

Town of Colchester, Connecticut 127 Norwich Avenue, Colchester, Connecticut 06415

Board of Selectmen Agenda Special Meeting Friday, April 13, 2018 Colchester Town Hall, Noon

- Call to Order
- Discussion and Possible Action on Opengov 2.
- Adjourn



OPENGOV SOFTWARE SERVICES AGREEMENT

This Software Services Agreement (this "Agreement") is entered into by OpenGov, Inc., a Delaware corporation with a principal place of business at 955 Charter Street, Redwood City, California 94063 ("OpenGov") and the customer listed on the signature block below ("Customer"), as of the date of last signature below (the "Effective Date"). This Agreement sets forth the terms under which Customer will be permitted to use OpenGov's hosted software services.

1. DEFINITIONS

"Customer Data" means data that is provided by Customer to OpenGov pursuant to this Agreement (for example, by email or through Customer's software systems of record). Customer Data shall not include any confidential personally identifiable information.

"Documentation" means the documentation for the Software Services at the Customer Resource Center page found at https://opengov.zendesk.com.

"Feedback" means suggestions, comments, improvements, ideas, or other feedback or materials regarding the Software Services provided by Customer to OpenGov, including feedback provided through online developer community forums.

"Initial Term" means the initial license term specified in number of years on the Order Form, commencing on the Effective Date.

"Intellectual Property Rights" means all intellectual property rights including all past, present, and future rights associated with works of authorship, including exclusive exploitation rights, copyrights, and moral rights, trademark and trade name rights and similar rights, trade secret rights, patent rights, and any other proprietary rights in intellectual property of every kind and nature.

"Order Form" means OpenGov's Software Services order form that: (a) specifies the Software Services provided by OpenGov; (b) references this Agreement; and (c) is signed by authorized representatives of both parties.

"Renewal Term" means each additional renewal period, which shall be for a period of equal duration as the Initial Term, for which this Agreement is extended pursuant to Section 7.2.

2. SOFTWARE SERVICES, SUPPORT AND PROFESSIONAL SERVICES

- 2.1 <u>Software Services</u>. Subject to the terms and conditions of this Agreement, OpenGov will use commercially reasonable efforts to perform the software services identified in the applicable Order Form entered into by OpenGov and Customer ("Software Services").
- 2.2 <u>Support</u>. Customer support is available by email to support@opengov.com or by using the chat messaging functionality of the Software Services, both of which are available during OpenGov's standard business hours (7 am to 7 pm PST excluding holidays). Customer may report issues any time. However, OpenGov will address issues during business hours.

2.3 Professional Services.

- (a) If OpenGov or its authorized independent contractors provides professional services to Customer, such as implementation services, then these professional services will be described in a statement of work signed by the parties ("SOW") and attached as an exhibit to this Agreement (the "Professional Services").
- (b) Unless the SOW provides otherwise, all reasonable travel expenses incurred by OpenGov in performing the professional services will be reimbursed by Customer. Travel expenses include cost of coach airfare travel round trip from San Francisco, California to Customer's location, reasonable hotel accommodations, ground transportation and meals.

3. RESTRICTIONS AND RESPONSIBILITIES

- 3.1 Restrictions. Customer may not use the Software Services in any manner or for any purpose other than as expressly permitted by the Agreement. Customer shall not, and shall not permit or enable any third party to: (a) use or access any of the Software Services to build a competitive product or service; (b) modify, disassemble, decompile, reverse engineer or otherwise make any derivative use of the Software Services (except to the extent applicable laws specifically prohibit such restriction); (c) sell, license, rent, lease, assign, distribute, display, host, disclose, outsource or otherwise commercially exploit the copy, rent, lease, distribute, assign, sell, or otherwise commercially exploit the Software Services; (d) perform or disclose any benchmarking or performance testing of the Software Services; (e) remove any proprietary notices included with the Software Services; (f) use the Software Services in violation of applicable law; or (g) transfer any confidential personally identifiable information to OpenGov or the Software Services platform.
- 3.2 <u>Responsibilities</u>. Customer shall be responsible for obtaining and maintaining computers and third party software systems of record (such as Customer's ERP systems) needed to connect to, access or otherwise use the Software Services. Customer also shall be responsible for: (a) ensuring that such equipment is compatible with the Software Services, (b) maintaining the security of such equipment, user accounts, passwords and files, and (c) all uses of Customer user accounts by any party other than OpenGov.

4. INTELLECTUAL PROPERTY RIGHTS; LICENSE GRANTS; ACCESS TO CUSTOMER DATA

- 4.1 <u>Software Services</u>. OpenGov retains all right, title, and Interest in the Software Services and all Intellectual Property Rights in the Software Services. The look and feel of the Software Services, including any custom fonts, graphics and button icons, are the property of OpenGov and Customer may not copy, imitate, or use them, in whole or in part, without OpenGov's prior written consent. Subject to Customer's obligations under this Agreement, OpenGov hereby grants to Customer a non-exclusive, royalty-free license during the Term to use the Software Services
- 4.2 <u>Customer Data</u>. Customer retains all right, title, and interest in the Customer Data and all Intellectual Property Rights therein. Customer hereby grants to OpenGov a non-exclusive, royalty-free license to, and permit its partners to, use, store, edit and reformat the Customer Data, and to use Customer Data for purposes of sales, marketing, business development, product enhancement, customer service, or for analyzing such data and publicly disclosing such analysis ("Insights"), provided that in all such uses Customer Data is rendered anonymous such that Customer is no longer identifiable.
- 4.3 Access to Customer Data. Customer may download the Customer Data from the Software Services at any time during the Term, other than during routine software maintenance periods. OpenGov has no obligation to return Customer Data to Customer.
- 4.4 <u>Feedback</u>. Customer hereby grants to OpenGov a non-exclusive, royalty-free, irrevocable, perpetual, worldwide license to use and incorporate into the Software Services and Documentation Customer's Feedback. OpenGov will exclusively own any improvements or modifications to the Software Services and Documentation based on or derived from any of Customer's Feedback including all Intellectual Property Rights in and to the improvements and modifications.

5. CONFIDENTIALITY

5.1 Each party (the "Recelving Party") agrees not to disclose any Confidential Information of the other party (the "Disclosing Party") without the Disclosing Party's prior written consent, except as provided below. The Receiving Party further agrees: (a) to use and disclose the Confidential Information only in connection with this Agreement; and (b) to protect such Confidential Information using the measures that Receiving Party employs with respect to its own Confidential Information of a similar nature, but in no event with less than reasonable care. Notwithstanding the above, the Receiving Party may disclose Confidential Information to the extent required by law or court order, provided that prior written notice of such required disclosure and an opportunity to oppose or limit disclosure is given to the Disclosing Party.

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- 5.2 "Confidential Information" means all confidential business, technical, and financial information of the disclosing party that is marked as "Confidential" or an equivalent designation or that should reasonably be understood to be confidential given the nature of the information and/or the circumstances surrounding the disclosure (including the terms of the applicable Software Agreement). OpenGov's Confidential Information includes, without limitation, the software underlying the Software Services and all Documentation.
- 5.3 Notwithstanding the foregoing, "Confidential Information" does not include: (a) "Public Data," which is data that the Customer has previously released to the public or would be required to release to the public, upon request, according to applicable federal, state, or local public records laws. Confidential Information does not include (b) information that has become publicly known through no breach by the receiving party; (c) information that was rightfully received by the Receiving Party from a third party without restriction on use or disclosure; or (d) information independently developed by the Receiving Party without access to the Disclosing Party's Confidential Information.

6. PAYMENT OF FEES

6.1 Fees: Invoicing: Payment; Expenses.

(a) <u>Fees</u>. The fees for the Software Services ("Fees") for the Initial Term and any Renewal Term are set forth in the applicable Order Form.

(b) <u>Inflation Adjustment</u>. OpenGov may increase the Fees payable for the software Services during any Renewal Term by up to 4% each year of the Renewal Term to account for inflation, leking into consideration year over-year increases in the Consumer Price Index - All Urban Consumers (CPI-U).

(c) <u>Invoicing and Payment</u>. OpenGov will invoice the Customer according to the Billing Frequency listed of the Order Form. Customer shall pay all, invoices according to the Payment Terms listed on the Order Form.

- (d) <u>Travel Expenses</u>. Unless the SOW provides otherwise, OpenGov will invoice Customer fortravel expenses incurred in connection with each SOW as they are incurred. Customer shall pay all such valid invoices within thirty (30) days of receipt of invoice. Each invoice shall include receipts for the travel expenses listed on the invoice.
- 6.2 <u>Credit Card Customers</u>. Customer will provide OpenGov with valid credit card information and promptly notify OpenGov of any changes necessary to charge the credit card at billing@opengov.com. Please update your credit card information when necessary. The provision of credit card information to OpenGov authorizes OpenGov to charge the credit card for all applicable Fees plus a 3% credit card processing fee. OpenGov processes credit card payments through a secure third party processing partner and does not take receipt of credit card information itself.
- 6.3 <u>Taxes</u>. All Fees under this Agreement are exclusive of any applicable sales, value-added, use or other taxes ("Sales Taxes"). Customer is solely responsible for any and all Sales Taxes, not including taxes based solely on OpenGov's net income. If any Sales Taxes related to the Fees under this Agreement are found at any time to be payable, the amount may be billed by OpenGov to, and shall be paid by, Customer. If Customer fails to pay any Sales Taxes, then Customer will be liable for any related penalties or interest, and will indemnify OpenGov for any liability or expense incurred in connection with such Sales Taxes.

7. TERM & TERMINATION

- 7.1 <u>Term.</u> Subject to compliance with all terms and conditions, the term of this Agreement shall commence on the Effective Date and shall continue until the Subscription End Date specified on the Order Form (the "Initial Term").
- 7.2 <u>Renewal</u>. The Agreement will terminate upon expiration of the Initial Term, unless both parties agree in writing before the end of the Initial Term to renew the Agreement for another period (the Renewal Term and together with the Initial Term, the "Term").
 - 7.3 <u>Termination.</u> If either party materially breaches any term of this Agreement and fails to cure such breach within thirty (30) days after notice by the non-breaching party (ten (10) days in the case of non-payment), the non-breaching party may terminate this Agreement immediately upon notice. Additionally, Customer may terminate this Agreement, upon providing at least ninety (90) days notice prior to the annual anniversary date of the Agreement ("Anniversary Date") upon the occurrence of an Event of Nonappropriation

as defined below. An "Event of Nonappropriation" occurs when: a) prior to each Anniversary Date, Customer uses all efforts that are lawful and within Customer's official power, to secure the appropriate funds for the next year's Fees, including indicating the Software Services serve an essential purpose to Customer; and b) prior to each Anniversary Date, Customer has not acquired products or services or issued a request for proposals for similar products or services during this period which are similar to the Software Services or has not hired any third party or allowed its own employees to use other services in place of the Software Services. Customer shall permit OpenGov to assist with the efforts in a) above, including providing OpenGov with direct access to Customer's applicable appropriations team.

7.4 Effect of Termination.

- (a) In General. Upon termination or expiration of this Agreement: (a) Customer shall pay in full for all Software Services and Professional Services performed up to and including the effective date of termination, unless such termination is due to an uncured breach by OpenGov, (b) all Software Services provided to Customer hereunder shall immediately terminate; and (c) each party shall return to the other party or, at the other party's option, destroy all Confidential Information of the other party in its possession.
- (b) <u>Deletion of Customer Data</u>. If Customer requests deletion of its Customer Data in writing prior to the date of termination or expiration of this Agreement, then OpenGov will permanently and irrevocably delete Customer Data, excluding any Insights, stored by its cloud hosting provider within ten (10) days of the date of termination or expiration of this Agreement. Such request must be addressed to "OpenGov Vice President, Customer Success" at OpenGov's address for notice described at Section 10.
- 7.5 <u>Survival</u>. The following sections of this Agreement shall survive termination: Section 5 (Confidentiality), Section 6 (Payment of Fees), Section 7.4(b) (Deletion of Customer Data), Section 8.3 (Warranty Disclaimer), Section 9 (Limitation of Liability) and Section 10 (Miscellaneous).

8. REPRESENTATIONS AND WARRANTIES; DISCLAIMER

8.1 By OpenGov.

- (a) General Warranty. OpenGov represents and warrants that: (i) it has all right and authority necessary to enter into and perform this Agreement; and (ii) the Professional Services, if any, will be performed in a professional and workmanlike manner in accordance with the related statement of work and generally prevailing industry standards. OpenGov Capas to indemnify the few of the following standards.
- (b) Software Services Warranty. OpenGov further represents and warrants that for a period of ninety (90) days, the Software Services will perform in all material respects in accordance with the Documentation during the Term. The foregoing warranty does not apply to any Software Services that have been used in a manner other than as set forth in the Documentation and authorized under this Agreement. OpenGov does not warrant that the Software Services will be uninterrupted or error-free. Any claim submitted under this Section 7.1(b) must be submitted in writing to OpenGov during the Term. OpenGov's entire liability for any breach of the foregoing warranty is to repair or replace any nonconforming Software Services so that the affected portion of the Software Services operates as warranted or, if OpenGov is unable to do so, terminate the license for such Software Services and refund the pre-paid, unused portion of the Fee for such Software Services.
- 8.2 <u>By Customer</u>. Customer represents and warrants that (i) it has all right and authority necessary to enter into and perform this Agreement; and (ii) OpenGov's use of the Customer Data pursuant to this Agreement will not infringe, violate or misappropriate the Intellectual Property Rights of any third party.
- 8.3 <u>Disclaimer</u>. EXCEPT AS SET FORTH IN THIS SECTION 8, OPENGOV DOES NOT WARRANT THAT THE SOFTWARE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE; NOR DOES IT MAKE ANY WARRANTY AS TO THE RESULTS THAT MAY BE OBTAINED FROM USE OF THE SOFTWARE SERVICES. EXCEPT AS SET FORTH IN THIS SECTION 8, THE SOFTWARE SERVICES ARE PROVIDED "AS IS" AND OPENGOV DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, TITLE, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT.

9. LIMITATION OF LIABILITY

Confidential OpenGov Rev. 2018.01

- 9.1 By Type. (NEITHER PARTY, NOR ITS SUPPLIERS, OFFICERS, AFFILIATES, REPRESENTATIVES, CONTRACTORS OR EMPLOYEES, SHALL BE RESPONSIBLE OR LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER THEORY: (A) FOR ERROR OR INTERRUPTION OF USE OR FOR LOSS OR INAGGURAGY OF DAITA OR COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES OR LOSS OF BUSINESS; (B) FOR ANY INDIRECT, EXEMPLARY, PUNITIVE, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES; OR (C) FOR ANY MATTER BEYOND SUCH PARTY'S REASONABLE CONTROL, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE.
- 9.2 By Amount. IN NO EVENT SHALL EITHER PARTY'S AGGREGATE, CUMULATIVE LIABILITY FOR ANY CLAIMS ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT EXCEED THE FEES PAID BY CUSTOMER TO OPENGOV (OR, IN THE CASE OF CUSTOMER, PAYABLE) FOR THE SOFTWARE SERVICES UNDER THIS AGREEMENT IN THE 12 MONTHS PRIOR TO THE ACT THAT GAVE RISE TO THE LIABILITY.
- 9.3 <u>Limitation of Liability Exclusions</u>. The limitations of liability set forth in Sections 9.1 and 9.2 above do not apply to, and each party accepts liability to the other for: (a) claims based on either party's intentional breach of its obligations set forth in Section 5 (Confidentiality), (b) claim arising out of raud or willful misconduct by either party and (c) either party's unauthorized use, distribution, or disclosure of the other party's intellectual property.
- 9.4 No Limitation of Liability by Law. Because some jurisdictions do not allow liability or damages to be limited to the extent set forth above, some of the above limitations may not apply to Customer.

10. MISCELLANEOUS

- 10.1 <u>Logo Use</u>. OpenGov shall have the right to use and display Customer's logos and trade names for marketing and promotional purposes in connection with OpenGov's website and marketing materials, subject to Customer's trademark usage guidelines provided to OpenGov.
- 10.2 <u>Notice</u>. Ordinary day-to-day operational communications may be conducted by email, live chat or telephone communications. However, for notices required by the Agreement (in Sections where the word "notice" appears) the parties must communicate more formally in a writing given by personal delivery, by pre-paid first-class mail or by overnight courier to the address specified in the most recent Order Form (or such other address as may be specified in writing in accordance with this Section).
- 10.3 Anti-corruption. OpenGov has not offered or provided any bribe, kickback, illegal or improper payment, gift, or thing of value to any Customer personnel in connection with the Agreement, other than reasonable gifts and entertainment provided Customer in the ordinary course of business. If OpenGov become aware of any violation of the above restriction then OpenGov shall promptly notify Customer.

 10.4 Injunctive Relief. The parties acknowledge that any breach of the confidentiality provisions or the unauthorized
- 10.4 <u>Injunctive Relief</u>. The parties acknowledge that any breach of the confidentiality provisions or the unauthorized use of a party's intellectual property may result in serious and irreparable injury to the aggrieved party for which damages may not adequately compensate the aggrieved party. The parties agree, therefore, that, in addition to any other remedy that the aggrieved party may have, it shall be entitled to seek equitable injunctive relief without being required to post a bond or other surety or to prove either actual damages or that damages would be an inadequate remedy.
- 10.5 <u>Force Majeure</u>. Neither party shall be held responsible or liable for any losses arising out of any delay or failure in performance of any part of this Agreement, other than payment obligations, due to any act of god, act of governmental authority, or due to war, riot, labor difficulty, failure of performance by any third-party service, utilities, or equipment provider, or any other cause beyond the reasonable control of the party delayed or prevented from performing.
- 10.6 <u>Severability</u>; <u>Waiver</u>. If any provision of this Agreement is found to be unenforceable or invalid, that provision will be limited or eliminated to the minimum extent necessary so that this Agreement will otherwise remain in full force and effect and enforceable. Any express waiver or failure to exercise promptly any right under this Agreement will not create a continuing waiver or any expectation of non-enforcement. There are no third-party beneficiaries to this Agreement.
- 10.7 <u>Assignment</u>. Except as set forth in this Section, neither party shall assign, delegate, or otherwise transfer this Agreement or any of its rights or obligations to a third party without the other party's prior written consent, which

consent shall not be unreasonably withheld, conditioned, or delayed. Either party may assign, without such consent but upon written notice, its rights and obligations under this Agreement to: (i) its corporate affiliate; or (ii) any entity that acquires all or substantially all of its capital stock or its assets related to this Agreement, through purchase, merger, consolidation, or otherwise. Any other attempted assignment shall be void. This Agreement shall inure to the benefit of and bind each party's permitted assigns and successors. In the event Customer receives notice of an assignment by OpenGov as specified above, Customer shall, within thirty (30) days of receipt of such notice, notify OpenGov of its intent to terminate the Agreement upon the expiration of the annual anniversary date within the Initial Term. Customer shall only provide such notice if in good faith and its reasonable opinion the third party that the Agreement is assigned to is not a third party that the Customer reasonably believes can provide the Services.

- 10.8 <u>Independent Contractors</u>. No agency, partnership, joint venture, or employment is created as a result of this Agreement and neither party has any authority of any kind to bind the other party in any respect.
- 10.9 Attorneys' Fees. In any action or proceeding to enforce rights under this Agreement, the prevailing party will be entitled to recover costs and attorneys' fees.
- 10.10 Governing Law and Jurisdiction. This Agreement shall be governed by the laws of the State of Connecticut without regard to its conflict of laws provisions. Exclusive jurisdiction for litigation of any dispute, controversy or claim arising out of or in connection with this Agreement shall be only in the Federal or State court with competent jurisdiction located in Connecticut, and the parties hereby submit to the personal jurisdiction and venue therein.
- 10.11 <u>Complete Agreement</u>. This Agreement is the complete and exclusive statement of the mutual understanding of the parties and supersedes and cancels all previous written and oral agreements, communications, and other understandings relating to the subject matter of this Agreement. No modification of this Agreement will be binding, unless in writing and signed by an authorized representative of each party.

Signatures

Customer: Town of Colchester, CT	OPENGOV, INC.	
Signature:	Signature:	
Name:	Name:	
Title:	Title:	
Date:	Date:	

Comments from Town Counsel regarding Opengov non-appropriation clause

- 1. The Town Charter clearly grants the power to enter into contracts to the Board of Selectmen. Thus, the BOS is the proper authority to negotiate the language it wants to use in the agreement. Section C- 402 B. provides "the Board of Selectmen shall approve all contracts to which the Town or any subdivision thereof is a party and all other agreements which bind the Town or any subdivision thereof in any way. The Board of Selectmen may not delegate this contractual authority."
- 2. As for the non-appropriation clause, I think the language does not work based upon our conversation.

As I understand it, the BOS is hesitant to legally bind future BOS for the next five years to pay for this service. Therefore, they are looking for language that gives a future BOS the ability to terminate the use of Opengov.

The "new" language you sent to me has a few issues:

- 1. It requires 60 days notice. As we know, the Town's budget often changes between the initial presentation until it is ultimately approved at referendum. There is also the possibility that a referendum fails and the BOS and BOF have to make further cuts to the budget in the middle of the fiscal year. Therefore, I think the notice provisions should be 3 or 5 days. It cannot take that long for the company to de-activate the Town's use of the Opengov system.
- 2. The new language states that the Town will use "all efforts that are lawful and within Customer's official power, to secure the appropriate funds for the next year's Fees, including indicating the Software Services serve an essential purpose to Customer."

Based upon this language, the Town could never "non-appropriate." The Town always has the ability to lawfully raise taxes or cut other spending to pay for the Opengov system. Therefore, we must delete the term "all efforts that are lawful." In addition, the contract cannot bind a future BOS to determine that this is an essential service for the Town.

As a result, I would delete that entire section and use the language below which is what we recommend to our municipal clients for agreements like these:

"Customer is obligated only to pay such Fees as may lawfully be made from funds budgeted and appropriated for that purpose during Customer's then current fiscal year. Should Customer fail to budget, appropriate or otherwise make available funds to pay the Fees, this Agreement shall be deemed terminated."

3. I also do not like the last sentence which provides that the Town will allow OpenGov staff to "assist" in the budgeting process by providing their staff access to the Town's budgeting personnel. I cannot recall ever seeing language like this in any agreement I have reviewed.

Re: Updated Language for Non Appropriation - Actionable Quote

Robert Tarlov

Fri 4/6/2018 11:12 AM

To: David Spolidoro <dspolidoro@opengov.com>;

Cc:Art Shilosky <aShilosky@colchesterct.gov>;

Thanks Dave.

OK now I see it, I guess we were expecting to see it in the sales agreement.

Maybe I am missing something, but the language looks identical to the prior language other than a change in the days of required advance notice.

NEW: Customer may terminate this Agreement, upon providing at least sixty (60) days notice prior to the annual anniversary date of the Agreement ("Anniversary Date") upon the occurrence of an Event of Nonappropriation as defined below. An "Event of Nonappropriation" occurs when: a) prior to each Anniversary Date, Customer uses all efforts that are lawful and within Customer's official power, to secure the appropriate funds for the next year's Fees, including indicating the Software Services serve an essential purpose to Customer; and b) prior to each Anniversary Date, Customer has not acquired products or services or issued a request for proposals for similar products or services during this period which are similar to the Software Services or has not hired any third party or allowed its own employees to use other services in place of the Software Services. Customer shall permit OpenGov to assist with the efforts in a) above, including providing OpenGov with direct access to Customer's applicable appropriations team.

OLD: Customer may terminate this Agreement, upon providing at least ninety (90) days' notice prior to the annual anniversary date of the Agreement ("Anniversary Date") upon the occurrence of an Event of Nonappropriation as defined below. An "Event of Nonappropriation" occurs when: a) prior to each Anniversary Date, Customer uses all efforts that are lawful and within Customer's official power, to secure the appropriate funds for the next year's Fees, including indicating the Software Services serve an essential purpose to Customer; and b) prior to each Anniversary Date, Customer has not acquired products or services or issued a request for proposals for similar products or services during this period which are similar to the Software Services or has not hired any third party or allowed its own employees to use other services in place of the Software Services. Customer shall permit OpenGov to assist with the efforts in a) above, including OpenGov with direct access to Customer's applicable appropriations team.

I am not sure why either side is making such a big deal with the clause. As I said last night, not sure unless one is a purist, why a nonappropriation clause is relevant, or needed, on an annually renewable contract at our option. The only multi-year period is the first two years, where we have already appropriated the first year and have the second year in the proposed budget. Why we would take that funding out of the proposed budget after just incurring the start up cost, start up time and first annual installment without have yet used it, is beyond me.

Rob

Rob Tarlov, Chairman, Board of Finance 860-608-4293