective date of termination, if the termination is for cause. After such day period, the Contractor shall have no obligation to maintain or provide any Purchasing Entity data and shall thereafter, unless legally prohibited, delete all Purchasing Entity data in its systems or otherwise in its possession or under its control. In the event of either termination for cause, the Contractor will impose no fees for access and retrieval of digital content to the Purchasing Entity.
- d. The Purchasing Entity shall be entitled to any post termination assistance generally made available with respect to the services, unless a unique data retrieval arrangement has been established as part of an SLA.
- e. Upon termination of the Services or the Agreement in its entirety, Contractor shall securely dispose of all Purchasing Entity's data in all of its forms, such as disk, CD/ DVD, backup tape and paper, unless stipulated otherwise by the Purchasing Entity. Data shall be permanently deleted and shall not be recoverable, according to National Institute of Standards and Technology (NIST)-approved methods. Certificates of destruction shall be provided to the Purchasing Entity.

## **8. Background Checks:**

- a. Upon the request of the Purchasing Entity, the Contractor shall conduct criminal background checks and not utilize any staff, including subcontractors, to fulfill the obligations of the Master Agreement who have been convicted of any crime of dishonesty, including but not limited to criminal fraud, or otherwise convicted of any felony or misdemeanor offense for which incarceration for up to 1 year is an authorized penalty. The Contractor shall promote and maintain an awareness of the importance of securing the Purchasing Entity's information among the Contractor's employees and agents.
- b. The Contractor and the Purchasing Entity recognize that security responsibilities are shared. The Contractor is responsible for providing a secure infrastructure. The Purchasing Entity is responsible for its secure guest operating system, firewalls and other logs captured within the guest operating system. Specific shared responsibilities are identified within the SLA.

- c. If any of the stated personnel providing services under a Participating Addendum is not acceptable to the Purchasing Entity in its sole opinion as a result of the background or criminal history investigation, the Purchasing Entity, in its' sole option shall have the right to either (1) request immediate replacement of the person, or (2) immediately terminate the Participating Addendum and any related service agreement.

**9. Access to Security Logs and Reports:**

- a. The Contractor shall provide reports on a schedule specified in the SLA to the Purchasing Entity in a format as specified in the SLA and agreed to by both the Contractor and the Purchasing Entity. Reports will include latency statistics, user access, user access IP address, user access history and security logs for all Purchasing Entity files related to the Master Agreement, Participating Addendum, or SLA.
- b. The Contractor and the Purchasing Entity recognize that security responsibilities are shared. The Contractor is responsible for providing a secure infrastructure. The Purchasing Entity is responsible for its secure guest operating system, firewalls and other logs captured within the guest operating system. Specific shared responsibilities are identified within the SLA.

**10. Contract Audit:** The Contractor shall allow the Purchasing Entity to audit conformance to the Master Agreement terms. The Purchasing Entity may perform this audit or contract with a third party at its discretion and at the Purchasing Entity's expense.

**11. Data Center Audit:** The Contractor shall perform an independent audit of its data centers at least annually at its expense, and provide an unredacted version of the audit report upon request to a Purchasing Entity. The Contractor may remove its proprietary information from the unredacted version. A Service Organization Control (SOC) 2 audit report or approved equivalent sets the minimum level of a third-party audit.

**12. Change Control and Advance Notice:** The Contractor shall give a minimum forty eight (48) hour advance notice (or as determined by a Purchasing Entity and included in the SLA) to the Purchasing Entity of any upgrades (e.g., major upgrades, minor upgrades, system changes) that may impact service availability and performance. A major upgrade is a replacement of hardware, software or firmware with a newer or better version in order to bring the system up to date or to improve its characteristics. It usually includes a new version number.

Contractor will make updates and upgrades available to Purchasing Entity at no additional costs when Contractor makes such updates and upgrades generally available to its users.

No update, upgrade or other charge to the Service may decrease the Service's functionality, adversely affect Purchasing Entity's use of or access to the Service, or increase the cost of the Service to the Purchasing Entity.

Contractor will notify the Purchasing Entity at least sixty (60) days in advance prior to any major update or upgrade.

- 13. Security:** As requested by a Purchasing Entity, the Contractor shall disclose its non-proprietary system security plans (SSP) or security processes and technical limitations to the Purchasing Entity such that adequate protection and flexibility can be attained between the Purchasing Entity and the Contractor. For example: virus checking and port sniffing — the Purchasing Entity and the Contractor shall understand each other's roles and responsibilities.
- 14. Non-disclosure and Separation of Duties:** The Contractor shall enforce separation of job duties, require commercially reasonable non-disclosure agreements, and limit staff knowledge of Purchasing Entity data to that which is absolutely necessary to perform job duties.
- 15. Import and Export of Data:** The Purchasing Entity shall have the ability to import or export data in piecemeal or in entirety at its discretion without interference from the Contractor at any time during the term of Contractor's contract with the Purchasing Entity. This includes the ability for the Purchasing Entity to import or export data to/from other Contractors. Contractor shall specify if Purchasing Entity is required to provide its' own tools for this purpose, including the optional purchase of Contractors tools if Contractors applications are not able to provide this functionality directly.
- 16. Responsibilities and Uptime Guarantee:** The Contractor shall be responsible for the acquisition and operation of all hardware, software and network support related to the services being provided. The technical and professional activities required for establishing, managing and maintaining the environments are the responsibilities of the Contractor. The system shall be available 24/7/365 (with agreed-upon maintenance downtime), and provide service to customers as defined in the SLA.
- 17. Subcontractor Disclosure:** Contractor shall identify all of its strategic business partners related to services provided under this Master Agreement, including but not limited to all subcontractors or other entities or individuals who may be a party to a joint venture or similar agreement with the Contractor, and who shall be involved in any application development and/or operations.
- 18. Business Continuity and Disaster Recovery:** The Contractor shall provide a business continuity and disaster recovery plan upon request and ensure that the Purchasing Entity's recovery time objective (RTO) of XXX hours/days is met. (XXX hour/days shall be provided to Contractor by the Purchasing Entity.) Contractor must work with the Purchasing Entity to perform an annual Disaster Recovery test and take action to correct any issues detected during the test in a time frame mutually agreed between the Contractor and the Purchasing Entity.
- 19. Compliance with Accessibility Standards:** The Contractor shall comply with and adhere to Accessibility Standards of Section 508 Amendment to the

Rehabilitation Act of 1973 or any other state laws or administrative regulations identified by the Participating Entity.

**20. Web Services:** The Contractor shall use Web services exclusively to interface with the Purchasing Entity's data in near real time.

**21. Encryption of Data at Rest:** The Contractor shall ensure hard drive encryption consistent with validated cryptography standards as referenced in FIPS 140-2, Security Requirements for Cryptographic Modules for all Personal Data as identified in the SLA, unless the Contractor presents a justifiable position that is approved by the Purchasing Entity that Personal Data, is required to be stored on a Contractor portable device in order to accomplish work as defined in the scope of work.

**22. Subscription Terms:** Contractor grants to a Purchasing Entity a license to: (i) access and use the Service for its business purposes; (ii) for PaaS, use underlying software as embodied or used in the Service; and (iii) view, copy, upload and download (where applicable), and use Contractor's documentation.

No Contractor terms, including standard click through license or website terms or use of privacy policy, shall apply to Purchasing Entities unless such terms are included in this Master Agreement.

## Attachment B – Scope of Work

Contractor – Merit International

### I. Awarded Scope / Executive Summary

The scope of this contract award includes the following category(ies):

Category 1 – Platform Management - A software solution that will offer a variety of applications to help customers (i.e., public entities) manage systems across platforms. Platform management will answer questions and contain solutions that remember, remind, and respond to users.

Additional Value Add Items / Services may be offered by Contractor within the Award Category listed above. Such value-added solutions may include, but are not limited to, solutions as - identity management, referrals engine, user behavior analytics, digital wallets, web hosting, Website & web app development, eCommerce services and payment processing, etc.

### II. Value Add Solutions

#### a. Value Add Items

##### **Value Added Item #1: Digital wallet**

**How will this add value?** Providing all customers or citizens with a free digital wallet to collect achievements adds value to credentials, fosters reciprocity and allows for verified identity.

**Documented Performance:** Merit offers its digital wallet for free to anyone, available for Android or IOS. To date 1,754,849 people have received at least one merit and over 309,108 people have claimed their merit accounts are using the Merit digital wallet.

**Cost Impact (%): 0 Schedule Impact (%): 0**

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##### **Value Added Item #2: Custom web app development**

**How will this add value?** To fill gaps in service or meet regulatory needs often a custom app can automate the process quickly.

**Documented Performance:** Merit is able to do custom app development to cater to business cases and processes not already covered in the existing Merit platform and 3rd party app ecosystem. These projects need to be discussed and evaluated on a case by case basis for cost impact and schedule impact. Examples: Merit Lookup tool for Barbacide to allow verification and lookup of cosmetologists. Merit registration web app for badging and enrollment for FL COVID vaccination sites.

**Cost Impact (%): Unknown Schedule Impact (%): Unknown**

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##### **Value Added Item #3: Personnel Accountability and Time tracking**

**How will this add value?** Allows customers to track hours and time for disaster events,

training classes and public safety events to then report for reimbursement.

**Documented Performance:** Merit allows for time tracking for all industries, from workforce development training programs to track progress in programs; continuing education hours for licensing renewals and in emergency management with volunteer and staff hours tracking for reimbursement from FEMA or other sources. Example: FL DEM to date has over 755,853 hours have been tracked in over 103,408 shifts, and 103 locations with over \$30,000,000+ value in reimbursements captured.

**Cost Impact (%): 0 Schedule Impact (%): Undetermined.**

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**Value Added Item #4: Kiosks for sign-in and tracking**

**How will this add value?** Allows for remote or in person check in for training, education classes and events.

**Documented Performance:** FL DEM project spanned over 103 COVID-19 vaccination sites in setting up kiosks for check in and highlighted Merits nimble project style and professionalism.

**Cost Impact (%): Varied Schedule Impact (%): Minimal**

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**Value Added Item #5: Notifications using Merit Opportunities direct to qualified people**

**How will this add value?** Agencies often need to notify customers of new policies, training offered, education pathways, support services available or the need for volunteers in the case of disaster. It is important that this messaging gets to the right people - qualified based on credentials, certifications or experience.

**Documented Performance:** Merit Opportunities has sent over 1300 qualified opportunities to users to date and continues to have outreach to employers, education providers and many other associated services for users. Merit has worked with numerous agencies providing advanced notification to opportunities. Examples: RI Back to Work availability of support services. Outreach by the State of CA to 17,702,879 Californians for COVID specific communications. Job opportunities and training offers to licensees in Virginia.

**Cost Impact (%): 0 Schedule Impact (%): 0**

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**b. Value Add Solutions That Involve Third-Party Software Solutions**

Contractor must be the original software publisher of the solutions offered within its Awarded Scope. Contractor may nonetheless submit value added solutions that involve third-party software solutions. As Contractor chooses to offer third-party software solutions as part of its value-added offerings any third-party end user licensing agreements (distributed with such

software) are included in this Master Agreement through Attachment E. supplemental documents with its proposal.

The third party end user license agreements will be at the discretion of each Participating State or Participating Entity to review, negotiate and/or utilize these documents within their Participating Addendum. Purchasing Entities that acquire third-party software solutions shall be subject to the end user licensing agreements distributed with such software, unless otherwise stated in a Participating Addendum or as negotiated between the Purchasing Entity and third-party software provider.

### **III. Service Approach.**

Merit prefers to take a collaborative and cross-functional approach with clients and the Merit platform naturally allows for agile software development efforts. The Merit team is composed of product and engineering team members who have between 6-20 years of experience developing technology products for enterprises and government customers, large service providers and consumers. The team utilizes industry best practices in their day-to-day development processes and leverages experiences from the past to develop high-quality platforms and products that scale to over hundred thousand organizations, hundreds of millions of people and billions of transactions between them. All Merit implementations are structured to be as seamless and low lift as possible. We will work with your IT team's preferred file sharing method. Merit enables multiple pathways for efficiently sending and verifying merits, including direct integrations, automation through partners like Zapier, automated bulk upload, and manual merit sending. We are happy to accommodate the agency's team with the process that works best for them. Merit projects can take as little as 90 days to go live, depending on the complexity of the scope of work.

#### **Sample Timeline**

##### **Phase 1: Scoping & Contracting**

The Merit team will introduce an Implementation Manager to provide project oversight and management. The Implementation Team will map out the full scope of the project in close coordination with the customer, to fully understand the existing programs and develop a roadmap/plan for the partnership. The team will detail all logistical aspects of the project, including establishing a suitable meeting schedule for all relevant stakeholders. Merit will conduct regular (weekly or biweekly at customer's discretion) project status briefings which will provide a detailed update on the project's progress towards each deliverable. Merit will notify the customer about any changes to timeline or quality of deliverables, as well as updating on any existing or anticipated issues, action items, risks and needs to ensure success of the project at each stage. This phase focuses on understanding goals, objectives, desired timelines, including setting initial target date for go live.

**Phase 2: Technical Build-out**

Technical Build-out defines the core configuration and integrations that will take place during the Merit partnership. It is necessarily the first phase after scoping, and through the series of numbered sprints will deliver the defined deliverables, ending with the final feedback, test and launch. Merit will provide demonstrations of the proposed solution in detail and clearly show and describe how it meets each of the project functions. This phase includes detailed requirements development (templates, fields, rules etc), data access and authentication and review of data (fields, formats, number of valid records).

**Phase 3: Non-Technical Build-out**

This Phase can be concurrent with Phase 2 if desired/required for timeline efficiency purposes. In close coordination with the technical team, Merit will work closely with the project staff to design and implement the non-technical aspects of our project, including but not limited to: Training Plan, Multi-Channel Marketing/Awareness Campaign, Opportunities Mapping and/or Merit Template creation (for Messaging/Notifications), Customer Success Help Centers (set-up custom help centers for staff and volunteers), Launch Date(s) Planning, Reporting Dashboard for agency - design based on customer's unique needs. Merit can fully deploy in 90 days or sooner negating the need for a test environment. Information as configured during this process could be used for demonstrations and requirements gathering.

**Phase 4: Integration & Dashboard Development**

The Merit Product Team will work with the agency to execute a smooth and successful integration of the relevant databases, including development of any required connector. Detailed implementation review and clarifications will take place with finalization of the build. This includes merit template mapping, design and creation, data cleaning and integrating into the Merit platform. Technical test plan will be executed, and all non-technical materials are reviewed and approved by the agency as required. As part of Phase 4, Merit will work with the agency to quickly develop a custom training plan based on the specific needs and requirements of this project. This will include both technical and end-user components, and will cover extensive training and training materials for administrator-users (agency staff and any relevant other partners) and end-users. In addition, as any release upgrades occur, Merit will ensure timely training support for administrator-users and end-users and update relevant training materials in short order as required.

**Phase 5: Rollout & Public Launch**

Merits will be sent to designated recipients. Merit will have staff available to handle troubleshooting for agency staff and public participants. Merit will deliver a customized and fully tested and accepted production-ready system.

**Phase 6: Maintenance & Driving Adoption**

Merit and the customer will establish a mutually satisfactory schedule for checking-in, tracking progress to goals set in the project scope and reporting any feedback from administrative staff and users. Support, maintenance and partnership will be provided by Merit for the length of our contract. The Merit team will continue maintaining and upgrading the platform with more product features and security measures to ensure continued utility and safety. Our Customer Success team establishes their ubiquitous presence through options such as online live chat, email, a 1-800 number, and even proactive monitoring of user-impact issues through our engineering team's analytics and monitoring infrastructure. The Merit team's primary customer is the agency, but also invests in the entire ecosystem around it, consistently reducing the work required for the state to issue and verify credentials and helping issuing agencies modernize to offer a solution to their regulants and modernize their digital workflows.

#### **IV. Service Assumptions**

The Statement of Work which would be developed in coordination with the customer will include the fees and timelines for performance of the Services and all final Assumptions. Below is a list of standard Assumptions but can be deviated from based on final contracting decisions.

- All included platform apps and services included in the project will be agreed upon and outlined in the Statement of Work.
- Work will be performed by Merit off site, with any required meetings onsite at the customers location as required.
- Project start date will be determined in the Statement of Work. Any delay in project kick-off will directly impact the project go-live date.
- The customer will provide remote access to their database for data conversion and integration activities.
- Configuration development for merit templates will be done in parallel unless otherwise determined as a pilot approach.
- The Merit team will validate credential requirements with approved and verified entities. Merits are not sent from unverified sources.
- The Statement of Work will list any data transfer model or interfaces that are in scope of the project. The Customer will obtain and provide access to applicable data to be shared through Merit.
- Agency will commit to the involvement of key decision makers and/or subject matter experts for participation in necessary project activities as defined in the Statement of Work.
- Agency will identify project sponsors and all necessary stakeholders prior the project kickoff, and will commit these personnel for the duration of the project.

- Agency shall be responsible for the contractual relationship with third parties that are not contracted with Merit and will work to confirm that they cooperate with Merit.
- Any reports required will be defined in the Statement of Work and reflected in the project timeline.
- Any holidays that are anticipated will be defined as potential impacts to the timeline.
- Merit can provide kiosk equipment for mobile check in if required. This number, type and location of the equipment will be defined in the Statement of Work.
- Merit will, with the assistance of the Customer, assist in deployment and testing of the hardware if designated in the contract.
- Administrator training for internal agency staff will be provided as needed without user limits and will include custom webinars, videos, as well as training materials to ensure a successful hand-off for staff.
- Once the project is complete a transition to Merit's Customer Resource Team will take place.
- The Merit platform is provided as a subscription service that includes maintenance, implementation services and full customer support. In the event that the customer discontinues service with Merit, individuals will still have access to their historic records.
- Merit will work with all other contractors as part of any project in good faith but has no responsibility for the performance of other contractors or vendors engaged by the Agency, or delays caused by them, in connection with the project.

## **V. Roles, Responsibilities, & Exceptions**

Merit takes all projects as a partnership and with other organizations. It is our goal to help the overall ecosystem become stronger and more connected as the platform infrastructure. We commit ourselves as a company to participate in this success on every project. One of the Merit's values is the fast delivery and low customer resource requirement. We strive to bring digital transformation with as little agency disruption as possible.

### **Merit Responsibilities**

- Merit will appoint a Project Manager throughout the project in order to plan and monitor execution of the project in accordance with deliverables outlined in the Statement of Work.
- Merit resources will be committed to the project as defined in the Statement of Work and will work remotely except for the planned onsite trips.
- Merit senior executives will be involved in any Agency executive meetings

per the schedule defined in the SOW.

- Merit will plan and provide the appropriate resources to facilitate the successful deployment of each project.
- Merit will manage and monitor key project tasks and goals to ensure on time delivery.
- Merit will provide weekly status updates to the project schedule.
- Merit will provide timely responses to the Agency's request for information.
- Merit will interview staff in order to understand existing business processes as they map to the goals of the project and will conduct meetings via email, web conference, phone, and in person to gather and validate information.
- Merit will provide templates for review by the Agency prior to final configuration in order to accept changes required.

**Merit Roles:**

<b>Project Executive</b>	<ul style="list-style-type: none"> <li>● Partner with the Agency Sponsor for ensuring goals of the project are defined and met</li> <li>● Provide executive oversight on project for any escalation of issues</li> <li>● Resolve any blockers and risks to project success</li> </ul>
<b>Project Manager</b>	<ul style="list-style-type: none"> <li>● Plan, schedule, coordinate and track the implementation with Agency</li> <li>● Enable resources availability as required</li> <li>● Identify any risks or issues with solutions; escalate if required</li> <li>● Ensure project is meeting overall goals of the Agency</li> <li>● Maintain project documents and plans</li> <li>● Ensure all timelines and tasks are on track and in accordance with the Project Plan</li> </ul>
<b>Solution Lead</b>	<ul style="list-style-type: none"> <li>● Responsible for configuration activities</li> <li>● Coordinate design tasks with the team</li> <li>● Provides expertise on best practices</li> </ul>
	<ul style="list-style-type: none"> <li>● Ensure quality and accuracy of deliverables</li> </ul>
<b>Technical Lead</b>	<ul style="list-style-type: none"> <li>● Manage interface development</li> <li>● Review data conversion mapping and approach</li> <li>● Oversee customer app development</li> <li>● Assist in report development</li> </ul>
<b>Training Lead</b>	<ul style="list-style-type: none"> <li>● Deliver training classes</li> <li>● Coordinate with marketing team for campaigns</li> </ul>
<b>Customer Resource Support</b>	<ul style="list-style-type: none"> <li>● Post launch, assist agency uses and recipients with any issues related to the product</li> </ul>

**Customer Responsibilities**

- Customer will provide necessary decision makers and subject matter experts as needed during the project.
- Customer will make available timely responses to Merit’s request for information in order to maintain project timelines.
- Customer will provide any technical resources required to meet requirements of integration.
- Customer will identify and coordinate introductions to third party vendors used for implementation of any legacy system interfaces.
- Customer will review and approve all completed templates, configuration and messaging prior to launch.
- Customer will provide access to any defined historical databases for the sending of merits.
- Customer shall use reasonable efforts to provide to Merit any User Data reasonably requested by Merit for the uses contemplated under the statement of work.

**Customer Roles:**

<b>Agency Project Sponsor</b>	<ul style="list-style-type: none"> <li>● Ensures project is in alignment with agency goals</li> <li>● Assists in escalation to remove obstacles</li> <li>● Promotes support among all Agency and public stakeholders</li> <li>● Acts as project champion internally and externally</li> </ul>
<b>Agency Project Manager</b>	<ul style="list-style-type: none"> <li>● Plans, schedules and coordinate project with Merit project manager</li> <li>● Identifies any risks and issues and notifies Merit team</li> <li>● Ensures tasks are completed on time</li> </ul>
<b>Agency Subject Matter Expert</b>	<ul style="list-style-type: none"> <li>● Provides expert knowledge on configuration activities of Merit templates</li> <li>● Assists in compiling information for any reports to be developed</li> <li>● Attends training classes, may act of system administrator</li> <li>● Performs testing of final work product before launch</li> </ul>

**VI. Risk Management Plan**

The attached Service Level Agreement (the “*SLA*”) sets forth the key performance metrics, measurement methodologies, and mitigation strategies for Merit Services. If Customer determines that a problem exists with the performance or availability of the Merit Service, Client shall have the right to propose one of the problem impact levels set forth in the SLA. Merit will use reasonable best efforts to respond to and correct any such problem in accordance with the response and problem resolution times.

Neither Merit nor Customer will be responsible for any failure or delay in its performance under this Agreement due to causes beyond its reasonable control, including, but not limited to, labor disputes, power outages, denial of service and other malicious third party attacks, strikes, lockouts, shortages of or inability to obtain labor, energy, raw materials or supplies, war, terrorism, riot, acts of God or governmental action.

**Risk #1 Description: Closing loopholes in data transfer for licensure/pathways**

**Solution:** # Complete ecosystem connection to solve for reciprocity/ease in licensure with emphasis on industry partners such as training and education resources. Provide ease in automated transfer of data to agencies.

**Documented Performance with Solution to Risk #1:** Merit works with industry and third party providers to ensure automation of all certificates and training such as continuing education providers, apprenticeship programs and workforce certification courses.

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**Risk #2 Description: Poor communication with client and stakeholders leading to delays and demotivation**

**Solution:** Early education to agency staff; Marketing outreach to industry associations and partners

**Documented Performance with Solution to Risk #2:** As part of our integrated project services, Merit provides marketing outreach program outreach including a multi-channel awareness campaign that includes web, video, email, social media, and advertising assets.

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**Risk #3 Description: Adoption of digital credentials vs. paper**

**Solution:** Work with the Governor's Office and State legislators to educate and promote passing of new legislation to provide legal use of electronic credentials vs. current paper forms due to antiquated regulations

**Documented Performance with Solution to Risk #3:** Worked with the Governor's Office and legislators to pass bills on electronic credentials = paper. Kansas HB 2066: <https://governor.kansas.gov/governor-laura-kelly-signs-military-family-bill/>.

Virginia: Paragraph D of Item 119 of the 2018-2020 Appropriations Act as legislated in the 2019 Session of the Virginia General Assembly.

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**Risk #4 Description: Overloading project client with customer support**

**Solution:** Projects need support for not only internal agency staff but external participants and stakeholders. Engaging early with all users and providing multiple methods for support takes the burden from the agency.

**Documented Performance with Solution to Risk #4:** During work with Florida DEM and its

community partners on COVID time tracking for vaccines, Merit managed both internal calls received and outreach to the public. This included 12,000 calls a month for the City of Marco Island, 6,000 texts for support from FDEM, and in person set up at 103 FL locations. Following Barbicide launch, customer support managed 526 support tickets from public users.

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**Risk #5 Description: Service Delivery within a Budget - not having change orders for required services destroy budget and confidence**

**Solution:** Provide a subscription price that includes full customer support, configuration, marketing and has flexibility to support changes and modifications throughout the contract without added costs.

**Documented Performance with Solution to Risk #5:** Merit provides “Software with a Service” which includes initial project deployment, but also includes with its subscription modifications and changes, full customer support for the agency and its users. This has been evidenced in all of our projects where we take the extra steps needed for the overall success to the client and stakeholders. With the State of VA DPOR, during COVID restrictions staff worked from home limiting the sending of new licenses and causing expired credentials to be out in the field. Merit worked with DPOR to modify within 24 hours all credentials with extensions and changes and automatically update through their digital credential, at no extra cost.

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## **VII. Deliverables**

Below is a description of the end deliverables offered by Merit as part of the master agreement.

1. Merit will provide data ingestion support as needed for the Customer to facilitate sending of Merits and managing systems across platforms;
2. Merit will complete mutually agreed upon responsibilities as defined in the statement of work;
3. Merit will appoint a Merit representative with full authority to provide any necessary information and approvals that may be required by the Customer;
4. Merit will attend and participate in scheduled calls and meetings;
5. Merit will review work in process on a regular basis and provide feedback to the Customer on in-process and completed work;
6. Merit will provide weekly status updates to the project schedule to the Customer.

## **VIII. Financial Summary**

Merit's billing structure includes a standard Year 1 implementation fee for all services agreed upon in the Service Plan, including scoping and contracting, both technical and non-technical build-outs, integration and dashboard development, and public launch. The billing structure after Year 1 is an annual subscription fee based on the number of users.

**IX. Contractor Contact List**

**Below is the contact information for the Merit personnel supporting this contract:**

- Jacob Orrin, Co-founder and Chief Operating Officer  
[jacob@gomerits.com](mailto:jacob@gomerits.com)/(408) 726-3055
- Trevor Cornwell, President of Government Affairs  
[trevor@gomerits.com](mailto:trevor@gomerits.com)/(650) 283-9443
- Stefani Rusciano, Head of GTM Operation  
[stefani@gomerits.com](mailto:stefani@gomerits.com) / (925) 262-3815
- Jenn Evans, Vice President of Customer Success  
[jenn@gomerits.com](mailto:jenn@gomerits.com)

-- END OF ATTACHMENT B --

**Attachment C - Price Schedule  
AR3760 - Merit International**

Part #	Item Name	Users	Unit Price	Minimum Price
MPBCT1	Annual Merit Platform Subscription Basic Credentialing	45,000	\$1.11	\$49,950
MPALT2	Annual Merit Platform Subscription Advanced Licensing	22,500	\$2.25	\$50,625
MPWDT1	Annual Merit Platform Subscription Workforce Development	5,000	\$45.00	\$150,000
MPEMT1	Annual Merit Platform Subscription Emergency Management	1,000	\$540.00	\$540,000
MPEMT1.1	Annual Merit Platform Subscription Emergency Management Badging Add-on	1,000	\$13.00	\$13,000
MPEMT1.1	Annual Merit Platform Subscription Emergency Management Forms Add-on	1,000	\$180.00	\$180,000
MPEMT2	Annual Merit Platform Subscription Emergency Management Forms only	1,000	\$300.00	\$300,000
	<b>Add-on Services</b>			
MPC11	Custom Integration	N/A	TBD	
MPC12	Custom Implementation	N/A	TBD	

**Notes**

Pricing includes: Scoping, Technical Support, Non-Technical Build-out, Dashboard Development, Rollout & Public Launch, Maintenance, Annual subscription

Pricing is based on a five year contract in which 42% is invoiced in year one and each subsequent year is invoiced 14.5% on annual anniversary of effective date.

are: over 50,000 users for a 10% discount, over 100,000 users for a 10% discount, over 250,000 for a 15% discount, over 500,000 for a 20% discount, over 1,000,000 for a 25% discount.

## SAMPLE SERVICE LEVEL AGREEMENT

This Service Level Agreement (the “**SLA**”) set forth the key performance metrics and measurement methodologies for the Merit Service. Capitalized terms used but not defined in this SLA shall have the meanings assigned to such terms in the Agreement.

The Merit Service is designed to provide very high levels of system availability and uptime to Users. The Merit Service employs the following technologies to ensure service uptime to Users:

1. Use of redundant server infrastructure. This ensures that the failure of a single piece of hardware or systems software does not cause the entire system to fail. The service can dynamically and in real-time shift processing to an available server in case any server fails. We also operate a fully functional disaster recovery data center that is always online.
2. Hot standby replicated backup database server. Merit continuously replicates all operational data to a hot standby database server that can be switched into service within 15 minutes of a failure of the main database system.
3. Load balancing. Load balancing ensures that spikes in traffic on publisher sites or customer activity are balanced across our server farm and that no single server is overloaded thus ensuring uniform response times across the service.

The entire infrastructure is constantly monitored by Merit operations and data center personnel.

### Service Level Agreements

- Merit will maintain 99.5% uptime availability of the Merit Service (the “**Pledged Availability**”) during each contract month. Pledged Availability shall exclude planned service outages or planned maintenance, interruptions due to any form of distributed denial of service (DDOS) attack leveled against the Merit Service and interruptions due to any Force Majeure Event (as defined below). For the purposes of this SLA, “**Force Majeure Event**” means an event in which a party’s business is interrupted due to fire, flood, weather, act of God, governmental action, substantial transportation delays, supplier or carrier problems (*i.e.*, more than thirty (30) business days), airport or port closures, labor disturbances, riots, terrorism, sabotage, or any other case beyond such party’s reasonable control, the result of which is such party’s inability to fulfill its obligations under this SLA.

- Planned maintenance will be performed between 10:00 PM CST on a Sunday, and 6:00 AM CST on a Monday approximately every 2 weeks, with minor upgrades taking less than 30 minutes and major upgrades taking less than 120 minutes. Merit shall provide Client with notice that is reasonable under the circumstances of any scheduled maintenance via an email to Client's designated technical contact.
- Unplanned or emergency maintenance will be performed as necessary to maintain the Merit Service. Merit will issue an email to the Client's designated technical contact advising that person of the unplanned maintenance event with at least a 30 minute advanced notification.

### **Problem Escalation and Response Procedures**

If Client determines that a problem exists with the performance or availability of the Merit Service, Client shall have the right to propose one of the following problem impact levels. Merit shall act as final authority on the designation of Issue classification and priority. Merit shall use reasonable best efforts to respond to and correct any such problem in accordance with the response and problem resolution times set forth below:

A Priority 1 Issue: These are issues where all or a substantial part of the Merit Service is down or is inaccessible to Client. Reporting of Priority 1 Issues must be made to the clients designated Account Manager. Priority 1 issues will be responded to within 30 minutes of notification by Client during Business Hours and within 2 hours of notification by Client outside Business Hours.. Merit shall correct the problem within 48 hours of such notification or otherwise develop and implement a suitable temporary workaround, acceptable to Client within four Business Hours of notification and continue to use its reasonable efforts deploying dedicated and qualified personnel on a 24/7 basis, providing Client with continuous updates regarding its progress, until such problem is corrected. "**Business Hours**" means 9:00 a.m. through 6:00 p.m., CST, Monday through Friday.

Priority 2 Issues: These are issues related to problems that impact certain limited parts of product functionality for which there is no reasonable workaround. Priority 2 issues will be responded to within 2 Business Hours of notification by Client during Business Hours and will be resolved within 3 business days of notification by Client and worked on continuously until resolved.

Priority 3 Issues: These are issues that either occur occasionally or have minimal impact on Client. Priority 3 issues will be tracked by Merit and addressed in the future releases of the Merit Service.

### **Service Level Measurement**

Merit will implement measurement and monitoring tools to measure its performance with the service levels set forth in this SLA.

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