CITY OF LEE'S SUMMIT

PURCHASING DIVISON
220 S.E. GREEN STREET
LEE'S SUMMIT, MO 64063
816-969-1080 Phone   816-969-1081 Fax

INTEROFFICE MEMORANDUM
CONTRACT DOCUMENT

DATE: July 14, 2008

TO: Key Purchasing Personnel

FROM: Purchasing Division

RE: Permit Services Software
             Lee's Summit RFP #07-188

Vendor	Municipal Software Corporation 8 Shannon Drive Little Rock, AR 72207
Phone & Fax	PH: 250-475-6600 FAX: 250-475-6080
Contact Person	Woody Jackson
Ordering Instructions	**See Exhibit B**
Terms/Discounts	Net 30
Delivery	Destination
Pricing	See Attached Pricing Sheet
Response Time	As specified
Effective Dates	Til completion

cc: Bid File- Original memo
        Intranet

NOTICE TO PROCEED

July 14, 2008

Mr. Woody Jackson
Municipal Software Corporation
8 Shannon Drive
Little Rock, AR 72207

RE: Request for Proposal # 07-188, Permit Application Software

Dear Mr. Jackson:

You are hereby notified to commence WORK in accordance with the contract dated July 10, 2008. The Services to be performed by Vendor under and pursuant to this Agreement shall be completed as directed by the City's Project Administrator by such date as is mutually agreed upon as a result of the initial Project kick-off meeting ("the Completion Date"), unless earlier terminated as provided herein, or as may be modified by mutual written agreement. Vendor shall perform the Services expeditiously, within the term of this Agreement, and in accordance with any schedule of services mutually acceptable to the Parties.

DeeDee Tschirhart
Procurement Officer
City of Lee's Summit, MO

Enclosure: Contract document

Cc:

Bid File
City Intranet

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SERVICE AGREEMENT

FOR PERMIT SERVICES SOFTWARE
RFP No.07-188

This AGREEMENT made and entered into this **31** day of **July** 2008, by and between the City of Lee's Summit, Missouri, a Municipal Corporation of the State of Missouri, hereinafter referred to as "City," and Municipal Software Corporation, a British Columbia incorporated company, with its principal place of business at 4464 Markham Street, Suite 1108, Victoria, BC, V8Z 7X8, hereafter referred to as "Service Provider."
Witnesseth, that:

WHEREAS, Service Provider has offered to provide the Services described in Exhibit A, in consideration of the Conditions, Deliverables and Payment Terms described in Exhibit B and the documents attached thereto, subject to the General Conditions described in Exhibit C and the additional conditions described in Exhibit D Addendum, and;

WHEREAS, City desires to engage Service Provider to perform such services.

NOW, THEREFORE, in consideration of the mutual covenants and considerations herein contained, IT IS HEREBY AGREED by the parties hereto as follows:

1. City employs Service Provider to perform the services hereinafter set forth.

2. <u>Services.</u> The Service Provider represents that it is equipped, competent, and able to perform, and that it will perform all services hereinafter set forth in a diligent, competent, and workmanlike manner. Service Provider will perform all such services in accordance with the following provisions, incorporated into this Agreement as if set forth in full herein: City's Request for Proposal No. 07-188 (hereinafter "RFP"); the Service Provider's Response to the RFP, ("Proposal"); Scope of Services ("Scope"), attached hereto as <u>Exhibit A</u>; Conditions, Deliverables and Payment Terms, attached hereto as <u>Exhibit B along with the attachments and schedules attached to Exhibit B</u>; General Conditions, attached hereto as <u>Exhibit C; and the Addendum attached hereto as Exhibit D.</u> Where the terms of the RFP or the Proposal conflict with anything in Exhibits A, B, C or D the terms of the Exhibits shall control. Where the terms of the Exhibits are in conflict, the terms of Exhibit B and the documents attached thereto shall control.

3. <u>Amount Not To Exceed:</u>

    3.1 <u>PreBuilt Implementation, Services, Training and Travel.</u> It is expressly understood that in no event will the total compensation to be paid to the Service Provider under the terms of this contract for the services set forth in the Scope, and for reimbursement of authorized expenses, exceed the sum of Four Hundred Thirty Five Thousand Nine Hundred Dollars ($435,900.00) for licenses and services for Phase 1 and licenses for Phase 2. If additional services are requested by the City, the Service Provider will prepare and submit to the City an estimate of the total cost associated with such additional services. The City will review and approve in writing such cost estimate for additional services, and the total compensation and reimbursement to be paid by the City to the Service Provider for such approved additional services shall not exceed the approved amount. Service Provider's fees for additional services shall be billed on an hourly basis as Service Provider's current standard rates, which will in no event exceed the amount approved by the City in writing for such additional services.

    3.2 <u>Software License and Support Agreement.</u>

        3.2.1 *Phase 1:* The Service Provider will provide the software licenses identified in Exhibit B and the attachments and schedules attached thereto, for the City's use as governed by its Software License and Support Agreement, Attachment 2 to Exhibit B. The term of this Agreement shall be for a one (1) year period beginning on the on the day and year first above written and may be renewed as described in Attachment 2 to Exhibit B for up to four (4) renewal terms. The compensation to be paid for the initial term is $49,700.00 and for the renewal terms is: (i) first renewal term $51,688.00; (ii) second renewal term $53,755.55; (iii) third renewal term $55,905.74; and (iv) fourth renewal term $58,141.97.

        3.2.2 *Phase 2:* A The Service Provider will provide the soft ware licenses identified in Exhibit B and the attachments and schedules attached thereto for the City's use as governed by its Software License and Support Agreement, Attachment 2 to Exhibit B. The term of this Agreement shall be for a one (1) year period beginning on the day and year first above written and may be renewed as described in Attachment 2 to Exhibit B for up to four (4) renewal terms. The compensation to be paid for the initial term is $4,500.00 and for renewal terms is (i) first renewal term $4,680.00; (ii) second renewal term $4,867.20; (iii) third renewal term $5,061.89; and (iv) fourth renewal term $5,264.37.

4. Time of Performance. The Services to be performed by Vendor under and pursuant to this Agreement shall be completed as directed by the City's Project Administrator by such date as is mutually agreed upon as a result of the initial Project kick-off meeting ("the Completion Date"), unless earlier terminated as provided herein, or as may be modified by mutual written agreement. Vendor shall perform the Services expeditiously, within the term of this Agreement, and in accordance with any schedule of services mutually acceptable to the Parties.

5. This agreement shall be binding on the parties thereto only after it has been duly executed and approved by the City and the Service Provider.

CITY OF LEE'S SUMMIT

_____
Interim City Manager

_____
Date

APPROVED AS TO FORM:

_____
Assistant City Attorney

SERVICE PROVIDER:

_____

_____
Title

_____
Date

Exhibits to Service Agreement

Exhibit A – Scope of Services
Exhibit B – Contractual Services Agreement
    Attachment 1 – Payment Milestones and Deliverables
    Attachment 2 – Software License and Support Agreement
        Schedule A – List of Licensed Software and Term of License
        Schedule B – Service Level Agreement
    Attachment 3 – Escrow Agreement
Exhibit C – General Conditions
Exhibit D - Addendum

EXHIBIT A
SCOPE OF SERVICES

Service Provider will provide the services and/or products described in Service Provider's Response to the RFP, dated September 18, 2007 and submitted to the City on September 21, 2007.

EXHIBIT B
CONTRACTUAL SERVICES AGREEMENT

THIS AGREEMENT (hereinafter the "Agreement") is made this _3_ day of _July_, 2007, (the "Effective Date") by and between the City of Lee's Summit, Missouri, a municipal corporation, (hereinafter the "City"), and Municipal Software Corporation, a British Columbia incorporated company, with its principal place of business at 4464 Markham Street, Suite 1108, Victoria, BC, V8Z 7X8 (hereinafter the "Vendor"). The City and the Vendor are sometimes hereinafter individually referred to as "Party" and hereinafter collectively referred to as the "Parties."

RECITALS

A. The Vendor desires to perform and assume responsibility and obligation for the provision of certain professional services, as hereinafter described, on the terms and conditions set forth herein. Vendor represents that it is experienced in providing business process automation and implementation services to public clients, is licensed in the State of Missouri and is familiar with the scope of work of the City.

B. The City desires to engage Vendor to render such services, as hereinafter described, for the Permit Application Software, RFP # 07-188 (the "Project") on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the City and the Vendor agree as follows:

OPERATIVE PROVISIONS

SECTION I
ENGAGEMENT AND SERVICES OF THE VENDOR

1. Engagement of Vendor. The City hereby engages the Vendor, and the Vendor promises and agrees to furnish to the City, subject to the terms and conditions set forth in this Agreement, all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional services necessary for the Project (the "Services"). The Services are more particularly described in Attachment 1 hereto and incorporated herein by reference. The Vendor agrees to perform the Services in accordance with the terms and conditions of this Agreement, the attachments and schedules attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations in effect at the time the Services are provided.

2. Performance of the Vendor; Standard of Care. The Vendor accepts the relationship of trust and confidence established between the City and the Vendor by the terms of this Agreement. The Vendor covenants with the City to perform all Services under this Agreement in a skillful and competent manner, consistent with or in excess of the standards of skill, quality and care adhered to by recognized professionals in the same discipline in the State of Missouri while performing services of a like or similar nature under like or similar circumstances. Vendor represents and maintains that it is skilled in the professional calling necessary to perform the Services, and that it shall consider all recent proven and tested methods known and successfully employed by recognized professionals in the same discipline in the state of Missouri. Vendor shall also cooperate with the City and any other consultants or contractors engaged by or on behalf of the City in performance of the Project. The Vendor covenants to use its commercially reasonable efforts to perform its duties and obligations under this Agreement in an efficient, expeditious and economical manner, consistent with the best interests of the City and the professional standard of care set forth in this Agreement.

SECTION II
RESPONSIBILITIES OF THE VENDOR

1. The Vendor's Responsibilities for Costs and Expenses. Except as otherwise expressly stated herein, the Vendor shall be solely responsible for all costs and expenses incurred relative to the Vendor, personnel of the Vendor and sub-Vendors of the Vendor in connection with the performance of the Services, including, without limitation, payment of salaries, fringe benefits contributions, payroll taxes, withholding taxes and other taxes or levies, office overhead expense, travel expenses, telephone and other telecommunication expenses, and document reproduction expenses.

2. Independent Contractor. The Services shall be performed by Vendor or under its supervision. Vendor shall determine the means, methods and details of performing the Services subject to the requirements of this Agreement. The Vendor represents that it possesses the professional and technical personnel required to perform the Services. The City retains Vendor on an independent contractor basis and not as an employee of the City. Vendor retains the right to perform similar or different services for others during the term of this Agreement. The personnel performing the Services on

behalf of the Vendor shall at all times be under the Vendor's exclusive direction and control. The Vendor shall pay all expenses, including, without limitation, all wages, salaries, fringe benefit contributions, payroll taxes, withholding taxes, other taxes or levies and all other amounts due such personnel for the Services or due others as a result of the performance by such personnel of the Services. Vendor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to, all reports for social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3. Vendor's Project Manager. The Vendor shall designate and assign a project manager ("Project Manager"), who shall coordinate all phases of the Services and act as the Vendor's representative for performance of this Agreement. The Project Manager shall have full authority to represent and act on behalf of the Vendor for all purposes under this Agreement, and shall be available to the City at all reasonable times. The Project Manager shall supervise and direct the Services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures employed by Vendor's personnel, as well as the satisfactory coordination of all portions of the Services under this Agreement. The Vendor will designate a Project Manager upon completion of this contract and the City reserves the right to perform a telephone interview with the designated Project Manager. Vendor reserves the right to appoint another person as Project Manager upon written notice to the City. The City reserves the right to perform a telephone interview with any new Project Manager that the Vendor designates. The City further reserves the right to request a different Project Manager be assigned should the City determine, as a result of the telephone interview, that the assigned Project Manager is deemed unsatisfactory to the City.

4. Key Personnel. Vendor has represented to City that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Vendor may substitute other personnel of at least equal competence upon written approval of City. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Vendor at the request of the City.

5. Personnel; Licenses. The Vendor represents and warrants that it and all personnel engaged in performing Services are and shall be fully qualified, authorized and permitted under state and local law to perform such Services. The Vendor shall be responsible to City for any errors or omissions in the execution of the Services under this Agreement. The Vendor represents and warrants that it and all personnel and sub-Vendors engaged in performing the Services have all licenses, permits, qualifications, and approvals of whatever nature that are legally required to perform the Services under this Agreement. The Vendor further represents and warrants that it, its employees and sub-Vendors shall keep in effect all such licenses, permits, qualifications and other approvals during the term of this Agreement. Any personnel performing Services under this Agreement who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, or a threat to the safety of persons or property, or any personnel who fail or refuse to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Vendor and shall not be re-employed to perform any of the Services or to work on the Project.

6. Time of Performance. The Services to be performed by Vendor under and pursuant to this Agreement shall be completed as directed by the City's Project Administrator by such date as is mutually agreed upon as a result of the initial Project kick-off meeting ("the Completion Date"), unless earlier terminated as provided herein, or as may be modified by mutual written agreement. Vendor shall perform the Services expeditiously, within the term of this Agreement, and in accordance with any schedule of services mutually acceptable to the Parties.

7. Software License and Support Agreement. The vendor will provide the software licenses identified in Attachment 1 for the City's use as governed by its Software License and Support Agreement, a copy of which is attached as Attachment 2.

8. Escrow Agreement. The vendor has provided for a software escrow agreement, a copy of which is attached as Attachment 3, which provides for access to software source code under certain circumstances that are defined in the agreement.

9. Consistency with City Policies. The Vendor shall discuss and review with the City Project Manager in advance of all critical decision points all matters relating to the Services in order to ensure that the Services proceed in a manner consistent with the goals and policies of the City.

10. Conformance to Applicable Requirements. All aspects of the provision of the Services by Vendor shall conform to all applicable city, county, state, and federal laws, rules and regulations in effect at the time the services are provided.

11. Insurance. Without limiting the Vendor's indemnification obligations, the Vendor shall obtain, provide and maintain during the term of this Agreement, at its own expense, a policy or policies of liability insurance of the type and amounts described below and satisfactory to the City. Vendor shall also require all of its sub-Vendors to obtain, provide, and maintain insurance which meets the same requirements contained herein.

   A. Prior to the commencement of the Services, the Vendor shall provide evidence satisfactory to the City that it has secured the following types and amounts of insurance:

      (1) Workers' compensation insurance to cover the statutory limits of the workers' compensation laws of the state in which any work is to be performed, voluntary compensation and employer's liability (including occupational disease) coverage with limits not less than $1,000,000 per occurrence;

      (2) Commercial general liability insurance covering third party liability risks, including without limitation, contractual liability, in a minimum amount of $1 million per occurrence for bodily injury, personal injury, and property damage. If commercial general liability insurance or other form with a general aggregate limit is used, either the general aggregate shall apply separately to this Project, or the general aggregate limit shall be twice the occurrence limit;

      (3) Commercial auto liability and property insurance covering "any auto" with a minimum limit of $1 million combined single limit per accident for bodily injury and property damage.

      (4) Errors and omissions professional liability insurance appropriate to Vendor's profession. Such insurance shall be in an amount not less than $850,000 per claim, and shall be endorsed to include contractual liability.

   B. The commercial general liability and automobile policies shall contain the following provisions, or Vendor shall provide endorsements on forms approved by the City to add the following provisions to the insurance policies: (1) the City, its officials, officers, employees and agents shall be covered as additional insureds with respect to the Services or operations performed by or on behalf of the Vendor, including materials, parts or equipment furnished in connection with such work; and (2) the insurance coverage shall be primary insurance as respects the City, its officials, officers, employees and agents, or if excess, shall stand in an unbroken chain of coverage excess of the Vendor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City or its officials, officers, employees or agents shall be excess of the Vendor's insurance and shall not be called upon to contribute with it in any way.

   D. All policies shall contain the following provisions, or Vendor shall provide endorsements on forms approved by the City to add the following provisions to the insurance policies: (1) coverage shall not be suspended, voided, canceled or reduced by either party except after thirty (30) days prior notice has been given in writing to the City; provided, however, in the case of non-payment of premium, ten (10) days notice will be provided; (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its officials, officers, employees and agents.

   E. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its officials, officers, employees and agents.

   F. Any deductibles or self-insured retentions, or any revisions thereto made during the time such insurance is required to be maintained pursuant to this Agreement, must be declared to and approved by the City. If such deductibles or self-insured retentions are not acceptable to City, Vendor shall meet with City to determine an acceptable solution, such as, but not limited to: (1) reducing or eliminating such deductibles or self-insured retentions as respects the City, its officials, officers, employees and agents; or (2) Vendor's procurement of a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

   G. All Insurance is to be placed with insurers with a current A.M. Best's rating no less than B+:VIII, licensed to offer coverage in the State of Missouri, and satisfactory to the City.

   H. Vendor shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the City if requested. All certificates and endorsements must be received and approved by

the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

I. The Vendor shall give to the City prompt and timely notice of any claim made or suit instituted arising out of the Vendor's operation hereunder. The Vendor shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and performance of the Services.

J. The Vendor shall include subcontracting Vendors, if any, as insureds under its policies or shall furnish separate certificates and endorsements for each sub-Vendor. It is understood that additional insureds are not possible on the Vendor's errors and omissions professional liability policy. All coverage for each sub-Vendor shall be subject to the requirements stated herein.

12. Prohibition Against Transfers.

A. The Vendor shall not assign, sublease, hypothecate, or transfer this Agreement, or any interest therein, directly or indirectly by operation of law without the prior written consent of the City. Any attempt to do so without the prior written consent of the City shall be null and void, and any assignee, sub-lessee, hypothecate or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation, or transfer.

13. Progress. The Vendor is responsible to keep the City Project Manager and/or his or her duly authorized designee informed on a regular basis to be determined by the City and the Vendor's Project Manager at the kick-off meeting regarding the status and progress of the Services, activities performed and planned, and any meetings that have been scheduled or are desired relative to the Services or this Agreement

14. Confidentiality. No news releases, including photographs, public announcements or confirmations of the same, of any part of the subject matter of this Agreement or any phase of the Services shall be made without prior written consent of the City, such consent to not be unreasonably withheld, and provided in a timely manner. The information which results from the Services in this Agreement is to be kept confidential, unless the release of information is authorized by the City. All Report Materials, either created by or provided to Vendor in connection with the performance of this Agreement, shall be held confidential by Vendor. Such materials shall not, without the prior written consent of City, by used by Vendor for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Vendor which is otherwise known to Vendor or is otherwise generally known, or has become known, to the related industry, shall be deemed confidential. Vendor shall not use City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

15. No Set Hours/Right to Contract. The Vendor's obligation hereunder is to complete the Services in accordance with this Agreement and to meet any deadlines established pursuant to this Agreement. The Vendor has no obligation to work any particular schedule, hours or days, or any particular number of hours or days. However, the Vendor shall coordinate with the City in achieving the results and meeting the goals established pursuant to this Agreement.

16. Safety. Vendor shall execute and maintain its Services so as to avoid injury or damage to any person or property. In carrying out its Services, the Vendor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed

17. PreBuilts Warranty. Vendor shall provide remedy to any issues of the PreBuilts not working as designed for a period of three (3) months after the Go-Live date.

SECTION III
RESPONSIBILITIES OF THE CITY

1. Cooperation. The City shall cooperate with the Vendor relative to the provisions of the Services. To the extent permitted by applicable law, the City shall provide criteria and information in its possession, or reasonably obtainable by it, as requested by Vendor, and shall make that information and related data available for Vendor's use during the performance of this Agreement. The City shall render decisions required by this Agreement within the time indicated, or if not specifically stated, with reasonable promptness so as not to unduly delay the progress of Vendor's Services.

2. City's Project Manager and Project Staff. The City shall designate and assign a City project manager ("City Project Manager") who shall have full authority to represent and act on behalf of the City for all purposes under this Agreement. The City Project Manager, or his/her designee, shall be the principal officer of the City for liaison with the Vendor, and shall review and give approval to the details of the Services as they are performed, in particular, but not exhaustively, Project Plan, Functional Requirement Specifications, Statements of Work, Acceptance Plans, Statements of Completion, Change Order Requests. In addition, the City Project Manager shall ensure proper and timely availability of all City personnel required by the Vendor for successful completion of project tasks, in particular, but not exhaustively, Business and Systems Analysts, IT staff, Subject Matter Experts. The City designates Cathy Loveland to be its City Project Manager, but reserves the right to appoint another person as City Project Manager upon written notice to the Vendor.

3. Formal Completion Statement. No later than thirty (30) days after Go-Live of the software system, the City shall provide the Vendor with a written statement of completion. This statement of completion shall certify that the software has been implemented successfully except where noted in as an exception to this statement.

4. Applicable Taxes and Exemptions. The City shall be responsible for any sales tax due on fees associated with this project. If the City is exempt from sales taxes associated with this project, the City shall provide the Vendor with an exemption certificate prior to execution of this contract.

5. Project Plan. The City shall be responsible for meeting specific milestones and providing specific deliverables that will be defined and mutually agreed to in the Project Plan. Should the City fail to meet the agreed milestones or to provide the agreed deliverables, the Vendor will inform the City of the consequences thereof and reserves the right to modify the project plan accordingly.

SECTION IV
COMPENSATION

1. Compensation. In consideration of the performance by Vendor of the Services, the City shall pay to the Vendor compensation at the rates set forth in Attachment 1 attached hereto and incorporated herein by reference. Total compensation under this Agreement shall not exceed the total contract amount as indicated in Attachment 1 without written approval of the City's Project Manager (the "Compensation").

2. Extra Service. The Vendor shall not receive additional compensation for any extra service unless such extra service has been authorized in writing by the City prior to the commencement of the extra service. The City shall pay the Vendor for extra service in accordance with the fee schedule set forth in Attachment 1. As used herein, "Extra Service" means any work which is determined by City to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement or for which initial assumptions driving estimated efforts are no longer valid.

3. Payment of Compensation. The Vendor shall submit invoices to the City on a monthly basis, or on such other basis as may be mutually agreed upon by the Parties. Each invoice will be itemized. The City shall make payments to the Vendor within thirty (30) days following the date of receipt of the invoice, unless the City disputes the amount of the Compensation the Vendor claims it is owed under this Agreement. Any disputed amount shall be handled as discussed herein.

4. Reimbursements. Vendor shall not be reimbursed for any expenses unless authorized in writing by City. Such reimbursable expenses, if approved, shall include only those expenses which are reasonably and necessarily incurred by Vendor in the interests of the Project. Reimbursable expenses will be paid only at the actual cost to the Vendor, with no mark-up for overhead or profit.

5. Disputed Sums. The City may withhold up to ten percent (10%) of any disputed portion of Compensation until resolution of the dispute with the Vendor. Such withholding by the City shall not be deemed to constitute a failure to pay by the City. The Vendor shall not have the right to allege a breach of this Agreement for failure to pay by the City and to discontinue its performance of the Services hereunder for a period of thirty (30) days from the date Compensation is withheld hereunder. The City's Project Manager and the Vendor's Project Manager shall attempt to promptly resolve the dispute. The Vendor shall have an immediate right to appeal to the City Manager with respect to withheld amounts. The determination of the City Manager with respect to such matters shall be final, subject to the mediation provisions provided herein. Nothing herein shall be construed as limiting the Parties rights to pursue all available legal remedies.

6. <u>Mediation.</u> Should any dispute arise out of the termination or abandonment of this Agreement, any party may request that it be submitted to mediation. The parties shall meet in mediation within 30 days of a request. The mediator shall be agreed to by the mediating parties; in the absence of an agreement, the parties shall each submit one name from mediators listed by the American Arbitration Association, Judicial Arbitration and Mediation Service (JAMS) or other agreed-upon service. The mediator shall be selected by a "blindfolded" process. The mediation shall take place in or around Kansas City, Missouri.

The cost of mediation shall be borne equally by the parties. Neither party shall be deemed the prevailing party. No party shall be permitted to file a legal action arising out of the termination or abandonment of this agreement without first meeting in mediation and making a good faith attempt to reach a mediated settlement. The mediation process, once commenced by a meeting with the mediator, shall last until agreement is reached by the parties but not more than 30 days, unless the parties extend the maximum time by mutual agreement.

SECTION V
EXPIRATION AND TERMINATION

1. <u>Events of Default.</u> Each of the following events shall constitute an "Event of Default":

   A. The Vendor shall fail to observe, perform or comply with any material term, covenant, agreement or condition of this Agreement which is to be observed, performed or complied with by the Vendor, if such failure continues uncured for thirty (30) calendar days after the City gives the Vendor written notice of the failure and the specific nature of such failure.

   B. The Vendor shall commit any fraud, misrepresentation, breach of fiduciary duty, willful misconduct, or intentional breach of any provision of this Agreement.

2. <u>Termination Upon Event of Default.</u> In addition to any other available legal or equitable rights or remedies, upon an Event of Default by the Vendor, the City shall have the right to terminate this Agreement upon written notice to the Vendor.

3. <u>Expiration.</u> Unless extended as provided for herein, this Agreement shall naturally expire on the Completion Date.

4. <u>Payment Upon Termination.</u> Upon a termination of this Agreement, the City shall pay to the Vendor the part of the Compensation which would otherwise be payable to the Vendor with respect to the Services which had been adequately completed as of the date of termination, less the amount of all previous payments with respect to the Compensation.

5. <u>Termination by Vendor.</u> Vendor may terminate this Agreement only upon the substantial breach by the City of a material provision of this Agreement.

VI
GENERAL PROVISIONS

1. <u>Nondiscrimination by the Vendor.</u> The Vendor represents and agrees that the Vendor, its affiliates, subsidiaries, or holding companies do not and will not discriminate against any subcontractor, Vendor, employee, or applicant for employment because of race, religion, color, sex, handicap, national origin or any other protected classification under federal or state law. Such nondiscrimination shall include, but not be limited to, the following: employment, upgrading, demotion, transfers, recruitment, recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

2. <u>City's Rights to Employ Other Vendors.</u> The City reserves the right to employ other Vendors in connection with this Project.

3. <u>Conflicts of Interest; Prohibited Interests.</u>

   A. The Vendor or its employees may be subject to the provisions of the California Political Reform Act of 1974 (the "Act"), which (1) requires such persons to disclose financial interests that may foreseeably be materially affected by the work performed under this Agreement, and (2) prohibits such persons from making, or participating in making, decisions that will foreseeably financially affect such interests.

   B. If subject to the Act, the Vendor shall conform to all requirements of the Act. Failure to do so constitutes an "Event of Default" of this Agreement, and is grounds for termination of this Agreement by the City.

C. Vendor maintains and warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for Vendor, to solicit or secure this Agreement. Further, Vendor warrants that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for Vendor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

4. Subcontracting. The Vendor shall not subcontract any portion of the Services except as expressly stated herein, without prior written consent of the City. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

5. Waiver. No waiver of any default shall constitute a waiver of any other breach or default, whether of the same or any other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by other parties shall give the other any contractual right by custom, estoppel, or otherwise.

6. Notices. All notices required hereunder shall be given in writing to the following addresses or such other addresses as the parties may designate by written notice:

To the City:	City of Lee's Summit
	220 SE Green Street
	Lee's Summit, MO 64063
	Attention: Randy Dickey
To the Vendor:	Municipal Software Corporation
	Suite 1108, 4464 Markham Street
	Victoria, BC V8Z 7X8
	Attention: Dennis Asbury, CEO

Notice shall be deemed received as follows, depending upon the method of transmittal: by facsimile, as of the date and time sent; by messenger, as of the date delivered; and by U.S. Mail, certified, return receipt requested, as of five (5) days after deposit in the U.S. Mail. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

7. Authority to Enter Agreement. The Vendor has all requisite power and authority to conduct its business and to execute, deliver and perform all of its obligations under this Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right and authority to enter into this Agreement so as to bind each respective Party to perform the conditions contemplated herein.

8. Severability. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect.

9. Time is of the Essence. Time is of the essence in this Agreement, and all parties agree to execute all documents and to proceed with due diligence to complete all covenants and conditions set forth herein.

10. Attorneys' Fees and Costs. If any legal action or other proceeding is brought for the enforcement of this Agreement or because of an alleged dispute, breach, default, or misrepresentation in connection with any provisions of this Agreement, the cost of attorney's fees and other costs incurred in that action or preceding shall be borne equally by the parties.

11. Governing Law and Venue. This Agreement shall be construed in accordance with, and governed by, the laws of the State of Missouri. Any lawsuit brought to enforce this Agreement shall be brought in the appropriate court in Jackson County, State of Missouri.

12. Days. Any term in this Agreement referencing time, days, or period for performance shall be deemed to be calendar days and not work days.

13. Entire Agreement. This Agreement contains the entire agreement of the City and the Vendor, and supersedes any prior or written statements or agreements between the City and the Vendor. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by both Parties.

14. Binding on Assigns. Each and all of the covenants and conditions of this Agreement shall be binding on, and shall inure to, the benefit of the successors and assigns of the respective parties.

15. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

16. Captions. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment or describe the scope, content or intent of this Agreement.

17. Construction. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language in all parts of this Agreement shall be construed simply, according to its fair meaning and not strictly for or against any party.

18. Cooperation/Further Acts. The Parties shall fully cooperate with one another in attaining the purposes of this Agreement. In connection therewith, the Parties shall take any additional further acts and steps and sign any additional documents as may be necessary, appropriate and convenient to attain the purposes of this Agreement.

20. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

21. Incorporation of Recitals and Attachments.

    A. The "Recitals" constitute a material part hereof, and are hereby incorporated into the Agreement by reference as though fully set forth herein.

    B. The "Attachments" constitute a material part hereof, and are hereby incorporated into the Agreement by reference as though fully set forth herein.

22. References.

All references to the Vendor shall include all personnel, employees agents and sub-Vendors of the Vendor.
    Attachment 1 – Payment Milestones and Deliverables

    Attachment 2 – Software License and Support Agreement

        Schedule A – List of Software and Term of License
        Schedule B – Service Level Agreement

    Attachment 3 – Software Escrow Agreement

Attachment 1
Payment Milestones and Deliverables

Software Licensing-Phase 1	Deliverables	Payment Milestone	Payment Terms

Software Licenses Include:
  64 CityView Application Client - Desktop
  1 CityView Application Client - Browser
  1 CityView Server
  46 CityView GIS Extensions (1 Advanced; 45 Basic)
  1 CityView Application Builder
  1 CityView Public Portal
 	
PreBuilts:
  1 CityView Property Information
  1 CityView Permits & Inspections
  1 CityView Code Enforcement
  1 CityView Planning
  1 CityView Cashiering
	MSC will:
	• Set up as a client on FTP site
	• Provide documentation to download the latest version of CityView off the FTP site
	• Send the licensing key for CityView Licenses
	• Provide documentation to download the PreBuilts from the FTP site
		$239,500	Invoiced and due upon execution of the Contract.

Phase 1-PreBuilt Implementation Permits & Inspections, Planning, Code Enforcement, Property & Cashiering PreBuilts	Deliverables	Payment Milestone	Payment Terms
Project Management	Ongoing management of all implementation services described below.	$ 20,000.00	1/3 due upon execution of the Contract; 1/3 due upon commencement of configuration & customization; 1/3 due at Go-Live.
Project Kickoff Data Collection (onsite)	Onsite meeting to kick off the project and collection of required data.	$ 13,000.00	Due upon completion of onsite data collection
SME Training (Runs concurrently with Data Collection.	One day of onsite SME Training with up to 4 students per day for each PreBuilt.	$ 16,000.00	Invoiced 1 week prior to the first day of training. Travel costs billed as incurred.
Configuration & Customizations	Configure PreBuilts based on Client Information provided in the Worksheets.	$ 21,875.00	Due upon completion of the configuration
Initial Data Conversion	Convert both data into the Client database. Validate data conversion with client and test environment.	$ 20,000.00	Due upon completion of the initial data conversion
Remote Infrastructure Review	Remote review of client's hardware infrastructure.	$ 2,500.00	Due upon completion of remote infrastructure review
Installation (remote)	Setup environments (production & test) on client site. Test to ensure proper operation. May require on site setup determined at Kickoff Meeting.	$ 3,750.00	Due upon completion of the remote installation

On Site Implementation and Validation Training.	Validate initial configuration with the client onsite and implement any refinements arising out of the validation.	$ 18,750.00	Invoiced 1 week prior to the first day of training. Travel costs billed as incurred.
System Administrator, Reporter & Designer (Application Builder) Training	3 day course for System Administrators.	$ 4,800.00	Invoiced 1 week prior to the first day of training. Travel costs billed as incurred.
Configuration Refinement	Make any changes to configurations based upon initial implementation and validation.	$ 12,000.00	Due upon completion of Configuration Refinement
End User Training	Onsite training for users of the PreBuilts: • Property Information • Permits & Inspections • Code Enforcement • Planning • Cashiering	$ 22,125.00	Invoiced 1 week prior to the first day of training. Travel costs billed as incurred.
Data Update / Install (Remote)	Final data update/conversion to get current data into client database for go-live. Must be the same scripts used in initial data conversion. Data must be verified by both MSC and Client before go-live. Sign off required.	$ 5,000.00	Due upon completion of final data conversion
Offsite (standard) Go Live Assistance (remote)	Go Live assistance.	$ 4,000.00	Due upon Go Live.
Total Services-Phase 1		**$ 163,800.00**	

Annual Software Maintenance-Phase 1	Deliverables	Payment Milestone	Payment Terms
ASM-Phase 1	Provides: • All major and minor software upgrades • Unlimited technical support; • Prepaid registration at the annual User Conference for 2 attendees; • Unlimited access to the Municipal Software FTP site • Unlimited access to the Municipal Software Knowledgeshare	$ 49,700.00	Due upon the first anniversary of the initial project going live. Annual increase thereafter of 4%.

Public Portal Fee	Provides: Unlimited citizen access to online services including: • Apply for a permit; check status of a permit; pay for a permit • Schedule an inspection or check status of an inspection • File a code complaint • View Planning application status, reviews and hearings	$ 10,000.00	Included in Licensing cost above as a one time License fee, subject to terms of License payment above and ASM.

Summary of Investment-Phase 1	Price
Total Services & Training-Phase 1	$ 163,800.00
Total Licensing-Phase 1	$ 239,500.00
Total Phase 1 Project (Excluding Options & Travel)	$ 403,300.00

Travel Costs-Phase 1	Deliverables	Payment Milestone	Payment Terms
Standard Implementation Travel Costs	Budget for travel and expenses for services to be conducted on site at Lee's Summit (including the Sys Admin Training, the budget assumes 5 on site trips and 31 days spent on site). If additional travel is mutually agreed to be warranted, this will be charged at actual cost of travel and accommodation expenses plus $50/day per diems for meal expenses. Invoiced on commencement of on site services and due net 30 days	$ 8,000.00	Invoiced on commencement of on site services and due net 30 days
System Administrator Training Travel	Budget for travel and expenses for services to be conducted on site at Lee's Summit (including the Sys Admin Training, the budget assumes 5 on site trips and 31 days spent on site). If additional travel is mutually agreed to be warranted, this will be charged at actual cost of travel and accommodation expenses plus $50/day per diems for meal expenses. Invoiced on commencement of on site services and due net 30 days	$ 2,100.00	Invoiced on commencement of on site services and due net 30 days
Total Travel Costs-Phase 1		$ 10,100.00	

Software Licensing-Phase 2	Deliverables	Payment Milestone	Payment Terms

Software Licenses Include: 5 CityView Application Client - Desktop PreBuilts: 1 CityView Licensing	MSC will: • Set up as a client on FTP site • Provide documentation to download the latest version of CityView off the FTP site • Send the licensing key for CityView Licenses • Provide documentation to download the PreBuilts from the FTP site	$22,500	Invoiced and due upon initialization of Data Collection of Phase 2.

Summary of Investment	Price
Total Licensing-Phase 1	$ 239,500.00
Total Services & Training-Phase 1	$ 163,800.00
Total Travel Costs-Phase 1	$ 10,100.00
Total Licensing-Phase 2	$ 22,500.00
Total Defined Licensing, Services, Training, Travel - Total Phase 2 Previous	As Required

Phase 2-PreBuilt Implementation Licensing PreBuilt.*	Deliverables	Payment Milestone	Payment Terms
Project Management*	Ongoing management of all implementation services described below.	$ 5,000.00	13 due upon Project Kickoff/Data Collection; 1/3 due upon commencement of configuration & customization; 1/3 due at Go-Live.
Project Kickoff Data Collection (onsite)*	Onsite meeting to kick off the project and collection of required data.	$ 3,000.00	Due upon completion of onsite data collection
SME Training (Runs concurrently with Data Collection.*	One day of onsite SME Training with up to 4 students per day for each PreBuilt.	$ 4,250.00	Invoiced 1 week prior to the first day of training. Travel costs billed as incurred.
Configuration & Customizations*	Configure PreBuilts based on Client Information provided in the Worksheets.	$ 5,000.00	Due upon completion of the configuration
Initial Data Conversion*	Convert both data into the Client database. Validate data conversion with client and test environment.	$ 6,250.00	Due upon completion of the initial data conversion
Remote Infrastructure Review*	Remote review of client's hardware infrastructure.	$ -	Due upon completion of remote infrastructure review
Installation (remote)*	Setup environments (production & test) on client site. Test to ensure proper operation. May require on site setup determined at Kickoff Meeting.	$ -	Due upon completion of the remote installation

On Site Implementation and Validation Training.*	Validate initial configuration with the client onsite and implement any refinements arising out of the validation.	$ 3,250.00	Invoiced 1 week prior to the first day of training. Travel costs billed as incurred.
Configuration Refinement*	Make any changes to configurations based upon initial implementation and validation.	$ 2,000.00	Due upon completion of Configuration Refinement
End User Training*	Onsite training for users of the PreBuilts: • Licensing	$ 2,625.00	Invoiced 1 week prior to the first day of training. Travel costs billed as incurred.
Data Update / Install (Remote)*	Final data update/conversion to get current data into client database for go-live. Must be the same scripts used in initial data conversion. Data must be verified by both MSC and Client before go-live. Sign off required.	$ -	Due upon completion of final data conversion
Offsite (standard) Go Live Assistance (remote)*	Go Live assistance.	$ 1,000.00	Due upon Go Live.
Total Services-Phase 2*		**$ 32,375.00**	

*Actual amount of Phase 2 Services to be determined prior to Phase 2 Kickoff and Data Collection; pending further discussion of configuration requirements to be distributed between MSC and City of Lee's Summit after Phase 1 System Administrator, Designer & Reporter Training.

Annual Software Maintenance-Phase 2	Deliverables	Payment Milestone	Payment Terms
ASM-Phase 2	Provides: • All major and minor software upgrades • Unlimited technical support; • Prepaid registration at the annual User Conference for 1 attendee; • Unlimited access to the Municipal Software FTP site • Unlimited access to the Municipal Software Knowledgeshare	$ 4,500.00	Due upon the first anniversary of the initial project going live or upon Go-Live of Phase 2, whichever occurs last. Annual increase of 4% thereafter.

Summary of Investment-Phase 2	Price	
Total Services & Training-Phase 2*	$ 32,375.00	
Total Licensing-Phase 2	$ 22,500.00	
Total Phase 2 Project (Excluding Options & Travel)*	**$ 54,875.00**	

Travel Costs-Phase 2	Deliverables	Payment Milestone	Payment Terms
Standard Implementation Travel Costs*	Budget for travel and expenses for services to be conducted on site at Lee's Summit (including the Sys Admin Training, the budget assumes 5 on site trips and 31 days spent on site). If additional travel is mutually agreed to be warranted, this will be charged at actual cost of travel and accommodation expenses plus $50/day per diems for meal expenses. Invoiced on commencement of on site services and due net 30 days	$ 8,000.00	Invoiced on commencement of on site services and due net 30 days
Total Travel Costs-Phase 2		**$ 8,000.00**	

Optional Services	Deliverables	Payment Milestone	Payment Terms
Any Optional Services or Change Orders	As requested; to be billed at a rate of $150 per hour plus 20% Project Management. If additional travel is mutually agreed to be warranted, this will be charged at actual cost of travel and accommodation expenses plus $50/day per diems for meal expenses.	**TBD**	Projects to be billed as due upon completion; Travel to be billed as incurred.
Total Optional Services		$ -	

ATTACHMENT 2

Municipal
SOFT**I**WARE

SOFTWARE LICENSE AND SUPPORT AGREEMENT

1. LICENSE

Municipal Software Corporation (hereinafter called 'MUNICIPAL') hereby grants to the person or corporation who purchased this License (hereinafter called the 'Licensee') a non-transferable, non-exclusive license to:

(a) Use the CityView application software (hereinafter called the 'PROGRAM'), containing the system modules described in Schedule "A" attached to this document. The PROGRAM is in "use" on a computer when it is loaded into temporary memory (i.e., RAM) of that computer;

(b) Copy the PROGRAM into any machine readable or printed form for back-up, archival or modification purposes in support of the Licensee's use of the PROGRAM on the computer system PROVIDED THAT:
  (i) the Licensee shall maintain a record of the number and location of copies made; and
  (ii) the copies, together with the original, shall remain the property of MUNICIPAL;

(c) Modify the PROGRAM or merge it with another program for the Licensee's use on any single machine PROVIDED THAT:
  (i) any portion of the PROGRAM modified or merged into another program shall continue to be subject to the terms and conditions of the Agreement; and
  (ii) upon termination of this Agreement, the PROGRAM or portion thereof shall be completely removed from the modified or merged program and destroyed or returned to MUNICIPAL at the request of MUNICIPAL.

2. SUPPORT

In consideration of payment of the annual support and maintenance fee, MUNICIPAL will provide:

(a) Priority response on support requests regarding licensed programs (and PROGRAM updates) as defined in the Service Level Agreement (hereinafter called the "SLA") as described in Schedule "B",

(b) Remote diagnosis of operational issues related to the PROGRAM and PROGRAM updates, provided that the Licensee has obtained, at its cost, the necessary software, hardware and instruction to allow MUNICIPAL to provide such assistance.

(c) PROGRAM updates for licensed programs at no extra charge except for magnetic media and courier costs, these updates to include minor changes, enhancements, improvements, and problem resolutions (excludes all Xpress Licensees);

In consideration of the services set out above, the Licensee agrees to pay for each Licensed User installation, the software maintenance charge which shall be submitted by MUNICIPAL no later than one month prior to the date of expiration as specified in Schedule "A" (excludes all Xpress Licensees).

3. ACCESS TO PROGRAM SOURCE CODE (excludes all Xpress Licensees)

MUNICIPAL acknowledges that it has entered into an agreement (hereinafter called the "Escrow Agreement") with Jones Emery Hargreaves Swan, Barristers and Solicitors, having an office at Suite 1212 - 1175 Douglas Street in the City of Victoria, in the Province of British Columbia. A copy of the Escrow Agreement is attached to the Commercial Services Agreement as Attachment 3. Said Escrow Agreement provides that a Licensee may gain access to program source code for purposes of maintaining and supporting their PROGRAM licenses all as provided in the Escrow Agreement.

MUNICIPAL agrees that for so long as this Software License and Support Agreement is in effect it will deposit and periodically update, at MUNICIPAL's sole cost, a copy of the current version of the PROGRAM source code for all programs for which the Licensee holds licenses as described in Schedule "A" attached hereto in Escrow.

MUNICIPAL further agrees that for so long as this Software License and Support Agreement is in effect it will take no steps or actions which would have the effect of modifying or eliminating the Escrow Agreement without first having received written permission from the Licensee to so do.

4. TERM
This Agreement is effective upon installation and/or payment of the license fee and shall remain in effect for the term set out in schedule "A" attached hereto, and upon expiration of the initial term shall automatically renew for an identical term upon payment of the annual support and maintenance fee for the renewal term. This Agreement may be renewed for up to four (4) renewal terms. This Agreement will terminate should Licensee fail to pay the annual support and maintenance fee for any renewal term prior to the anniversary date of this Agreement. The Licensee may terminate this Agreement upon the giving of not less than sixty (60) days written notice to MUNICIPAL prior to each anniversary date of this Agreement. The Licensee may also terminate this Agreement provided that MUNICIPAL is in breach of this Agreement and MUNICIPAL has not responded to the Licensee within thirty (30) days from the date of the written request of the Licensee, which response did not reasonably include an identification of the problem, the timetable for resolution, and the proposed scope of the work required to resolve the problem. MUNICIPAL can terminate this Agreement if the Licensee is in breach of this Agreement and fails to cure such breach within thirty (30) days after written notice from MUNICIPAL, including for non-payment within sixty (60) days of invoice date. In case of termination, the Licensee shall at the request of MUNICIPAL either:

(a)   Destroy the PROGRAM together with all copies, modifications and merged portions, or

(b)   Return the PROGRAM together with all copies, modifications, and merged portions to MUNICIPAL.

Upon termination the Licensee shall certify in writing that the original and all copies, modifications and merged portions in any form have either been returned to MUNICIPAL or have been destroyed. Sections 5, 6, 7 and 8 shall continue on and survive notwithstanding termination of this Agreement.

5. MUNICIPAL'S PROPRIETARY RIGHTS
The grant of the License herein contained permits the limited use of the PROGRAM by the Licensee. Title to and all property in the PROGRAM, its name, logo and computer stored data shall remain exclusively with MUNICIPAL.

The Licensee hereby acknowledges that the PROGRAM is the property of MUNICIPAL, constitutes a MUNICIPAL trade secret, and agrees to exercise due care and diligence in safeguarding the PROGRAM and MUNICIPAL's proprietary interest.

The Licensee also acknowledges that any negligence or deliberate violation of this Agreement on its part which results in failure to protect MUNICIPAL's proprietary interest in the PROGRAM shall actually and materially damage MUNICIPAL. In the event that MUNICIPAL feels that there is cause for damage, it is MUNICIPAL's responsibility to provide notice of damage and proof of damage. As part of this notice and proof of damage requirement, MUNCIPAL will be responsible for quantification of damages. Licensee shall have 30 days to respond to this notice prior to any further action.

In order to ensure compliance with the terms of this Agreement, MUNICIPAL shall be entitled, upon reasonable notice to Licensee and subject to MUNICIPAL's compliance with Licensee's reasonable security measures, to enter upon the Licensee's premises during normal business hours and require the Licensee to produce such information, records and documents as may be required to ascertain compliance.

MUNICIPAL may revise or update the PROGRAM or its product from time to time but shall have no obligation to provide such revision or update to the Licensee, unless the Licensee has paid in full the Annual Software Maintenance fee.

6. LIMITED WARRANTY
MUNICIPAL warrants only that:

(a)   the application shall perform as specified in MUNICIPAL's response to the functional requirements contained in RFP #07-188 and to the Scope Document to be produced as part of the Implementation except where differences may be noted in the Scope Document. Where differences are noted in the Scope Document, the Scope Document shall be the prevailing document.

(b)   the CD or diskette or cassette or magnetic tape on which the PROGRAM (including PROGRAM updates) is provided, shall be free from defects in materials and workmanship under normal use for a period of ninety (90) days from the date of delivery to the Licensee as evidenced by the Licensee's delivery receipt.

Except as specifically provided above, MUNICIPAL expressly disclaims all warranties in the PROGRAM, including, but not limited to the implied warranties of quality or fitness for a particular purpose. Except as provided in 6(a) above, the Licensee assumes sole responsibility for the selection of the PROGRAM to achieve the Licensee's intended results, and for the installation, use and results obtained from the PROGRAM.

7. LIMITATIONS OF REMEDIES
MUNICIPAL's entire liability and the Licensee's exclusive remedy shall be:

(a)   If MUNICIPAL is unable to deliver the application described in 6(a) above, Licensee shall have the option of terminating this Agreement by providing written notice thereof to MUNICIPAL. MUNICIPAL shall have ninety (90) days following such notice to provide an acceptable application to Licensee. Should MUNICIPAL fail to provide an acceptable application within the time allowed, Licensee shall be entitled to a refund in full of licensing fees.

In no event shall MUNICIPAL'S liability to the Licensee for any damages, including any lost profits, lost savings, or other incidental or consequential damages arising out of the use or inability to use the PROGRAM exceed the limits of any applicable insurance coverage which MUNICIPAL may obtain and maintain pursuant to contractual requirements with Licensee.

8. INJUNCTIVE RELIEF
The Licensee agrees that the breach of any term, provision or condition of this Agreement by the Licensee may cause irreparable damage to MUNICIPAL in which case an award of damages may not be adequate relief to MUNICIPAL. Therefore, the Licensee agrees that in addition to all the remedies available to MUNICIPAL in the event of any breach of this Agreement by the Licensee, MUNICIPAL shall have the right to obtain timely injunctive relief to protect its proprietary right.

9. GOVERNING LAW
The validity and interpretation of this Agreement and each clause and part thereof shall be governed by the law of the State of Missouri without reference to principles of conflict of laws.

10. ENTIRE AGREEMENT
This Agreement contains all the terms and conditions agreed on by the parties hereto with regard to the matters dealt with herein, and no understandings or agreements, verbal or otherwise, exist between the parties except as herein expressly set out.

11. RIGHT TO ASSIGN
This Agreement and the rights and liabilities hereunder shall not be assigned by the Licensee unless consent in writing is obtained from MUNICIPAL.

12. SUCCESSORS AND ASSIGNS
This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

13. DELIVERY AND PAYMENT
Acceptance of delivery of payment of the licenses or software maintenance constitutes acceptance of the terms of this Agreement.

SCHEDULE A
LIST OF LICENSED SOFTWARE AND TERM OF LICENSE

This is Schedule 'A' attached to and made part of a Software License and Support Agreement dated _____,
2008 between Municipal Software Corporation and the City of Lee's Summit. The term of license is set forth in paragraphs
3.2.1 Phase I and 3.2.2 Phase II of the Service Agreement.

This Software License and Support Agreement is valued at $49,700.00 for Phase I and an additional $ 4,500.00 for Phase
II.

The following concurrent program licenses consist of:

QUANTITY	PRODUCT DESCRIPTION
69	Application Client
1	Application Builder
1	Browser Client
46	GIS Extension

In addition to the above, the City of Lee's Summit has purchased the following CityView Products:

CityView Public Portal

CityView Server

CityView PreBuilts:

CityView Property Information

CityView Permits & Inspections

CityView Code Enforcement

CityView Planning

CityView Cashiering

CityView Licensing

Getting Started

CityView Standard Support

Service Level Agreement

July 3, 2008

CityView Standard Support – Service Level Agreement

Contract Term: 1 Year (renewable annually)

Support Requests Allowed: Unlimited

Support Channels

Web:	*Submit Support Requests and check previously submitted incidents on a 24x7 basis through a web-enabled CRM.*	www.municipalsoftware.com/supportrequests
	Search the Knowledge Base	www.municipalsoftware.com/knowledgeshare
	Downloadable Updates:	http://www.municipalsoftware.com/downloads
Telephone:	*Available between 5:30 am and 5:30 pm PT on regular business days.*	1.866.988.8324
Email:	*Will be logged to the Municipal Software CRM.*	support@municipalsoftware.com

What to Expect from Customer Support

Hours of Coverage

Coverage hours are 5:30 a.m. to 5:30 p.m. Pacific Time from Monday through Friday, excluding Municipal Software observed holidays. Only those statutory holidays that coincide between Canada and the United states are observed by Municipal Software Customer Support.

Support Requests

There are three methods to log a Support Request – online, by phone and by e-mail.

Our online support system allows you to enter the problem details through the website noted above. You will immediately receive a computer-generated message that acknowledges receipt of your Support Request including details of the problem and a tracking number. Each time the status of this incident changes, you will receive a notification.

Telephone calls to Customer Support will be answered live during business days. If we are helping another Customer and are unable to answer the phone, please leave a message, with your contact information, Support Request tracking number, and a description of the issue. We respond to messages in a priority sequence.

You can also send us an email to open a Support Request or follow up on an existing issue. We respond to emails in a priority sequence.

Support Request Prioritization

Customer Support has guidelines, specified in Table 1 below, for prioritizing Support Requests. Requests are processed in order of priority followed by order of submission.

Table 1. Service Level Agreement

Priority	Definition	Initial Response Time*	Commitment (Municipal Software and Customer)	Examples
1 **High**	Operation/Service down or critically impacted. Business process impacted. No known workaround.	2 Hours	Municipal Software and Customer will commit necessary resources to fix problem or obtain a workaround.	▪ Users cannot login ▪ Business process halted
2 **Medium**	Operation affected, but not down. Business process is not affected. Workaround may be available.	4 Hours	Municipal Software and Customer will commit resources during normal business hours to resolve issue or obtain workaround.	▪ Cannot print ▪ Cannot process payments ▪ Application response is exceptionally slow
3 **Normal**	Moderate to negligible impact. No impact to business.	24 Hours	Municipal Software and Customer will commit necessary resources during normal business hours to restore operation to satisfactory levels.	▪ Non-critical feature not working ▪ Feature works but requires user intervention
4 **Info.**	Request for information, documentation issues, and enhancement requests.	48 Hours	Request-dependent.	▪ Help file clarification ▪ Form design not in production

● Response time targets are during business hours only.

Follow-up and Resolution
If we require additional information relating to your Support request, we will contact you by email or phone for that information. We strive for as quick a resolution as possible and we will provide an estimated resolution time, if possible, providing we have all required information. Due to the complexity and variety of issues we are unable to guarantee resolution times. We will keep your Service Request open and notify you when a resolution is available.

Feature Requests
If you come across an idea that you think might make an enhancement to CityView, your input is always welcome. Please submit your suggestions through regular support channels. Any suggestions for enhancements become the property of Municipal Software. Municipal Software may use this information for any Municipal Software business purposes, without restriction, including for product support and development. Municipal Software will not use information in a form that personally identifies you.

Guidelines for working with Customer Support
Municipal Software wants to be as responsive as possible to your support needs. To accomplish this goal, we ask that you be an active part of the process. Following these guidelines will help us achieve a quicker resolution to your issues.

Designate your Primary Contacts
Designate up to three users to submit Support Requests. These users should be trained in the use of CityView and constitute the first line of support for your organization.

Additional Information and Response

- **Knowledge:** Your designated contacts should be experienced in the installation, operation, and maintenance of the hardware, desktop, and network operating systems, and applications in your environment before you install CityView.

  - **Self-sufficiency:** We ask you to be as self-sufficient as possible when you encounter problems. You can do this by referring to technical documentation for your environment and by searching the Municipal Software website to determine if your issue is addressed before you submit it to us.
  - **Preparation:** When you call support, please be prepared to provide the same level of information as is requested on the request submission form. You can help reduce the time to resolution by completing the online support request form and attaching files as directed. Then, simply provide us with the request number when you call. We ask that you have immediate access to the computer(s) on which Municipal Software products are running.

- **Information Collection:** As with any troubleshooting process, accurate and timely resolution depends on information. When you file a Support Request, please provide the following:

  - A detailed description of the issue,
  - A description of the steps you have taken to deal with the problem,
  - A timeline of how long the issue has existed or changed over time, and,
  - Attach any appropriate log files.

  If we do not have this information, or we require more information, we will contact you. Note that if contact you for information or we don't hear back from you in ten business days, we will close your Support Request and mark it as "Closed".

- **Access to your System**

  During the troubleshooting process, it may be necessary to access your CityView environment and related technologies. To accomplish this, you need to:

  - provide us with VPN access to your CityView and database servers with administrator access or,
  - Allow firewall access to www.copilot.com or www.webex.com, and,
  - Have your servers able to access ftp.municipalsoftware.com.

Limitations

The following are not covered by Municipal Software's Standard Support Agreement, but may be available as separate services on a time and materials basis:

a) Services required due to misuse of Municipal Software maintained software;

b) Services required due to software corrections, customizations, or modifications not developed by Municipal Software;

c) Services required by the Customer to be performed by Municipal Software outside of Municipal Software's regular business hours;

d) Services required to resolve or work-around problems that cannot be reproduced in Municipal Software's support environment;

e) Services which relate to tasks other than maintenance of the Customer's existing implementation and configuration of CityView, including but not limited to, enhancing or adapting CityView for specific operating environments;

f) Services requested by the Customer to implement software updates provided by Municipal Software.

Your Support Team

David Arrowsmith, Manager, Customer Support

Dave Arrowsmith joined Municipal Software in December 2006 as the Manager, Customer Support. Dave and his team handle all CityView related support issues and project deployment. Dave brings significant support-related experience to Municipal Software from his work with both private and public sector industry organizations. Prior to joining Municipal, Dave ran the Support department for a top 100 online retailer and established a fraud prevention team and technical writing group. Dave also established his own successful GIS consulting business, worked for a variety of high tech firms and the Canadian military in the Geomatics division.

Contact: DArrowsmith@MunicipalSoftware.com; 1.800.665.5647 ext. 244

John Edwards, Senior Support Engineer

John brings 10 years of experience in IT, a Computer Engineering Technologist designation and an MCSE designation to his position at Municipal Software. With 5 years of experience supporting CityView he has seen the evolution from its 7.x JET only days to today's smart client technology.

Contact: JEdwards@MunicipalSoftware.com; 1.800.665.5647 ext. 233

George Payer, Support Engineer

George has been part of the Municipal Software support team since 2005. Prior to joining the Company he worked for companies like Compaq and HP. His last position dealt with law enforcement arrest and booking software as well as database integration applications. He has also worked as a Network Administrator for a Northern Alberta Oil Refinery.

Contact: GPayer@MunicipalSoftware.com; 1.800.665.5647 ext. 257

ATTACHMENT 3
ESCROW AGREEMENT

To: Jones Emery Hargreaves Swan   To: Each Declarant (as defined hereunder)
Barristers and Solicitors
Suite 1212 - 1175 Douglas Street
Victoria, B.C.
V8W 2E1

Municipal Software Corporation acknowledges that each licensee under the terms of a valid, current Municipal Software Corporation Software License and Support Agreement which is not in default (the "Declarant") is a beneficiary under this Escrow Agreement and entitled to enforce legal rights and remedies hereunder.

1.   Upon receipt by Jones Emery Hargreaves Swan of a Statutory Declaration from the Declarant or an authorized officer of the Declarant containing the following provisions:

    (a)   The Declarant is a party to a Municipal Software Corporation Software License and Support Agreement and the Declarant is not in default under the terms of the agreement;

    (b)   The Declarant has requested in writing performance of the Software License and Support Agreement by Municipal Software Corporation;

    (c)   Municipal Software Corporation has not responded in writing to the Declarant within 30 days from the date of the written request of the Declarant, with a response which did not reasonably include an identification of the problem, the timetable for resolution, and the proposed scope of the work required to resolve the problem;

    (d)   Notice of the intention of the Declarant to exercise the provisions of this Escrow Agreement has been served upon Municipal Software Corporation not less than 14 days prior to the date of execution of the Statutory Declaration;

    (e)   The Declarant undertakes to copy the program source code, the subject of the Escrow Agreement, and to return the original to Jones Emery Hargreaves Swan and to use the program source code only for the purposes of supporting and maintaining its Municipal Software Corporation software program for its own internal corporate purposes;

Jones Emery Hargreaves Swan shall release to the Declarant the program source code as deposited by Municipal Software Corporation in a sealed envelope with Jones Emery Hargreaves Swan pursuant to this Escrow Agreement;

2.   Municipal Software Corporation shall, during the term of this agreement, submit revised copies of the source code in a sealed envelope together with a list of current approved declarants entitled to receive the same subject to the conditions in (1) above. Such revisions shall be accompanied by a certificate from Municipal Software Corporation stating that:
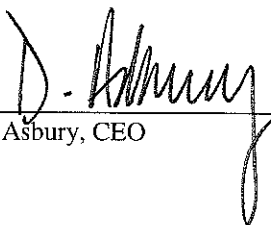
    (a)   The contents of the escrowed materials are complete and would be understandable and useable by a reasonably knowledgeable computer programmer.

    (b)   The contents accurately reflect the most current version of the licensed programs by the Licensee.

    (c)   The contents incorporate all changes made to the licensed programs or the source material from the previous time the escrowed materials were delivered to Jones Emery Hargreaves Swan under this agreement.

    (d)   The contents contain a separate CD or diskette that contains the CityView License Key Generator Program with instructions for use, and,

    (e)   The contents contain no passwords, or other device that would prevent or prohibit the use of the escrowed materials at any time.

3.   Municipal Software Corporation will ensure that revised copies of the source code will be placed with Jones Emery Hargreaves Swan within thirty (30) days after the public release of a licensed program or a licensed program update.

4. Jones Emery Hargreaves Swan shall, upon receiving such a certificate from Municipal Software Corporation, notify each of the declarants mentioned in (2) above, by mail of such receipt.

5. It is understood that the duties of Jones Emery Hargreaves Swan, as escrow holder are limited to those expressly set forth herein and, in addition to the carrying out of escrow instructions, are limited to taking reasonable care of the subject matter of this agreement. Jones Emery Hargreaves Swan make no representations or guarantee as to the escrow materials and shall not be obligated to inquire into the accuracy or completeness of the escrow materials or any declaration made hereunder. In the event that proceedings in a court of law arise in relation to the subject matter of this Escrow Agreement, Jones Emery Hargreaves Swan shall not be obligated to defend or enter an appearance and shall only be obligated to participate after the Declarant and Municipal Software Corporation have placed sufficient security for Jones Emery Hargreaves Swan's costs of such proceedings.

6. This agreement shall terminate ten (10) years from the date hereof, unless renewed by mutual written agreement. Jones Emery Hargreaves Swan may resign as escrow agent hereunder upon another party accepting the duties and obligations of escrow agent or upon providing the Declarant and Municipal Software Corporation with sixty (60) days advance written notice.

DATED at the City of Victoria, in the Province of British Columbia, this ___3___ day of ___JuLy___, 2008.

MUNICIPAL SOFTWARE CORPORATION

_____
Dennis Asbury, CEO

Exhibit C
GENERAL CONDITIONS
GOVERNING RESPONSES AND SUBSEQUENT CONTRACTS
City of Lee's Summit, MO

1.   SCOPE: The following terms and conditions, unless otherwise modified by the City of Lee's Summit within this document, shall govern the submission of proposals and subsequent contracts. The City of Lee's Summit reserves the right to reject any proposal that takes exception to these conditions.

2.   DEFINITIONS AS USED HEREIN:

    (a) The term "request for proposal" means a solicitation of a formal, sealed proposal.
    (b) The term "respondent" means the person, firm or corporation who submits a formal sealed proposal.
    (c) The term "City" means City of Lee's Summit, MO.
    (d) The term "City Council" means the governing body of the City of Lee's Summit, MO. The term "Board" means the governing body of the City of Lee's Summit Parks and Recreation Board. The term "Board Administrator" means the Parks and Recreation Board's department administrator.
    (e) The term "contractor" means the respondent awarded a contract under this proposal.

3.   COMPLETING PROPOSAL: All information must be legible. Any and all corrections and/or erasures must be initialed. Each proposal must be signed in ink by an authorized representative of the respondent and required information must be provided. The contents of the proposal submitted by the successful respondent of this RFP will become a part of any contract award as a result of this solicitation.

4.   REQUEST FOR INFORMATION: Any requests for clarification of additional information deemed necessary by any respondent to present a proper proposal shall be submitted in writing to the Purchasing Office, 220 S.E. Green Street, Lee's Summit, MO 64063, referencing this RFP number, a minimum of five (5) calendar days prior to the proposal submission date. Any request received after the above stated deadline will not be considered. All requests received prior to the above stated deadline will be responded to in writing by the City in the form of an addendum addressed to all prospective respondents.

5.   CONFIDENTIALITY OF PROPOSAL INFORMATION: Each proposal must be submitted in or under cover of a sealed envelope to provide confidentiality of the information enclosed. The envelope should be sealed and clearly marked with RFP number and the name of the project.

    All proposals and supporting documents will remain confidential until a final contract has been executed. Information that discloses proprietary or financial information submitted in response to qualification statements will not become public information. This is in accordance with the Missouri Sunshine Law.

6.   SUBMISSION OF PROPOSAL: Proposals are to be sealed and submitted to the Purchasing Office, 220 S.E. Green Street, Lee's Summit, MO 64063, prior to the date and time indicated on the cover sheet. At such time, all proposals received will be formally opened. The opening will consist of only the name and address recording of respondents.

7.   ADDENDA: All changes, additions and/or clarifications in connection with this proposal will be issued by the Purchasing office in the form of a written addendum. Submit **EQUAL** number of signed addendum with the number of proposals required. Verbal responses and/or representations shall not be binding on the City.

8.   LATE PROPOSALS AND MODIFICATION OR WITHDRAWALS: Proposals received after the date and time indicated on the cover sheet shall not be considered.

    Proposals may be withdrawn or modified in writing prior to the proposal submission deadline. Proposals that are resubmitted or modified must be sealed and submitted to the Purchasing Office prior to the proposal submission deadline. Each respondent may submit only one (1) response to this proposal.

9.   BONDS: When a Bond is required it shall be executed with the proper sureties, through a company licensed to operate in the State of Missouri, and hold a current Certificate of Authority as an acceptable surety under 31 CFR Part 223 (and be listed on the current U.S. Department of the Treasury Circular 570 and have at least <u>A</u> Best's rating and a <u>FPR9</u> or better financial performance rating per the current A.M. Best Company ratings.)

10.   NEGOTIATION: The City reserves the right to negotiate any and all elements of this proposal.

11.   TERMINATION: Subject to the provisions below, any contract derived from this Request For Proposal may be terminated by either party upon thirty (30) days advance written notice to the other party; but if any work or service hereunder is in progress, but not completed as of the date of termination, then said contract may be extended upon written approval of the City until said work or services are completed and accepted.

    (a) TERMINATION FOR CONVENIENCE: In the event that the contract is terminated or cancelled upon request and for the convenience of the City, without the required thirty (30) days advance written notice, then the City shall negotiate reasonable termination costs, if applicable.
    (b) TERMINATION FOR CAUSE: Termination by the City for cause, default or negligence on the part of the contractor shall be excluded from the foregoing provision; termination costs, if any, shall not apply. The thirty (30) days advance notice requirement is waived in the event of Termination for Cause.
    (c) TERMINATION DUE TO UNAVAILABILITY OF FUNDS IN SUCCEEDING FISCAL YEARS: When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year, the contract shall be cancelled and the contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the supplies or services delivered under the contract.

12.   TAX EXEMPT: The City and its Agencies are exempt from State and local sales taxes. Sites of all transactions derived from this proposal shall be deemed to have been accomplished within the State of Missouri.

13.   SAFETY: All practices, materials, supplies, and equipment shall comply with the Federal Occupational Safety and Health Act, as well as any pertinent Federal, State and/or local safety or environmental codes.

14.   RIGHTS RESERVED: The City reserves the right to reject any or all proposals, to waive any minor informality or irregularity in any proposal, and to make award to the response deemed to be most advantageous to the City.

15.   RESPONDENT PROHIBITED: Respondents are prohibited from assigning, transferring, conveying, subletting, or otherwise disposing of this proposal or any resultant agreement or its rights, title, or interest therein or its power to execute such agreement to any other person, company or corporation without the previous written approval of the City.

16.   DISCLAIMER OF LIABILITY: The City, or any of its agencies, will not hold harmless or indemnify any respondent for any liability whatsoever.

17.   INDEMNITY AND HOLD HARMLESS: Service Provider agrees to indemnify, release, defend, and forever hold harmless the City, its officers, agents, employees, and elected officials, each in their official and individual capacities, from and against all claims, demands, damages, loss or liabilities, including costs, expenses, and attorneys fees incurred in the defense of such claims, demands, damages, losses or liabilities, or incurred in the establishment of the right to indemnity hereunder, caused in whole or in part by Service Provider, his sub-contractors, employees or agents, and arising out of services performed by Service Provider, his subcontractors, employees or agents under this contract.

18.   LAW GOVERNING: All contractual agreements shall be subject to, governed by, and construed according to the laws of the State of Missouri. Any dispute regarding this contractual agreement shall be decided by a Missouri Court.

19.   COMPLIANCE WITH APPLICABLE LAW: Contractor shall comply with all federal, state or local laws, ordinances, rules, regulations and administrative orders, including but not limited to Wage, Labor, Unauthorized Aliens, EEO and OSHA-type requirements which are applicable to Contractor's performance under this contract. Contractor shall indemnify and hold the City harmless on account of any violations thereof relating to Contractor's performance under this contract, including imposition of fines and penalties which result from the violation of such laws.

20.   ANTI-DISCRIMINATION CLAUSE: No respondent on this request shall in any way, directly or indirectly discriminate against any person because of age, race, color, handicap, sex, national origin, or religious creed.

21.   DOMESTIC PRODUCTS: The City of Lee's Summit has adopted a formal written policy to encourage the purchase of products manufactured or produced in the United States (City of Lee's Summit Resolution No. 87-18, MO. State Statute No. 34.353, Section 3, (5).

23.   CONFLICTS: No salaried officer or employee of the City and no member of the City Council shall have a financial interest, direct or indirect, in this contract. A violation of this provision renders the contract void. Federal conflict of interest regulations and applicable provisions of Sections 105.450 – 105.496 shall not be violated. Contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services to be performed under this contract. The Contractor further covenants that in the performance of this contract no person having such interest shall be employed.

24.   DEBARMENT: By submission of its response, the Contractor certifies that neither it nor its principals is presently debarred or suspended by any Federal Department or agency, including listing in the U.S. General Services Administrations List of Parties Excluded from Federal Procurement or Non-Procurement programs; or if the amount of this response is equal to in excess of $100,000, that neither it nor its principals nor its subcontractors receiving sub-awards equal to or in excess of $100,000 is presently disbarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by an Federal Department , agency or prevision of law. If the Contractor is unable to certify any of the statements in this certification, the responder must attach an explanation to its response.

24.   FUND ALLOCATION: Continuance of any resulting Agreement, Contract, or issuance of Purchase Orders is contingent upon the available funding and allocation of City funds. The Contractor understands that the obligation of the City to pay for goods and/or services under the contract is limited to payment from available revenues and shall constitute a current expense of the City and shall not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the City nor shall anything contained in the contract constitute a pledge of the general tax revenues, funds or moneys of the City, and all provisions of the contract shall be construed so as to give effect to such intent.

EXHIBIT D
ADDENDUM

This Addendum is made this ⟶ day of ___July___, 2008, to the Service Agreement for Permit Services Software RFP No. 07-188, by and between the City of Lee's Summit, Missouri, a Municipal Corporation of the State of Missouri, hereinafter referred to as "City" and Municipal Software Corporation, a British Columbia incorporated company, hereinafter referred to as "Service Provider".

WHEREAS, the parties entered into the Service Agreement whereby the Service Provider is to provide professional services to City regarding the implementation and licensing of certain software hereinafter referred to as the "City View Product Line"; and

WHEREAS, Service Provider has informed the City that ownership of Service Provider and/or its assets is changing; and

WHEREAS, to provide assurance to the City regarding the services which will be available now and in the future, the parties wish to clarify and supplement the Service Agreement.

NOW, THEREFORE, the City and Service Provider agree as follows:

1.   Service Provider agrees that it will provide maintenance and support services for the City View Product Line, for not less than five (5) years following the "Go Live" date as that term is used in the Service Agreement; and that maintenance and support services provided to the City will not be materially different from those described in the attachments to the Service Agreement.

2.   If the City View Product Line is discontinued and/or Service Provider makes available a new or replacement product/software which is similar in functionality, then City shall have the option to utilize such new or replacement product/software. This option may be exercised by providing written notice to Service Provider. If City exercises this option, Service Provider will make available to City at no additional cost the server and client software licenses for the new or replacement product/software in a quantity and/or function equivalent to the server and software licenses currently being used by the City with the exception that any third party software products or licenses required will be purchased by the City. In addition, for a period of five (5) years following the "Go Live" date, Service Provider will furnish and provide any and all professional services necessary for migration of the City to the replacement product/software at its cost which is estimated to be approximately fifty percent (50%) of Service Provider's standard rate for such services. Upgrades or updates to the City View Product Line shall not be considered as new or replacement product/software for the purposes of this paragraph.

3.   This Addendum shall be binding on Service Provider and its successors or assigns.

4.   Except as amended herein the Service Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Addendum the day and year first above written.

City of Lee's Summit

_____
Interim City Manager

_____7/10/8_____
Date

Approved as to form

Assistant City Attorney

Municipal Software Corporation

_____

_____
Title

_____
Date July 3, 2008