

**AGENDA
BOARD MEETING OF RECLAMATION DISTRICT 900**

FEBRUARY 19, 2025

Martha Guerrero, President

Norma Alcala, Trustee
Quirina Orozco, Trustee

Verna Sulpizio Hull, Trustee
Dawnte Early, Trustee

Blake Johnson, General Manager/Secretary
Erin McGillian, Assistant General Manager
Ralph Nevis, District Attorney

The meeting will be held at City Hall, City Council Chambers, 1110 West Capitol Avenue, West Sacramento

5:30 PM CALL TO ORDER

GENERAL ADMINISTRATION – PART I

- 1A. PRESENTATIONS BY THE PUBLIC ON MATTERS NOT ON THE AGENDA WITHIN THE JURISDICTION OF THE DISTRICT. THE AGENCY IS PROHIBITED BY LAW FROM DISCUSSING ISSUES NOT ON THE AGENDA BROUGHT TO THEM AT THIS TIME.
- 1B. MONTHLY/YTD REVENUE AND EXPENSES

CONSENT AGENDA – PART II

- 2. CONSIDERATION TO ENDORSE THE CENTRAL VALLEY FLOOD PROTECTION BOARD ENCROACHMENT PERMIT FOR THE CITY OF WEST SACRAMENTO'S CLARKSBURG TRAIL PROJECT.

Comment: This item seeks Board approval to endorse the City of West Sacramento's Clarksburg Trail Project. This project is adjacent to the Sacramento River and the South Cross Levee and within the jurisdiction of the Central Valley Flood Protection Board (CVFPB). As part of the CVFPB's permit process, an endorsement from the local maintaining agency (RD 900) is requested.
- 3. CONSIDERATION OF RESOLUTION 2025-02-01 AUTHORIZING THE GENERAL MANAGER TO EXECUTE THE FY2024 STATE AND LOCAL CYBERSECURITY GRANT PROGRAM.

Comment: This item seeks Board approval to authorize the General Manager to execute this Grant Program with the State of California Governor's Office of Emergency Services.
- 4. CONSIDERATION OF APPROVING A CONTRACT FOR THE INFORMATION TECHNOLOGY BUSINESS MANAGEMENT PROJECT.

Comment: This item seeks Board approval to authorize the General Manager to execute a contract with VC3, Inc. for the District's Information Technology (IT) Business Management Project.
- 5. CONSIDERATION OF APPROVAL OF THE NOVEMBER 20, 2024 BOARD MEETING MINUTES.

REGULAR AGENDA – PART III

- 6. GENERAL MANAGER UPDATES
- 7. TRUSTEE COMMENTS
- 8. ADJOURN

I, Blake Johnson, General Manager/Secretary, declare under penalty of perjury that the foregoing agenda for the February 19, 2025 meeting of Reclamation District 900 was posted on or before February 14, 2025, at the rear entrance of the City of West Sacramento City Hall, 1110 West Capitol Avenue, West Sacramento, CA and at the office of Reclamation District 900, 889 Drever Street, West Sacramento, CA, and was available for public review.



Blake Johnson, General Manager/Secretary
Reclamation District 900

All public materials related to an item on this agenda submitted to the District after distribution of the agenda packet are available for public inspection on the District's website at: www.rd900.org. Any document provided at the meeting by staff will also be available to the public. Any document provided at the meeting by the public will be available the next business day following the meeting.

Reclamation District 900
Budget vs. Actuals
July 2024 - Dec 2024

	Actual	Budget	% of Budget
Revenue			
4000 RD 900 Assessments	2,710,196	2,744,910	98.74%
4010 WSAFCA	862,548	863,394	99.90%
4020 Interest Income	125,438	120,000	104.53%
4100 Funding Agreements	24,687	211,500	11.67%
4111 RD 811 Power			
Reimbursement		10,000	0.00%
4115 Developer Fee Storm			
Drain		9,750	0.00%
4300 Retiree Healthcare		6,500	0.00%
Total Revenue	\$ 3,722,869	\$ 3,966,054	93.87%
Expenses			
5000 Administrative	158,278	375,000	42.21%
5200 Labor & Related	583,114	1,427,124	40.86%
5400 Operations & Maintenance	240,839	593,000	40.61%
6000 Repair Replacements &			
Rehab	365,298	0	
Total Expenditures	\$ 1,347,529	\$ 2,395,124	56.26%

For Management Use Only
Modified Accrual Basis

MEETING DATE: February 19, 2025

ITEM # 2



SUBJECT:

CONSIDERATION TO ENDORSE THE CENTRAL VALLEY FLOOD PROTECTION BOARD ENCROACHMENT PERMIT FOR THE CITY OF WEST SACRAMENTO'S CLARKSBURG TRAIL PROJECT

INITIATED OR REQUESTED BY:

- [] Council [X] Staff [] Other

REPORT COORDINATED OR PREPARED BY:

Blake Johnson, General Manager

ATTACHMENT [X] Yes [] No [] Information [] Direction [X] Action

OBJECTIVE

The objective of this report is to obtain the Reclamation District 900 (District) Board of Trustees' (Board) approval to endorse the Central Valley Flood Projection Board (CVFPB) encroachment permit for the City of West Sacramento's Clarksburg Trail Project.

RECOMMENDED ACTION

Staff respectfully recommend that the Board endorse the City of West Sacramento's encroachment permit for the CVFPB.

BACKGROUND

The Clarksburg Branch Line Trail (CBLT) is a component of SACOG's Sacramento Regional Trail Network, a designated Delta Trail segment, and a direct 3.5 mile north-south route linking the growing Southport community to other planned and developing trails through central West Sacramento to the Downtown Sacramento urban core. Specifically, the CBLT connects to the Lake Washington Parkway and the partially built Barge Canal Trail, linking with Sycamore Trail and both the West Sacramento Riverwalk and Southport Levee Recreation Trail to the north and south to the Delta Trail.

The CBLT is fully paved for 1.2 miles between its northern terminus at Locks Drive (also the planned north terminus of the Southport Levee Trail) and neighborhood trail access points at River City High School and existing homes to the east (Cherokee Road). From the Cherokee Road access point south, the trail remains unpaved. The CBLT alignment continues south, crossing Davis Road and Village Parkway, and over Birchwood Place on an existing wood trestle railroad bridge. The CBLT alignment merges with the newly developed Southport Levee Recreation Trail, which terminates at South River Road.

Remnants of a former Yolo Short Line Railroad bridge (concrete abutments) flank South River Road. The abutments, as well as the existing wood trestle bridge must be studied to determine whether they remain structurally sound and can be used to provide safe, grade-separated trail crossings – including over South River Road for trail users to connect with existing homes and the planned Yarbrough neighborhood development to the west, and to the southbound Delta Trail along South River Road. Beyond the two bridges, the City of West Sacramento controls the former Yolo Short Line right-of-way approximately ten miles south of the City Limits toward Clarksburg. The City is actively coordinating with Yolo County to improve this Delta Trail segment.

The City is seeking a CVFPB permit to allow geotechnical analysis and construction of the bridge over South River Road at the location of the concrete abutments. The permit is necessary because the geotechnical tests will enter the theoretical levee prism and the new bridge footings are presumed to enter the theoretical levee prism. The City has found it infeasible to design bridge footings that would not enter the prism.

The application is based on 60% engineering plans that were prepared using a preliminary geotechnical memo. The permit application is structured so that a single permit will allow the geotechnical tests necessary to prepare the final designs and build the bridge. Any design changes that result from the geotechnical analysis will be accommodated through an amendment to the permit.

This endorsement request is for the trail tie in at the southern limits of the city. The trail will tie into the Sacramento River levee and the South Cross levee.

ANALYSIS

RD 900 has jurisdiction over the operations and maintenance corridor along the Sacramento River and the South Cross levee in this location. This project as presently designed does not interfere with the District's operations and maintenance. The City is responsible for the subject project and will be responsible for the maintenance of the asphalt trail and any landscaping through future agreements with the District. The District's endorsement of the permit is necessary for the City to obtain its permit from the CVFPB.

Alternatives

Staff recommends the Board approve and sign the endorsement for this project.

Secondary alternative is to reject this endorsement. This alternative is not recommended because the City has found it infeasible to design bridge footings that would not enter the levee prism. Rejection of the endorsement would require the City to re-evaluate or abandon this portion of the CBLT.

Coordination and Review

This report was prepared in coordination with the West Sacramento Area Flood Control Agency and District counsel.

Budget/Cost Impact

There is no cost to the District.

ATTACHMENT

Application CVFPB Encroachment Permit (Form 3615)

Site Plans

Location Map

APPLICATION FOR A CENTRAL VALLEY FLOOD PROTECTION BOARD ENCROACHMENT PERMIT

Application No. _____ (For Office Use Only)

1. Description of proposed work being specific to include all items that will be covered under the issued permit.

The Project proposes to install a paved pedestrian trail, bridge, grading, and associated footings over S. River Road, adjacent to the Sacramento River in the City of West Sacramento. Improvements will be within the Sacramento San Joaquin Drainage District (SSJDD) easement area. Geotechnical boring/drilling operations will be required prior to design of the pedestrian structure footings and are anticipated to be up to 100 feet deep.

2. Project Location: Yolo County, in Section 00 Township: 8 North (N) (S), Range: 4 East Mt Diablo PM (E) (W), M. D. B. & M. Latitude: 38.50377 Longitude: -121.55999 Stream: Sacramento River, Levee: Designated Floodway: APN: 046-210-023

3. City of West Sacramento, Steven Rosen of 1110 West Capitol Avenue, 1st Floor Name of Applicant / Land Owner Address

West Sacramento CA 95691 916-617-5043 City State Zip Code Telephone Number stevenr@cityofwestsacramento.org E-mail

4. Daniel Carley of Kimley-Horn and Associates, Inc. Name of Applicant's Representative Company

Sacramento CA 95814 916-668-4951 City State Zip Code Telephone Number daniel.carley@kimley-horn.com E-mail

5. Endorsement of the proposed project from the Local Maintaining Agency (LMA):

We, the Trustees of Reclamation District 900 approve this plan, subject to the following conditions: Name of LMA

Conditions listed on back of this form Conditions Attached No Conditions

Trustee Date Trustee Date Trustee Date Trustee Date

Clarksburg Trail

Location of Project

Legend

- District Boundary 2
- MC 10 large pond acres
- PS



owned parcel, 60 acres

LOCATION OF PROJECT

RIVERVIEW

T-Mobile Tower

Main PS

SIP

Larchmont PS

High School PS

Rivermont PS

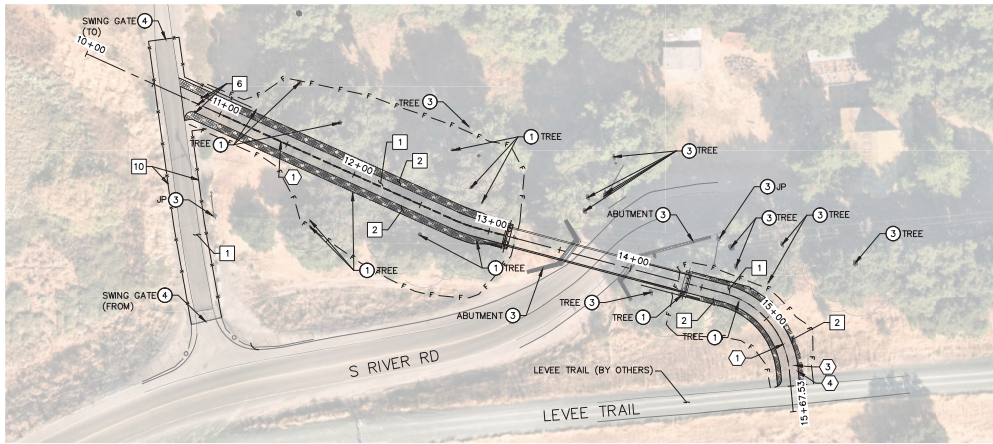
Parlin Ranch PS

MC 10 PS

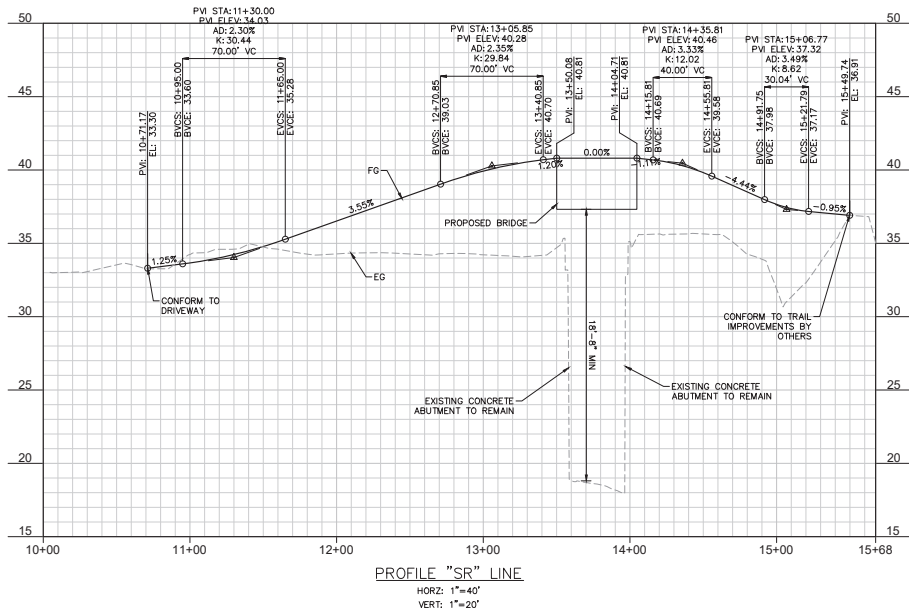
LITTLE POCKET

GREENHAVEN





PLAN



PROFILE "SR" LINE
 HORIZ: 1"=40'
 VERT: 1"=20'

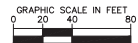
- LEGEND**
- RIGHT OF WAY
 - ONE --- ONE --- ONE --- OVERHEAD ELECTRIC
 - t --- t --- t --- OVERHEAD COMM
 - SS --- SS --- SS --- EXISTING SANITARY SEWER LINE
 - g --- g --- g --- EXISTING CHEVRON GAS LINE
 - F --- F --- F --- GRADING FILL LIMIT
 - c --- c --- c --- GRADING CUT LIMIT
 - ▭ PROPOSED PATH
 - ▭ DETECTABLE WARNING SURFACE
 - ▭ NATIVE SOIL

- GENERAL NOTES**
1. CONTRACTOR TO PROTECT IN PLACE, DURING DEMOLITION AND CONSTRUCTION, ALL EXISTING FEATURES THAT ARE TO REMAIN AS NOTED ON THE PLAN.
 2. ANY EXISTING STRUCTURE, IMPROVEMENT, OR APPURTENANCE TO REMAIN THAT IS DAMAGED DURING DEMOLITION OR CONSTRUCTION SHALL BE IMMEDIATELY REPAIRED OR REPLACED BY THE CONTRACTOR AT THE CONTRACTOR'S EXPENSE.
 3. CONTRACTOR SHALL VERIFY AND LOCATE ALL EXISTING UNDERGROUND UTILITIES BEFORE CONSTRUCTION AND PROTECT IN PLACE UNLESS NOTED ON THE PLANS.
 4. ALL STRIPING TO BE THERMOPLASTIC UNLESS OTHERWISE NOTED.
 5. ALL DWS TO BE WET SET IN CONCRETE.

- CONSTRUCTION NOTES**
- 1 INSTALL PATH PAVEMENT.
 - 2 INSTALL 3' SHOULDER NATIVE BACKFILL.
 - 6 INSTALL REMOVEABLE BOLLARD PER CITY OF WEST SACRAMENTO STANDARD DETAIL 240.
 - 10 INSTALL 6" CLF WITH 3-STRAND BARBED WIRE.

- DEMOLITION NOTES**
- 1 REMOVE.
 - 3 EXISTING TO REMAIN.
 - 4 RELOCATE.

- STRIPING NOTES**
- 1 INSTALL SOLID YELLOW CENTER LINE.
 - 3 INSTALL "YIELD" MARKING PER CALTRANS STD PLAN A240, HALF SIZE.
 - 4 INSTALL YIELD LINES PER CALTRANS STF PLAN A246, HALF SIZE.



60% SUBMITTAL
 NOT FOR CONSTRUCTION
 FEBRUARY 2025

NO.	REVISION	BY	DATE	DESIGNED:	KL/DC	RECORD DRAWING DATE:	
				DRAWN:	KL	SCALE:	HORIZ: AS SHOWN VERT: AS SHOWN
				CHECKED:	DC	PROJECT NO.:	197017012
						CAD FILE:	197017012
						DATE:	

CITY OF WEST SACRAMENTO
 ENGINEERING DIVISION
 110 WEST CAPITOL AVENUE
 WEST SACRAMENTO, CA 95601




Kimley-Horn
 KIMLEY-HORN AND ASSOCIATES, Inc.
 555 CAPITOL MALL, SUITE 300
 SACRAMENTO, CA 95814

WEST SACRAMENTO CLARKSBURG
 TRAIL PROJECT
 PLAN AND PROFILE - PHASE 1

14 OF 20
 DWG. NO. **PV-11**

P:\2025\197017012 - SR TRAIL - 197017012.dwg (197017012.dwg) DATE PLOTTED: 2/25/25 10:00 AM

MEETING DATE: February 19, 2025		ITEM # 2	
	SUBJECT:		
	CONSIDERATION OF RESOLUTION 2025-02-01, AUTHORIZING THE GENERAL MANAGER TO EXECUTE THE FY2024 STATE AND LOCAL CYBERSECURITY GRANT PROGRAM		
INITIATED OR REQUESTED BY:		REPORT COORDINATED OR PREPARED BY:	
<input type="checkbox"/> Council <input checked="" type="checkbox"/> Staff		Blake Johnson, General Manager	
<input type="checkbox"/> Other			
ATTACHMENT <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Information	<input type="checkbox"/> Direction <input checked="" type="checkbox"/> Action

OBJECTIVE

The objective of this report is to obtain the Reclamation District 900 (District) Board of Trustees (Board) authorization for the General Manager to take any actions necessary for the purpose of obtaining financial assistance provided by the federal Department of Homeland Security and subgranted through the State of California for the FY2024 State and Local Cybersecurity Grant Program.

RECOMMENDED ACTION

Staff respectfully recommends that the RD 900 Board:

- 1) Adopt Resolution 2025-02-01, authorizing the General Manager to take any actions necessary for the purpose of obtaining financial assistance through the FY2024 State and Local Cybersecurity Grant Program.

BACKGROUND

The District applied for a grant from the California Governor’s Office of Emergency Services (Cal OES) for the State and Local Cybersecurity Grant (SLCGP) – State Agency Program titled “Information Technology (IT) Business Management” (Project).

This grant is not only for Cybersecurity but can also be used to update computers, servers, software, and the necessary installation of hardware for a network.

On December 24, 2024, Cal OES Grants Management announced the proposed Grant Subaward allocations for the SLCGP for State Agencies and for Local and Tribal Governments. The District has been awarded \$54,572 under this grant program.

ANALYSIS

Currently, the District does not have a network system and relies on installed software to prevent cyber attacks, viruses, and malware. This grant will help fund staff computers and a network system that is secure and monitored by a professional Information Technology firm.

Coordination and Review

This report was prepared in coordination with District Counsel.

Budget/Cost Impact

The approved grant from CalOES is \$54,572 and expires December 31, 2026.

Attachments

- 1) Resolution 2025-02-01

Governing Body Resolution, 2025-02-01

BE IT RESOLVED BY THE Board of Trustees
OF THE Reclamation District 900 THAT
the General Manager

is hereby authorized to execute for and on behalf of the named Applicant, a public entity established under the laws of the State of California, any actions necessary for the purpose of obtaining federal financial assistance provided by the federal Department of Homeland Security and subgranted through the State of California for the following Grant Award: FY2024 State and Local Cybersecurity Grant Program

Passed and approved this 19th day of Feb., 2025

Certification


I, Martha Guerrero, duly appointed and

President Of the Board of Trustees, Reclamation District 900

do hereby certify that the above is a true and correct copy of a resolution passed and approved by the RD 900 Board of Trustees on this 19th day of February, 2025.

President

February ____, 2025

MEETING DATE: February 19, 2025		ITEM # 4	
	SUBJECT: <p style="text-align: center;">CONSIDERATION OF APPROVING A CONTRACT FOR THE INFORMATION TECHNOLOGY BUSINESS MANAGEMENT PROJECT.</p>		
INITIATED OR REQUESTED BY: <input type="checkbox"/> Council <input checked="" type="checkbox"/> Staff <input type="checkbox"/> Other		REPORT COORDINATED OR PREPARED BY: Erin McGillian, Assistant General Manager	
ATTACHMENT <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Information <input type="checkbox"/> Direction <input checked="" type="checkbox"/> Action			

OBJECTIVE

The objective of this report is to obtain the Reclamation District 900 (District) Board of Trustees (Board) authorization for the General Manager to execute a contract with VC3, Inc. (VC3) for the District’s Information Technology (IT) Business Management Project.

BACKGROUND

The District applied and received a grant for a total of \$54,572 from the California Governor’s Office of Emergency Services (Cal OES) for the State and Local Cybersecurity Grant – State Agency Program titled “Information Technology (IT) Business Management” (Project).

The District issued a Request for Qualifications for Information Technology support. The District received four responses. After reviewing qualifications, conducting interviews, and checking with references from public agency customers of VC3 District staff determined that VC3 was the most qualified IT consultant to support the needs of the District and carry out the goals of the Project.

ANALYSIS

Many of the staff’s computers are at the end of their useful life (3+ years). The District does not have a network or a backup server (files are currently stored in the cloud through Microsoft). Each computer has virus software installed but lacks the necessary firewall security to prevent a serious cyber attack.

VC3’s initial task would be to evaluate the District’s current computer, software, internet, and printing capabilities and create an implementable plan to protect the District’s systems. Once the plan is implemented, VC3 will monitor the District’s system for cyber attacks.

The District will have the option to lease the necessary equipment from VC3 or purchase this equipment outright.

This is a 3-year contract. The contract fees are broken down into two categories:

1. One time setup fee (includes Implementation Plan, wiring for backup server, domain name (from .org to .gov), email integration and file migration: \$9,911.30
 2. Monthly rental and monitoring: \$60,141.24 (1,670.59 per month for 36 months)
- Total: \$70,052.54**

Alternatives

1. Execute contract with VC3
2. Reject contract with VC3

Staff recommends executing a contract with VC3 as they have the experience and qualifications to meet the District's requirements. VC3 is currently working with other special districts in California and with the California Special Districts Association (CSDA). Those customers provided favorable comments during our reference checks.

Coordination and Review

This report was prepared in coordination with District Counsel.

ATTACHMENT

1. IT Contract with VC3



VC3 Manage + Shield Order

Reclamation District 900

PO Box 673
 889 Drever St.
 West Sacramento, California 95691
 United States

Erin McGillian

emcgillian@rd900.org
 9163711483

Blake Johnson

bjohnson@rd900.org
 916-204-6869

VC3

1301 Gervais St.
 Suite 1800
 Columbia, SC 29201
 United States

Prepared by: Dan Delinko

Account Executive
 dan.delinko@vc3.com

Products & Services

PRODUCTS & SERVICES	QUANTITY	UNIT PRICE	PRICE
VC3 Manage - Full User 24x7x365 Remote & Onsite Support: Users, Servers, Network Foundational Protection Components: EDR Including 24x7x365 SOC, M365 Protection & Backups Proactive Monitoring, Maintenance & Patching: Workstations, Servers, Network Strategic IT Planning: Alignment with IT Best Practices, IT Budgeting, Technology Roadmap M365 License Management Vendor Co-Ordination Hardware, Software, Domain and License Procurement / Renewals	4	\$150.00 / month	\$600.00 / month for 3 years

PRODUCTS & SERVICES	QUANTITY	UNIT PRICE	PRICE
VC3 Manage - Shared User 24x7x365 Remote & Onsite Support: Users using a shared workstation. Foundational Protection Components: EDR Including 24x7x365 SOC, M365 Protection & Backups Proactive Monitoring, Maintenance & Patching: Shared Workstations.	2	\$50.00 / month	\$100.00 / month for 3 years
VC3 Manage - Email Only User Support for email only users includes troubleshooting send/ receive issues and access issue to email platform. M365 & Email Protection & Backups Included	3	\$25.00 / month	\$75.00 / month for 3 years
Protect Shield (Add On) Cyber Aware Complete - Cyber Security Training & Simulated Phishing Tests Dark Web Credential Monitoring Web Protection & Content Filtering Email Protection & Spam Filtering VC3 Security Team	6	\$21.99 / month	\$131.94 / month for 3 years
Protect Shield M365 Only User Cyber Aware Complete - Cyber Security Training & Simulated Phishing Tests Dark Web Credential Monitoring Email Protection & Spam Filtering M365 Monitoring & Protection VC3 Security Team	3	\$10.50 / month	\$31.50 / month for 3 years
Protect Shield Email Protect Archiving Upgrade Email Archiving for up to 10 years.	9	\$2.00 / month	\$18.00 / month for 3 years
Office 365 G3 GCC & Enterprise Mobility + Security G3 GCC	9	\$32.63 / month	\$293.67 / month for 1 year

PRODUCTS & SERVICES	QUANTITY	UNIT PRICE	PRICE
HaaS - Laptop-Desk-Standard (36Mo) 16" Screen, R5 Processor, 16GB RAM, 512GB Storage Includes 1x Dock, Monitor, Keyboard & Mouse Includes setup and replacement costs.	2	\$74.03 / month	\$148.06 / month for 3 years
HaaS - Additional Monitor 24" Additional Monitor	2	\$6.18 / month	\$12.36 / month for 3 years
HaaS - Firewall Meraki MX67 Firewall - Includes Implementation and Support and 3-Year License All work performed during Business Hours	1	\$78.35 / month	\$78.35 / month for 3 years
HaaS - Wireless #1 Meraki MR44 - Includes Implementation and Support and 3-Year License	1	\$64.55 / month	\$64.55 / month for 3 years
HaaS - Wireless #2 Meraki MR44 - Includes Implementation and Support and 3-Year License	1	\$64.55 / month	\$64.55 / month for 3 years
HaaS - Switch Meraki MS130-8 - Includes Implementation and Support and 3-Year License	1	\$52.61 / month	\$52.61 / month for 3 years
Wiring Wiring Budget to run 7 wires, UPS, and related equipment	1	\$2,500.00	\$2,500.00
Domain Name Domain Name Budget - 3 year	1	\$200.00	\$200.00
Implementation Tools Tools to migrate email	1	\$900.00	\$900.00
VC3 Managed Services Onboarding & Cloud Migration	1	\$6,311.30	\$6,311.30

SUMMARY

Monthly subtotal	\$1,670.59
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One-time subtotal	\$9,911.30
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Comments

The prices shown above are valid for 10 days from the date of Order.

Pricing in this Work Order is subject to change based on agreed upon recommendations by both Client and Company, post onboarding.

This Order is entered into as of February ____, 2025 between VC3 Inc., a Delaware corporation ("Company") and Reclamation District 900 ("Client")

Order Governed by the Master Services Agreement

This Order is subject to and governed by Company's Master Services Agreement attached hereto, which is incorporated in full into and made a part of this Order by this reference. Company's entering into this Order is conditioned on Client's agreement to the Master Services Agreement, and by entering into this Order with Company, Client accepts and agrees to the Master Services Agreement.

Deliverables & Services

Discovery & Deployment

Setup the Client System for management and provide training to help the Client get the most out of the services. This includes:

1. Deployment of all services listed above.
2. Full documentation and inventory of your network
3. Best-practice configuration of the network for monitoring and management
4. Orientation and training for your staff
5. MacOS Note: If Client is utilizing Mac OS, Company will provide documentation to end users on how to install Company's monitoring and management platform. MacOS does not allow a remote deployment of standard Company tools. Should Mac OS users require onsite assistance to install VC3's monitoring and management platform, support will be provided on a Time and Materials basis at the rates detailed within Client Master Agreement.
6. Implement performance monitoring of client's network prior to and during implementation.

24x7 Monitoring and Incident Response Services

1. Provide 24X7 Incident response services for all included user, server, and network devices.
2. Provide phone, remote and onsite support to authorized users for all included devices.
3. Track all incidents through an ITIL (Information Technology Infrastructure Library) based Service Desk system. All requests will be prioritized and processed per the Priority guidelines listed in Addendum A.
4. Provide 24x7 collection of performance data for the client's included server and network devices per Company's best practices.
5. Utilize industry best practices for remote access, control, and management of all devices.
6. Patching: Deploy, manage, and monitor the installation of approved service packs, security updates and firmware updates as deemed necessary on all applicable devices. Some devices such as tablets and cell phones may not be compatible with included patching methodologies.
7. Resolution of monitoring alerts.
8. Resolution of performance issues.
9. Resolution of availability issues.
10. Resolution of end-user reported problems.
11. Routine additions, deletions, and changes to included devices and users.

Foundational Protection

1. Deploy Endpoint Detection and Response (EDR) to all workstations and servers with Company RMM deployed.
2. Monitor workstations and servers with EDR installed via 24x7x365 partner SOC.
3. Deploy M365 Monitoring and Backup Solutions to Client M365 Tenant.
4. Continually monitor M365 tenancy.
5. Backup M365 (SharePoint, OneDrive, Teams & Exchange Online) 3 times a day.
6. Configure infinite retention on M365 backups.
7. Respond to incidents and service requests. All requests will be prioritized and processed per the Priority guidelines listed in Addendum A.

Application Support

1. Provide support for client licensed 3rd party applications. If it is determined from the initial discovery and/or from third-party application vendors that an application requires additional servers, licensing or support resources, additional monthly costs may be required before the application can be supported.
2. Microsoft Applications:

- a. Includes Microsoft Office and Office 365 core applications. This is limited to Microsoft Access, Excel, OneDrive for Business, OneNote, Outlook, PowerPoint, SharePoint, Teams and Word.
- b. Application installs, synchronization issues, permission management and general troubleshooting are all within scope for these applications.

Strategic IT Planning

Provide the client with a named Strategic resource to assist Client with the following:

1. **Budgeting:** Work with the client to develop an annual technology budget for recurring expense items and new capital requirements in alignment with organizational goals.
2. **Strategic Planning:** Recommend technology solutions as well as provide roadmaps that support key business processes in order to help the client leverage technology appropriately. The Company will work with the client as part of the annual planning process to understand the current business drivers and goals and make recommendations targeted toward maximizing the effectiveness of the clients technology investment.
3. **Analyze IT Health data:** Perform a periodic analysis of the data collected by Companys monitoring systems to proactively resolve issues and assess potential risks within the environment. The Company will make this analysis available to key stakeholders and provide direction on business decisions regarding the level of investment.

IT Asset Administration

1. Hardware and software asset and warranty expiration tracking
2. Domain name expiration tracking
3. Hardware and software purchase specification
4. Web portal access for ticket creation and management
5. Maintaining network documentation and secure password storage
6. Interfacing with vendors such as internet service providers (ISPs)

Procurement

1. Server, Networking, and Power equipment.
2. Desktops, laptops, tablets.
3. Peripherals, including Printers.
4. Software, including subscription-based services.
5. Domain names and security certificates.

Protect Shield

1. Deployment & Implementation Services:

- a. Provision **Dark Web Protect** -Dark web monitoring platform, including provisioning Clients domain(s), reviewing existing data with Client point of contact, and configuring real time alerting:
 - i. Configure monitoring service to monitor corporate domains in scope.
 - ii. Configure up to five (5) personal email addresses to be monitored.
- b. Provision **Cyber Aware** - Cyber Security Training platform. Includes synchronizing employees between Clients domain and training platform. Company will configure initial and ongoing testing and training at a frequency determined by Client.
 - i. Whitelisting emails from the Cyber Aware server to maximize delivery rates.
 - ii. Maintaining active user list within the platform.
 - iii. Creating phishing campaigns targeting users on Client domain.
 - iv. Management of phishing campaigns monthly.
 - v. Creating training campaigns, educating users on Client domain.
 - vi. Management of training campaigns monthly.
 - vii. Providing phishing / training reports to Client.
- c. Provision **Email Protect** - Advanced Email Threat Protection platform.
 - i. Deploy Email protect to Client Microsoft 365 environment.
 - ii. Updating MX Records.
 - iii. Customizing Spam settings.
 - iv. Creating filter policies and approve/block sensor list items.
- d. Provision **Web Protect** - Advanced DNS/Web protection platform. Filters content accessible by employees when connected to the corporate network or using corporate devices:
 1. Deployment of agent to all devices with Company RMM deployed.
 2. Initial configuration of web and content filtering policy within the solution.

2. General Managed Security Services

1. 24x7 Monitoring and Incident Response Services:

1. Provide 24X7 Incident response services for all included deployed services.
2. Track all incidents through an ITIL (Information Technology Infrastructure Library) based Service Desk system. All requests will be prioritized and processed per the Priority guidelines listed in Addendum A.

3. Provide 24x7 Partner Security Operations Centre (SOC) monitoring for all endpoints with Endpoint Protect deployed.
4. 24X7 response to critical event driven Incidents.
5. Utilize industry best practices for remote access, control and management of all devices.
3. **Quarterly Security Summary.** Includes a report of the activities that have taken place under this Order.

Hardware as a Service (only applicable if Client uses hardware as a service)

1. Company will procure, provision and deploy hardware within Client environment.
2. Installation and replacement of hardware listed within Products & Services are included within the unit price.
3. If a unit count is dropped within the first twelve months of activation a drop fee of three times unit cost will be assessed.
4. Company will make arrangements to repair or replace the failed component in the event of failure.
5. Once the hardware has been replaced, Client is responsible for returning the replaced device to Company within 7 business days.
6. Failure to return said device within 7 business days will result in a replacement charge for the item.
7. Company will provide replacement components with substantially same or better performance as the original for failures on Hardware-as-a-Service equipment that occur because of internal equipment defects or end of life failure. The model and manufacturer of replacement devices may vary depending on device availability and lifecycle.

Exclusions

Items other than those included above are expressly excluded from the Services provided within this Order. The following exclusions and clarifications are intended to clarify the scope of services for this order:

1. Excluded services are those related to functionality upgrades, such as those required to evaluate, specify, purchase, and implement client system or server upgrades such as operating systems, Microsoft Office suite software unless included with a specific Company product, third party software deployments or upgrades, or equipment related to these services whose scope exceeds that defined above. Company will provide these services to the client on a Time & Materials Order basis at the rates outlined in the Master Agreement. If modification or replacement of a hardware device or component is required, client is responsible for all hardware and hardware vendor services costs, excluding Company owned hardware explicitly provided through this Order.
2. Software development, training and project work, including client-owned PC upgrades and non-patch upgrades of software, are not included.
3. When client requests services by Company not explicitly included in this agreement, they are agreeing to invoicing of said services per the terms outlined in the Master Agreement. For all services which incur additional hourly fees, Company will notify the client that these services are outside the scope of this work order and will receive approval from client prior to rendering these additional services.
4. Software and licensing purchased by the client directly from a third-party vendor are not included as a part of services to be supported.
5. Architectural changes, mass deployment, database management, data visualization and business process automation / troubleshooting are considered excluded from this Order.
6. Cybersecurity event or incident response activities or remediation efforts exceeding eight (8) hours of technician, engineer or project management time.
7. Should deficiencies, malware infections, or critical vulnerabilities be discovered during the deployment of services, Company will bring to Client attention and discuss the impact of the deficiencies on Company's ability to provision the Services and provide client with options to correct the deficiencies. Initial remediation hours will be billed outside of this Order unless otherwise explicitly stated in this Order.
8. Company is authorized to obtain any documentation or information regarding any and all accounts at all locations the Client may have with any telecommunications vendor. Company also has the authority to be added as an account contact and speak on behalf of the Client in negotiating services, billing, credits and/or connectivity of this Client's services with the Telecommunications company and/or vendor with the proviso that only the Client has authority to enter into contracts with any vendor or supplier.
9. Throughout the relationship between Company and Client, the Company will also make extensive use of Remote Management software. This software is used across all clients to monitor workstations and servers in real time. Company will also use this software to remotely connect and assist the Client's users when they have a technological problem if the user has an internet connection. In addition, endpoint protection software, ticketing, and asset management are managed through this software.

Assumptions

1. The Order will not become effective unless and until it is agreed upon and signed by the Client and Company.
2. If Company is providing or managing Client's Microsoft Licenses, then Client agrees to the Microsoft terms and conditions as stated in the Microsoft Customer Agreement found here:
<https://www.microsoft.com/licensing/docs/customeragreement>
3. Company reserves the right, at its discretion, to pass onto the client any changes to obligations, such as terms or pricing imposed on Company by a given vendor, for an offering that is currently resold to the client at any time during the current agreement term.
4. Company will make reasonable efforts to resolve all issues remotely prior to dispatching an engineer onsite. Travel hours incurred will be invoiced according to the Master Agreement.
5. Microsoft NCE licenses and subscriptions run on an annual basis and cannot be terminated nor altered mid-term.
6. If client Microsoft licenses are under a current annual NCE subscription, Company assumes they will migrate to become under Company's management at the point of renewal.
7. The items defined in this Order are designed to enhance the security of the customer environment. There is no guarantee that any security measure will prevent a data breach, infection, or other cyber security incident.

Client Responsibilities

1. Client will provide a primary point of contact for Company to work with on all services provided in this Order.
2. Client is responsible for authorizing access for Company to sites that are owned / controlled by third parties.
3. Client is responsible for proper disposal of client-owned devices.
4. Client will make a best effort to maintain the minimum infrastructure requirements as defined by Company.
5. Client will maintain both hardware and software maintenance agreements with the source Vendor whenever possible to allow for ongoing access to security updates and to provide quick replacement of non-functioning components.
6. Client must assign Company as their Microsoft Partner of record.
7. Client is responsible for procurement and ownership of all licenses, maintenance, and vendor support agreements required for support of their third-party applications, excluding the Microsoft licensing explicitly included in the per seat packages identified in Products & Services section.
8. Third party tool licensing may be required for additional cost.
9. Client will be financially responsible for any remaining or ongoing charges from Microsoft. Microsoft subscriptions can each have their own terms and renewal dates. It is the client's responsibility to engage Company to adjust Microsoft subscription counts and terminations prior to 12 months from the original work order or subsequent change order purchase date.

Invoicing

Recurring services, if included, shall be provided for term indicated in Products & Services, starting from the date of the first recurring invoice (Effective Services Start Date), unless terminated in accordance with the terms of this Order or the Master Agreement.

Company will invoice the Client a pro-rated monthly fee based on any partial month of service plus the first full month of service on the Effective Services Start Date. All subsequent service months will be invoiced at the start of the month in which services are to be rendered. Services activated after the first of month may be invoiced on a pro rata basis the following month. All One-Time Fees will be invoiced to Client upon signature of this Order.

Any taxes related to services purchased or licensed pursuant to this Order shall be paid by Client or Client shall present an exemption certificate acceptable to the taxing authorities. Applicable taxes and freight charges shall be billed as a separate item on the invoice.

Unit rates will automatically increase annually on the anniversary of the Effective Services Start Date equivalent to the CPI change for All Urban Consumers or by 4.00%, whichever is lower.

The terms of this Order will automatically renew for an additional term of equivalent length to the current active term unless notice of termination is provided by either party no fewer than 90 calendar days prior to expiration of the current active term.

Company will audit the Client's usage of the quantity of Services on a monthly basis; for each quantity of Services found in excess of the amount stated in this Order above, Company will increase the monthly service fee amount by the corresponding unit price stated above.

At no time during the term of this Order will the fees payable under this Order (i.e. the monthly subtotal amount) drop below seventy-five percent (75%) of the initially agreed upon monthly subtotal stated above.

In the event of the early termination of the Agreement in accordance with Section 3.3 of the Master Agreement, Client agrees that the initially agreed upon monthly subtotal stated above shall be used for calculating fees due for the remaining term of the Agreement.

Additional services may be added at any time during the life of this Order at the unit price listed above.

Addendum A Service Desk Priorities

Incidents and Service Requests are triaged and prioritized to effectively resolve the most important issues in a timely manner. Company utilizes the following priorities, criteria and response metrics:

- **Priority 1:**
 - System/device/application down causing work to cease and critical impact to the entire organization, a whole department, or a C-level executive or VIP user; no interim solution available; Client is in danger of or is experiencing a financial loss or the ability to make strategic business decisions is impaired.
 - **24x7 Support:** Priority 1 incidents will be addressed on a 24 hours a day, 7 days a week basis including holidays.
- **Priority 2:**
 - System/device/application down causing work to cease and potential business impact for up to 5 users, a C-level executive, or a VIP user; no interim solution available.
 - **24x7 Support:** Priority 2 incidents will be addressed on a 24 hours a day, 7 days a week basis including holidays.
- **Priority 3:**
 - Level of service degraded causing impact to an individual user; no interim solution available. Operational impact to the organization or a whole department though work continues as a result of implementing an interim solution or use of other system/device/service.
 - **Business Hours Support:** Priority 3 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.
- **Priority 4:**
 - Minor inconvenience to a department or user exists though work continues as a result of implementing an interim solution or use of another system/device/service.
 - **Business Hours Support:** Priority 4 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.
- **Priority 5:**
 - Maintenance tasks, audits, or alignment work that is not requested by the client.
 - **Business Hours Support:** Priority 5 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.

Call Priority	Initial Client Contact Guidelines	Initial Client Contact Percentages
1	1 Hour	90%
2	2 Hours	90%
3	4 Business Hours	90%
4	8 Business Hours	90%
5	N/A	N/A

Addendum B - Maintenance Windows

All work performed within Company's Hosting or Client Infrastructure is a form of maintenance. Such work may or may not result in a disruption of service depending on the scope of the activity.

1. **Scheduled Maintenance:** All planned work performed on Company's Hosting or Client Infrastructure by Company engineers, or staff is defined as -Scheduled Maintenance-. During Scheduled Maintenance, some or all of Company's Hosting or Client Infrastructure may be out of service and therefore may not be accessible to users. Regularly Scheduled Maintenance will occur between 2 AM and 6 AM in the local time zone for which the Client Infrastructure being maintained resides. Downtime to perform changes is expected during this window. If Client has a business need to avoid said downtime, they must provide their request via the Company Service Desk ten business days in advance.
 - a. **Notification:** Client will be notified via email should Scheduled Maintenance be required to take place outside of the windows specified above.
2. **Emergency Maintenance:** All work performed in response to a disruption or a threat to the availability of a component of Company's Hosting or Client Infrastructure within the control of Company is defined as -Emergency Maintenance-.

Emergency Maintenance will be conducted based upon the timeframe that the emergency exists. Normal business hours will see an immediate response. For issues that occur during non-business hours, the impact of the event will be evaluated as soon as possible, and appropriate measures taken to return the system to normal availability.

- a. **Notification:** Client will be notified via email should Emergency Maintenance be necessary. Commercially reasonable efforts will be made to notify Client prior to emergency maintenance. Company reserves the right to complete Emergency Maintenance without prior notification to Client if necessary to mitigate risks posed by the need for Emergency Maintenance in a timely manner.

Signature

Signature

Date

Printed name

Countersignature

Countersignature

Date

Printed name

MASTER TERMS AND CONDITIONS FOR SERVICES AND THIRD PARTY PRODUCTS

1. Definitions; Services; Third Party Products; and Orders.

1.1 Definitions. For purposes of this Master Agreement, the following terms have the following meanings:

“Agreement” means an Order and the documents incorporated into the Order including without limitation this Master Agreement.

“Company” means VC3, Inc., a Delaware corporation having its principal place of business at 1301 Gervais Street, Suite 1800, Columbia, SC 29201;

“Client” means the client of Company as identified in the applicable Order;

“Master Agreement” means these VC3 Master Terms and Conditions for Services and Third Party Products; and

“Order” means a written executed order between Company and Client that references this Master Agreement.

1.2 Services. Company will provide to Client computer system and network maintenance services, managed services, software services, hardware as a service (“HaaS”), consulting services and/or professional services (the “Services”) in each case as described in an Order provided however that the parties recognize that Company may from time to time provide Services to Client at Client’s request not covered by an Order, and in such cases, these Services shall be subject to and governed by the terms and conditions of this Master Agreement and performed by Company on a time and materials basis and invoiced at the hourly billing rates specified in Exhibit A to this Master Agreement.

1.3 Third Party Products. Company may sell or license or provide Third Party Products (as defined in Section 5.2) to Client as set forth in and on terms and conditions set forth in an Order.

1.4 Change Orders. Client may request a change in the scope or nature of the Services in an Order at any time. However, changes to the scope of the Services in an Order can be made only in writing executed by both parties.

1.5 Non-Exclusive. Client understands and agrees that the Services provided under the Agreement are not exclusive to Client, and Company may provide the same or similar services to Company's other customers.

2. Charges for Services and Third Party Products.

2.1 Fees. Client agrees to pay Company the fees for Services and Third Party Products as indicated in an Order, or as hourly work defined below in Exhibit A (collectively referred to as the "Fees"). Company reserves the right to increase the Fees once per calendar year in an amount not to exceed the lesser of (a) the CPI change for All Urban Consumers; or (b) four percent (4%) per annum. Unless otherwise expressly stated in an Order, Company's compensation for Services will be based on direct labor hours charged at fixed labor rates. The Order may call for a budget of expected charges as a way for both parties to monitor performance. Except as otherwise expressly set forth in an Order, all Services that are identified to be rendered on a time and materials basis will be invoiced at the hourly billing rates specified in Exhibit A.

2.2 Payment. Unless otherwise stated in an Order, all undisputed Fees for Services shall be due and payable by Client in advance of the calendar month in which the Services are to be provided to Client. Unless otherwise stated in an Order, Fees for Third Party Products shall be due and payable in advance of delivery. Payments made using electronic transfer shall be deducted from Client's designated bank account on the first business day of the month for which the Services are to be provided or on the date of delivery of Third Party Products. For prepaid Fees or Fees paid pursuant to a service plan, payment must be made in advance of providing Services or delivery of Third Party Products, unless other arrangements are agreed upon in the Order. Fees invoiced to Client shall be paid on a net thirty (30) day basis. Late payment for undisputed Fees (or any other amounts owing from Client to Company) shall be subject to interest on the unpaid amount(s) until and including the date payment is received, at ten percent (10%) per annum. Company reserves the right, but not the obligation, to suspend part or all of the Services in the event that any portion of undisputed Fees are not timely received by Company within five days after Company provides written notice to Client of unpaid undisputed Fees and Client fails to pay the same. All disputes initiated by Client related to Fees must be received by Company within sixty (60) days after the applicable Service is rendered or the

date on which Client receives an invoice, whichever is later, otherwise Client waives its right to dispute the applicable Fees thereafter. A re-connect fee may be charged to Client in the event that Company suspends the Services due to Client's nonpayment. Client shall be liable to Company for and reimburse and indemnify Company against legal fees as well as costs incurred in collection of past due balances including but not limited to collection fees, filing fees and court costs. TIME IS OF THE ESSENCE IN THE PERFORMANCE OF ALL PAYMENT OBLIGATIONS BY CLIENT.

2.3 Expenses. On the condition that the Company requests and obtains Client written pre-authorization of the nature and amount of the expenses, which request and pre-authorization may be by email communication, Client shall pay Company for all reasonable expenses incurred by Company in the performance of the Services, including without limitation travel, living, and out-of-pocket expenses incurred pursuant to the Agreement.

2.4 Taxes. Client shall pay directly, or reimburse Company for, and indemnify and hold Company harmless from, all taxes and tariffs assessed or levied by any governmental entity that are now or may become applicable to the Services or Third Party Products or measured by payments made by Client to Company hereunder, or are required to be collected by Company or paid by Company to tax authorities including interest assessment thereon if such assessments are due to Client's actions or inactions. This includes, but is not limited to, sales, use, excise, gross receipt and personal property taxes, or any other form of tax based on services performed, Third Party Products, equipment used by Company to perform services solely for Client, and the communication or storage of data, but does not include taxes based upon Company's net income.

3. Term; Termination.

3.1 Term. The term of the Agreement shall continue from the effective date of the Order until the earlier of (a) expiration of the term of the Order or (b) termination of the Agreement as provided in the Agreement.

3.2 Termination for Breach. Either party may terminate the Agreement for material breach by the other party of the Agreement which is not cured within 30 days from the receipt by the party in breach of a written notice from the other party specifying the breach in detail. Client shall be liable for payment to Company for all Services that are not subject to dispute and rendered prior to the effective date of any such termination.

3.3 Early Termination. The Parties acknowledge that early termination of the Agreement (i) by Company pursuant to Section 3.2 (Termination for Breach) or (ii) termination of the Agreement by Client for any reason other than pursuant to Section 3.2 will result in Company incurring damages difficult or impossible to ascertain. Neither party shall be allowed to terminate for convenience until 18 months after the commencement date of this Agreement. After 18 months from the commencement date the Agreement may be terminated by either party. The Agreement may be terminated by either party by giving written notice to the other party, at least one hundred eighty (180) days before the effective date of termination. Said termination will not be deemed a breach of contract by the party giving notice of termination for convenience.

3.4 Equipment / Software Removal. Upon termination of the Agreement for any reason, Client shall provide Company with access, during normal business hours, to Client's premises (or any other locations at which Company-owned hardware, equipment or software is located) to enable Company to remove all Company-owned hardware (including HaaS Hardware), equipment and software from the premises (if any). If Client fails to grant Company access as described herein, or if any of the Company-owned hardware or equipment is broken or damaged (normal wear and tear excepted) or any of the software is missing, Company shall have the right to invoice Client for, and Client hereby agrees to pay immediately, the full replacement value of any and all Company-owned hardware, equipment and software (as applicable) located at Client's premises.

3.5 Survival. Expiration or termination of the Agreement for any reason will not release either party from any liabilities or obligations set forth in the Agreement which (a) the parties have expressly agreed will survive any such expiration or termination or (b) remain to be performed or by their nature would be intended to be applicable following any such expiration or termination.

4. Proprietary Protections.

4.1 Ownership Rights

(a) General. Each party will retain all rights to any software, ideas, concepts, know-how, development tools, techniques or any other proprietary material or information that it owned or developed prior to the effective date of the Agreement or acquired or developed after the effective date of the

Agreement without reference to or use of the intellectual property of the other party. All software that is licensed by a party from a third party vendor will be and remain the property of such vendor. No licenses will be deemed to have been granted by either party to any of its patents, trade secrets, trademarks, or copyrights, except as otherwise expressly provided in the Agreement. Nothing in the Agreement will require Company or Client to violate the proprietary rights of any third party in any software or otherwise. Notwithstanding anything to the contrary in the Agreement, Company (i) will retain all right, title and interest in and to all software development tools, know-how, methodologies, processes, technologies or algorithms used in performing the Services which are based on trade secrets or proprietary information of Company or are otherwise owned or licensed by Company (collectively, "tools"), (ii) will be free to use the ideas, concepts, methodologies, processes and know-how which are developed or created in the course of performing the Services and may be retained by Company's employees in intangible form, all of which constitute substantial rights on the part of Company in the technology developed as a result of the Services performed under the Agreement.

(b) Materials Developed for or Delivered to Client. Client agrees that all software and other materials (including, but not limited to customizations, modifications, specifications, documentation and training materials) developed for or delivered to Client pursuant to the Agreement, including without limitation all related copyrights, patent rights, trade secrets, ideas, designs, concepts, techniques, inventions, discoveries or other intellectual property rights (collectively, the "Materials"), shall be the exclusive property of Company and the Company shall own all right, title and interest therein. In this connection, Client acknowledges that all Materials which are or may be developed pursuant to the Agreement are and shall be the intellectual property and confidential proprietary information and products of Company, and Client hereby transfers and assigns any and all rights in and to the Materials to Company, its successors and assigns, including without limitation all intellectual property rights relating thereto. From time to time upon Company's request, Client shall confirm such assignment by execution and delivery of such assignments, confirmations of assignment, or other written instruments as Company may request. Company agrees that Client shall have a limited nonexclusive license to use the Materials internally to the extent necessary to carry out and fulfill the terms and conditions of the Order for which the Materials were developed and shall have the right to grant a limited nonexclusive license to the third parties specifically identified in an Order to use the Materials solely for the purposes contemplated by such Order, provided that such third parties shall first agree in a signed writing to be

bound by the terms of the Agreement or such terms as may be acceptable to Company.

(c) Specific Deliverables Owned by Client. Notwithstanding the foregoing provisions of Section 4.1(b) but subject to any third party rights or restrictions and the provisions of Section 4.1(a) and the other provisions of this Section 4.1(c), Client will own the copyright in and to Materials that (i) are developed for and delivered by Company to Client, (ii) are paid for by Client, and (iii) are clearly and specifically identified in an Order as governed by the provisions of this Section 4.1(c) (the “Specific Client Owned Deliverables”). Notwithstanding the foregoing, Company will retain ownership of any Company-owned software or development tools that are used in producing the Specific Client Owned Deliverables and become embedded in the Specific Client Owned Deliverables. Company hereby grants to Client a perpetual (subject to compliance with this sentence), royalty-free, non-transferable, nonexclusive license to use such embedded software and tools (if any) solely in connection with Client’s internal use and exploitation of the Specific Client Owned Deliverables and only so long as such software and tools (if any) remain embedded in the Specific Client Owned Deliverables and are not separated therefrom. Company will own all intellectual property rights in or related to the Specific Client Owned Deliverables other than the copyright ownership rights granted to Client pursuant to this Section 4.1(c).

4.2 Client Information. Company recognizes and agrees that, except as specified in Section 4.1, it has no claim of ownership to any data, materials or information submitted by Client to Company or the Services (“Client Information”), which Client Information is being provided to Company solely for the purposes of enabling Company to render the Services, and that title and all ownership rights in and to such Client Information shall at all times remain with Client. Client shall have sole responsibility for the accuracy, quality, integrity, legality, reliability, appropriateness, and intellectual property ownership or right to use all Client Information.

4.3 Confidentiality.

(a) Confidential Information. This Section 4.3 shall apply to all confidential and proprietary information disclosed by either party (“Disclosing Party”) to the other party (“Receiving Party”) in connection with the Agreement, including without limitation, all Client Information, Materials of Company, and information related to the Disclosing Party’s technology, software, know-how, products, potential products, services, potential services, financial information,

employees, customers, markets and/or business information (collectively, "Confidential Information"). The terms and conditions of the Agreement shall be treated by Client as the Confidential Information of Company. Confidential Information shall not include any information which (i) was known to the Receiving Party prior to being disclosed by the Disclosing Party, (ii) becomes publicly known through no wrongful act of the Receiving Party, (iii) is approved for release by written authorization of the Disclosing Party, (iv) is received from a third party not in breach of any separate confidentiality obligation known to the Receiving Party, or (v) is independently developed without reference to the Disclosing Party's Confidential Information.

(b) Scope of Obligation. The Receiving Party agrees to use the Confidential Information of the Disclosing Party only as provided for in the Agreement. Each party agrees to hold the other party's Confidential Information in strict confidence and not to disclose such Confidential Information to any third parties. Notwithstanding the foregoing, each party may disclose the other party's Confidential Information only to those employees, agents, representatives and/or consultants who require such information only in connection with the Agreement. Each party agrees to instruct all such employees, agents, representatives and consultants regarding the foregoing obligations and ensure that such employees, agents, representatives and consultants are bound by obligations of confidentiality to the Receiving Party that are at least as restrictive as those contained herein. Each party agrees that it will take all reasonable measures to protect the confidentiality of, and avoid the unauthorized disclosure or use of, the other party's Confidential Information in order to prevent it from being made public or in the possession of persons other than those persons authorized hereunder to have any such Confidential Information, which measures shall include at least the same degree of care that the Receiving Party utilizes to protect its own confidential information of a similar nature but in any event shall include commercially reasonable precautions designed to protect the Disclosing Party's Confidential Information from unauthorized disclosure and/or use.

(c) Limited Disclosure Right. Confidential Information may be disclosed to the extent required by court order or as otherwise required by law, provided that the Receiving Party, to the extent legally permissible, notifies the Disclosing Party promptly upon learning of the possibility of any such requirement and, to the extent legally permissible, has given the Disclosing Party a reasonable opportunity to contest or limit the scope of such required disclosure.

(d) Return of Confidential Information. Promptly upon termination of the Agreement, or at any other time upon the request by a party, the other party shall (i) return to the Disclosing Party or, at the Disclosing Party's request, destroy all Confidential Information of such Disclosing Party, whether in paper or electronic form, provided, however that the foregoing shall not apply to Confidential Information that is stored in the Receiving Party's electronic archives, which Confidential Information will be destroyed in the ordinary course of the Receiving Party's business in accordance with its document destruction policies; and (ii) certify to the Disclosing Party in writing that it has complied with the provisions of this Section 4.3.

5. Limited Warranty and Disclaimers.

5.1 Limited Services Warranty. Company warrants to Client that the Services, as and when delivered or rendered hereunder, will substantially conform to the description of services or specifications set forth in the applicable Order. Company's sole liability under the foregoing warranty shall be to provide the services described in Section 5.5 hereof.

5.2 No Third Party Products Warranty. UNLESS OTHERWISE EXPRESSLY STATED IN AN ORDER, ANY THIRD PARTY PRODUCTS OR SERVICES SOLD TO, PROVIDED TO OR PROCURED FOR CLIENT, INCLUDING BUT NOT LIMITED TO THIRD PARTY HARDWARE, SOFTWARE, PERIPHERALS AND ACCESSORIES (COLLECTIVELY, "THIRD PARTY PRODUCTS") ARE PROVIDED TO CLIENT "AS IS" AND COMPANY EXPRESSLY DISCLAIMS ALL WARRANTIES OF ANY KIND, EXPRESS, IMPLIED, ARISING FROM COURSE OF DEALING OR USAGE OF TRADE OR STATUTORY WITH RESPECT TO SUCH THIRD PARTY PRODUCTS, INCLUDING BUT NOT LIMITED TO WARRANTIES OF PERFORMANCE, SECURITY, INTEGRATION, NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. COMPANY SHALL USE REASONABLE EFFORTS TO ASSIGN, TRANSFER AND FACILITATE ALL WARRANTIES (IF ANY) AND SERVICE LEVEL COMMITMENTS (IF ANY) FROM THE APPLICABLE THIRD PARTY MANUFACTURER OR VENDOR FOR THE THIRD PARTY PRODUCTS TO CLIENT, BUT WILL HAVE NO LIABILITY WHATSOEVER FOR SUCH THIRD PARTY PRODUCTS. COMPANY SHALL NOT BE HELD LIABLE AS AN INSURER OR GUARANTOR OF THE PERFORMANCE, UPTIME, USEFULNESS, OR QUALITY OF ANY THIRD PARTY PRODUCTS.

5.3 No Compliance Warranty. COMPANY DOES NOT WARRANT THAT THE PROVISION OF THE SERVICES, OR CLIENT'S USE OF THE SERVICES, WILL

SATISFY ANY PARTICULAR INDUSTRY-SPECIFIC OR REGULATORY REQUIREMENTS, OR BRING CLIENT INTO COMPLIANCE WITH ANY SUCH REQUIREMENTS.

5.4 DISCLAIMER OF WARRANTIES. THE WARRANTY SET FORTH IN SECTION 5.1 STATES COMPANY'S SOLE AND EXCLUSIVE WARRANTY TO CLIENT HEREUNDER. EXCEPT AS EXPRESSLY SET FORTH IN SECTION 5.1, THE SERVICES ARE PROVIDED STRICTLY "AS IS" AND COMPANY MAKES NO ADDITIONAL WARRANTIES, EXPRESS, IMPLIED, ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, OR STATUTORY, AS TO THE SERVICES OR ANY MATTER WHATSOEVER. IN PARTICULAR, ANY AND ALL WARRANTIES OF PERFORMANCE, SECURITY, INTEGRATION, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY EXCLUDED. COMPANY DOES NOT WARRANT, AND SPECIFICALLY DISCLAIMS THAT THE SERVICES BEING PROVIDED WILL RESULT IN COST SAVINGS, PROFIT IMPROVEMENT, OR THAT THE SERVICES WILL BE ERROR-FREE. THIS IS A LIMITED WARRANTY AND IS THE ONLY WARRANTY MADE BY COMPANY.

5.5 Notice Obligation; Remedy Regarding Services. Client shall notify Company in writing within sixty (60) days after completion of the Services in question when any of the Services fail to substantially conform to the description of services or specifications set forth in the applicable Order. Such notification shall include the detailed information necessary for Company to verify such nonconformity. Upon actual receipt of such notification and verification of the nonconformity, Company shall correct the nonconformity so that the Services shall substantially conform with the agreed description of services or specifications in the applicable Order. Client agrees to pay Company for all personnel time and expenses incurred in investigating reported nonconformities when the alleged nonconformities are not discovered. The passage of the sixty (60) day period after completion of the Services in question without the notification described herein shall constitute final acceptance of the Services.

6. Limitation of Liability.

6.1 COMPANY'S LIABILITY ON ANY CLAIM, LOSS OR LIABILITY ARISING OUT OF, OR CONNECTED WITH THE AGREEMENT, THE SERVICES, OR USE OF THE PRODUCT OF ANY SERVICES FURNISHED HEREUNDER, SHALL IN ALL CASES BE LIMITED SOLELY TO CORRECTION OF NONCONFORMITIES WHICH DO NOT SUBSTANTIALLY CONFORM WITH THE AGREED DESCRIPTION OF SERVICES IN AN ORDER, OR SPECIFICATIONS IDENTIFIED IN AN ORDER.

6.2 IF FOR ANY REASON COMPANY IS UNABLE OR FAILS TO CORRECT NONCONFORMITIES AS PROVIDED, COMPANY'S LIABILITY FOR DAMAGES ARISING OUT OF THE AGREEMENT FOR SUCH FAILURE, WHETHER IN CONTRACT OR TORT (INCLUDING NEGLIGENCE), LAW, EQUITY OR OTHERWISE, SHALL NOT EXCEED THE AMOUNTS PAID BY CLIENT FOR THAT PORTION OF THE SERVICES WHICH FAIL TO CONFORM. IN NO EVENT SHALL COMPANY'S MAXIMUM AGGREGATE LIABILITY ARISING OUT OF OR RELATING TO THE AGREEMENT (INCLUDING FOR ANY CLAIM AND/OR SERIES OF CLAIMS WHETHER RELATED OR UNRELATED), WHETHER IN CONTRACT OR TORT (INCLUDING NEGLIGENCE), LAW, EQUITY OR OTHERWISE, EXCEED THE AMOUNTS PAID BY CLIENT TO COMPANY IN THE ONE HUNDRED TWENTY DAY (120) PERIOD PRECEDING THE EVENT(S) GIVING RISE TO THE CLAIM (OR TO THE FIRST CLAIM IN A SERIES OF CLAIMS). IT IS UNDERSTOOD AND AGREED THAT THE FEES FOR THIRD PARTY PRODUCTS (IF ANY) PROVIDED TO CLIENT SHALL NOT BE INCLUDED IN THE CALCULATION OF THE LIMITATION OF DAMAGES DESCRIBED IN THIS PARAGRAPH AND AMOUNTS PAID BY CLIENT TO COMPANY.

6.3 UNDER NO CIRCUMSTANCES SHALL COMPANY BE LIABLE TO CLIENT FOR ANY LOSS OF USE, INTERRUPTION OF BUSINESS, LOSS OR CORRUPTION OF DATA, LOST PROFITS, LOST REVENUE, OR ANY INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY KIND REGARDLESS OF THE FORM OF ACTION WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), LAW, EQUITY OR OTHERWISE, EVEN IF COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR FOR ANY CLAIM OR DAMAGES ASSERTED BY ANY THIRD PARTY OR FOR ANY DAMAGES CAUSED BY ANY DELAY IN FURNISHING SERVICES HEREUNDER.

6.4 CLIENT ACKNOWLEDGES THAT COMPANY HAS SET ITS FEES, AND ENTERED INTO THE AGREEMENT IN RELIANCE UPON THE LIMITATIONS OF LIABILITY AND THE DISCLAIMERS OF WARRANTIES AND DAMAGES SET FORTH IN THE AGREEMENT, AND THAT THE SAME FORM AN ESSENTIAL BASIS OF THE BARGAIN BETWEEN THE PARTIES. THE FOREGOING LIMITATION OF LIABILITY IS INDEPENDENT OF ANY EXCLUSIVE REMEDIES FOR BREACH OF WARRANTY SET FORTH IN THE AGREEMENT.

6.5 THE PROVISIONS OF SECTIONS 5, 6 AND 7 ARE CLIENT'S EXCLUSIVE REMEDIES RELATED TO THE SERVICES, ANY FAILURE BY COMPANY TO CORRECT NONCONFORMITIES IN THE SERVICES, OR FOR BREACH BY

COMPANY OF THE AGREEMENT AND SHALL APPLY REGARDLESS OF THE SUCCESS OR EFFECTIVENESS OF SUCH REMEDIES.

6.6 Unless otherwise expressly stated in an Order, Company assumes no liability for failure of Client's existing hardware, equipment, or software or any losses resulting from such failure not caused by Company.

6.7 Client is responsible for adopting reasonable measures to limit Client's exposure with respect to such potential losses and damages, including without limitation examination and confirmation of results of the Services prior to use thereof, provision for identification and correction of errors and omissions, and preparation and storage of backup or duplicate data. Client is also responsible for complying with, and shall comply with, all local, state, provincial, federal, national and international laws, rules and regulations ("Laws") pertaining to the use of the Services and use and disclosure of any Client Information.

7. Indemnity

7.1 Infringement Claims.

(a) General. Subject to Section 6 of this Master Agreement, the limitations set forth below in this Section 7.1 and the procedures set forth below in Section 7.3, Company and Client (each an "indemnitor") each agrees to defend the other party (each an "indemnitee") against any action to the extent that such action is based upon a claim that the Confidential Information (other than third party hardware, software, products, materials or services) provided by the indemnitor, or any part thereof, (i) infringes a copyright perfected under United States statute, or (ii) constitutes an unlawful disclosure, use or misappropriation of another party's trade secret, and the indemnitor will bear the expense of such defense and pay any damages, costs and expenses, including reasonable attorneys' fees and expenses (collectively "Damages") that are attributable to such claim finally awarded by a court of competent jurisdiction.

(b) Exclusions. Neither Company nor Client will be liable to the other for claims of indirect or contributory infringement. The indemnitor will have no liability to the indemnitee hereunder if (i) the claim of infringement is based upon the use of Confidential Information provided by the indemnitor hereunder in connection or in combination with equipment, devices or software not supplied by the indemnitor or used in a manner for which the Confidential Information was not designed, (ii) the indemnitee modifies any Confidential Information provided by the indemnitor hereunder and such infringement would

not have occurred but for such modification, or (iii) the claim of infringement arises out of the indemnitor's compliance with specifications or requirements provided by the indemnitee and such infringement would not have occurred but for such compliance.

(c) Additional Remedy. If Confidential Information becomes the subject of an infringement claim under this Section 7.1, or in the indemnitor's opinion is likely to become the subject of such a claim, then, in addition to defending the claim and paying any damages and attorneys' fees as required above in this Section 7.1, the indemnitor may, at its option and in its sole discretion, (A) replace or modify the Confidential Information to make it noninfringing or cure any claimed misuse of another's trade secret or (B) procure for the indemnitee the right to continue using the Confidential Information pursuant to the Agreement. Any costs associated with implementing either of the above alternatives will be borne by the indemnitor but will be subject to Section 6 of this Master Agreement. If neither alternative is pursued by, or (if pursued) available to, the indemnitor, (x) the indemnitee will return such Confidential Information to the indemnitor and (y) if requested by the indemnitee in good faith, the parties will negotiate, but subject to Section 6 of this Master Agreement, to reach a written agreement on what, if any, monetary damages (in addition to the indemnitor's obligation to defend the claim and pay any damages and attorneys' fees as required above in this Section 7.1) are reasonably owed by the indemnitor to the indemnitee as a result of the indemnitee no longer having use of such Confidential Information. The payment of any such monetary damages will be the indemnitee's sole and exclusive remedy for the inability of the indemnitor to implement either of the above alternatives.

7.2 Third Party Indemnification of Company. Without limiting Company's liability to Client under the Agreement, each of the parties acknowledge that Company would not enter into the Agreement, and by Company entering into and performing its obligations under the Agreement, Company will not assume and should not be exposed to the business and operational risks associated with Client's business, and Client therefore agrees, subject to Section 7.3 below, to indemnify and defend Company and hold Company harmless from any and all third party claims and Damages arising out of the conduct of Client's business, including without limitation the use by Client of the Services or any Third Party Products.

7.3 Procedures. The indemnification obligations set forth in this Section 7 will not apply unless the party claiming indemnification: (a) notifies the other promptly in writing of any matters in respect of which the indemnity may apply

and of which the notifying party has knowledge, in order to allow the indemnitor the opportunity to investigate and defend the matter; provided, however, that the failure to so notify will only relieve the indemnitor of its obligations under this Section 7 if and to the extent that the indemnitor is prejudiced thereby; and (b) gives the other party full opportunity to control the response thereto and the defense thereof, including without limitation any agreement relating to the settlement thereof; provided, however, that the indemnitee will have the right to participate in any legal proceeding to contest and defend a claim for indemnification involving a third party and to be represented by legal counsel of its choosing, all at the indemnitee's cost and expense. However, if the indemnitor fails to promptly assume the defense of the claim, the party entitled to indemnification may assume the defense at the indemnitor's cost and expense. The indemnitor will not be responsible for any settlement or compromise made without its consent, unless the indemnitee has tendered notice and the indemnitor has then refused to assume and defend the claim and it is later determined that the indemnitor was liable to assume and defend the claim. The indemnitee agrees to cooperate in good faith with the indemnitor at the request and expense of the indemnitor.

8. Additional Terms.

8.1 Hardware as a Service (HaaS). This section 8.1, and each term herein, shall apply only in the event that Company provides HaaS to Client.

(a) All hardware provided by Company as a part of Company providing HaaS under an Order ("HaaS Hardware") shall at all times remain the property of Company and Client shall not have any right, title or interest in or to the HaaS Hardware other than the right to possession and use of the HaaS Hardware in accordance with the Agreement.

(b) Client shall, during the term of the Agreement and until redelivered to Company:

- ensure that the HaaS Hardware is kept and operated in a suitable environment, which shall as a minimum meet any requirements set out in the Order, use only for the purposes for which it is designed, and operate it in a proper manner by trained competent staff in accordance with any operating instructions;
- keep the HaaS Hardware in as good and operating condition as it was on the date of its delivery (fair wear and tear only excepted) including

replacement of worn, damaged and lost parts, and shall make good any damage to the HaaS Hardware;

- make no alteration to the HaaS Hardware and not remove any existing component(s) from the HaaS Hardware without the prior written consent of Company;
- at all times keep the HaaS Hardware in its possession or control at the location(s) specified in the Order or such other locations as may be agreed with the Company in writing;
- permit Company or its duly authorized representative to inspect the HaaS Hardware at all reasonable times and for such purpose to enter upon the premises at which the HaaS Hardware is located, and shall grant reasonable access and facilities for such inspection;
- not, without the prior written consent of Company, part with control of (including for the purposes of repair or maintenance), sell or offer for sale, underlet or lend the HaaS Hardware or allow the creation of any mortgage, charge, lien or other security interest in respect of it;
- give immediate written notice to Company in the event of any loss, accident or damage to the HaaS Hardware arising out of or in connection with the Client's possession or use of the HaaS Hardware; and
- deliver up the HaaS Hardware at the end of the term of the Agreement at such address as Company requires, or if necessary allow Company or its representatives access to the premises where the HaaS Hardware is located for the purpose of removing the HaaS Hardware.

(c) Client acknowledges that Company shall not be responsible for any loss of or damage to the HaaS Hardware arising out of or in connection with any negligence, misuse, mishandling of the HaaS Hardware or otherwise caused by Client or any of its officers, employees, agents or contractors;

(d) The risk of loss, theft, damage or destruction of the HaaS Hardware shall pass to the Client on delivery by Company to Client. The HaaS Hardware shall remain at the sole risk of the Client during the term of the Agreement and until such time as the HaaS Hardware is redelivered to Company.

(e) During the term of the Agreement and until redelivered to Company, the Client shall, at its own expense, obtain and maintain the following insurances:

- insurance of the HaaS Hardware to a value not less than its full replacement value comprehensively against all usual risks of loss, damage or destruction by fire, theft or accident, and such other risks as Company may from time to time nominate in writing;

- insurance for such amounts as a prudent owner or operator of the HaaS Hardware would insure for, or such amount as Company may from time to time reasonably require, to cover any third party or public liability risks of whatever nature and however arising in connection with the HaaS Hardware; and
- insurance against such other or further risks relating to the HaaS Hardware as may be required by law, together with such other insurance as Company may from time to time consider reasonably necessary and advice to the Client.

The Client shall, on demand, supply copies of the relevant insurance policies or other insurance confirmation acceptable to Company and proof of premium payment to Company to confirm the insurance arrangements. If the Client fails to effect or maintain any of the insurances required under these conditions, Company shall be entitled to effect and maintain the same, pay such premiums as may be necessary for that purpose and recover the same as a debt due from the Client.

(f) Client permits Company to:

- charge Client for repairs to, or replacement of, any HaaS Hardware that is lost, damaged or destroyed until it has been returned to Company; and
- at any time swap the HaaS Hardware for alternative equipment offering in Company's reasonable judgment the same functionality.

8.2 EULAs. Portions of the Services may require Client to accept the terms of one or more third party end user license agreements ("EULAs"). EULAs may contain service levels, warranties and/or liability limitations that are different than those contained in the Agreement. Client agrees to be bound by the terms of such EULAs and shall look only to the applicable third party provider for the enforcement of the terms of such EULAs. Client will defend, indemnify, and hold Company harmless from any claims and Damages resulting from any breach of a EULA by Client or any of its directors, officers, employees, or agents.

8.3 Data Backup. Unless otherwise stated in an Order, Client understands and agrees that Company shall not be responsible for data backup or any data lost, corrupted, or rendered unreadable due to communication and/or transmissions errors or related failures, or equipment failures (including but not limited to silent corruption-related issues). Client is strongly advised to maintain a local and offsite backup of all mission-critical or customer-critical data, and to periodically verify the integrity and availability of all backed up data.

8.4 Bring Your Own Device (BYOD). Client hereby represents and warrants that Company is authorized to provide the Services to all devices, peripherals and/or computer processing units, including without limitation mobile devices (such as personal digital assistants, notebook computers, and tablet computers) that (i) are connected to Client's systems related to the Services, and (ii) have been designated by Client to receive the Services, regardless of whether such device(s) are owned, leased or otherwise controlled by Client. Unless otherwise stated in an Order, devices will not receive or benefit from the Services while the devices are detached from or unconnected to such systems.

8.5 Hosted Solutions. Hosted solutions, including but not limited to hosted email and document-related applications, may require Client to accept the terms of a third party EULA, which may contain service levels, warranties and/or liability limitations that are different than those contained in the Agreement. Client agrees to be bound by the terms of such EULAs and shall look only to the applicable third party provider for the enforcement of the terms of such EULAs. Client will defend, indemnify, and hold Company harmless from any claims and Damages resulting from any breach of such a EULA by Client or any of its directors, officers, employees, or agents. Company reserves the right to suspend or terminate Client's access to hosted solutions in the event that Company has reason to believe that the hosted solutions are being accessed, used or otherwise manipulated in a manner that violates any Law, or poses a threat to the integrity or security of Company's computer servers or any third party server.

8.6 Disposal of Equipment. Client agrees that any Client assets, equipment, hardware, or software deemed to be replaced, retired, faulty, non-functional, dead-on arrival, returned, unrecoverable, or otherwise unusable may be disposed of by Company unless Client provides a written request to keep the asset at the time of removal.

8.7 Recording.

(a) Some Services provided may involve recording and/or monitoring. For such Services, information uploaded to or in any way passing through computer systems used to provide the Services, including without limitation written, visual, or oral communications or other electronic means, may be recorded or monitored for quality assurance and diagnostic purposes. By accessing or using the Services, Client consents to such recording and monitoring. Client is also solely responsible for informing anyone with whom Client interacts or otherwise communicates via the Services that information

uploaded to or in any way passing through the Services, including without limitation written, visual, or oral communications or other electronic means, may be recorded or monitored for quality assurance and diagnostic purposes.

(b) If phone conferences/conference bridges are applicable to the Services being provided to Client, Client acknowledges that the laws of certain jurisdictions may require that if a conference is recorded, all participants in the conference must be informed in advance of any such recording, so they may consent to being recorded (if required by applicable Laws). Client acknowledges and agrees that Client shall be solely responsible for complying with all applicable Laws and third party rights when using recording features (which includes Client's obligation to obtain the consent, if required by applicable Laws, of all participants before the commencement of the recording). Company shall have no liability to Client or any participant in Client's recorded conference with respect to Client's obligations under this Section 8.7.

8.8 Insurance. The Company shall, at its sole cost and expense, procure and maintain all necessary insurance coverages applicable to the services performed or products provided under this Agreement. Such insurance shall include policies of Commercial General Liability Insurance, Cyber Liability, and Professional Liability Insurance appropriate to the services to be performed and products provided by the Company. The Company shall carry Errors and Omissions ("E&O") insurance and name Client as an additional insured on the E&O policy. The policies of insurance shall be in effect throughout the Term.

9. General Provisions.

9.1 Non-Hire Provision. Each party to the Agreement agrees that it will not hire, employ or contract with, or solicit to hire, employ or contract with, any person who is, or within the immediately preceding one year was, an employee or subcontractor of the other party to the Agreement for any purposes during the term of the Agreement, or for a period of one year after the Agreement terminates.

9.2 Conflict. Any purchase order or other document issued by Client is for administrative convenience only and does not govern, control or amend the terms of the Agreement. In the event of any conflict between this Master Agreement and an Order, this Master Agreement shall prevail unless the Order expressly references amending and superseding a specific provision of this Master Agreement.

9.3 Survival. In the event of any expiration or termination of the Agreement, Sections 2, 3, 4, 5, 6, 7, and 9 of this Master Agreement shall survive and shall continue to bind the parties.

9.4 Governing Law. The Agreement shall be governed in all respects by the laws of the United States of America and the State of California without regard to conflicts of law principles. The parties agree that the United Nations Convention on Contracts for the International Sale of Goods is specifically excluded from application to the Agreement.

9.5 Forum. All disputes arising under the Agreement shall be brought in the state or federal courts located in California, as permitted by law. The state and federal courts located in California shall each have nonexclusive jurisdiction over disputes under the Agreement. Company consents to the personal jurisdiction of the above courts.

9.6 Injunctive Relief. It is understood and agreed that, notwithstanding any other provisions of the Agreement, breach of the provisions of the Agreement by Client will cause Company irreparable damage for which recovery of money damages would be inadequate, and that Company shall therefore be entitled to obtain timely injunctive relief to protect Company's rights under the Agreement in addition to any and all remedies available at law.

9.7 Notices. Except as set forth in section 2.3, above, all notices or reports permitted or required under the Agreement shall be in writing and shall be delivered by personal delivery or by certified or registered mail, return receipt requested, and shall be deemed given upon personal delivery or five (5) days after deposit in the mail. Notices shall be sent to Company at the addresses described on the first page of this Master Agreement in the definition of Company and to Client at the address set forth in the applicable Order or such other address as either party may designate for itself in writing. All notices to Company must be to its President to be effective.

9.8 No Agency. Nothing contained herein shall be construed as creating any agency, partnership, or other form of joint enterprise between the parties.

9.9 Force Majeure. Neither party shall be liable hereunder by reason of any failure or delay in the performance of its obligations hereunder (except for the payment of money) on account of strikes, shortages, riots, insurrection, fires, flood, storm, explosions, acts of God, war, governmental action, labor conditions,

earthquakes, power failure, communications delays/outages, material shortages or any other cause which is beyond the reasonable control of such party.

9.10 Waiver. The failure of either party to require performance by the other party of any provision hereof shall not affect the full right to require such performance at any time thereafter; nor shall the waiver by either party of a breach of any provision hereof be taken or held to be a waiver of the provision itself.

9.11 Severability. In the event that any provision of the Agreement shall be unenforceable or invalid under any applicable law or be so held by applicable court decision, such unenforceability or invalidity shall not render the Agreement unenforceable or invalid as a whole, and, in such event, such provision shall be changed and interpreted so as to best accomplish the objectives of such unenforceable or invalid provision within the limits of applicable law or applicable court decisions.

9.12 Nondisclosure. To the extent allowed by law, Client promises not to disclose the terms and conditions of the Agreement to any third party without the prior written consent of Company.

9.13 Headings. The section headings appearing in this Master Agreement are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or extent of such section or in any way affect this Master Agreement.

9.14 Entire Agreement. The Agreement completely and exclusively states the agreement of the parties regarding its subject matter. It supersedes, and its terms govern, all prior proposals, agreements, or other communications between the parties, oral or written, regarding such subject matter. The Agreement shall not be modified except by a subsequently dated written amendment signed on behalf of Company and Client by their duly authorized representatives.

Service Area	Hourly Bill Rate	Description of Service Area
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Consulting & Project Management	\$ 232.00	Consulting (Design, Architecture, Planning); Technology Assessments; Security Audits. Project Management. CIO Consulting Services including without limitation product evaluations and application/infrastructure planning services.
Application Development	\$ 232.00	Application Software development, design, testing, and code revisions. Systems Programming (System Level Scripting/Automation). All SharePoint services.
Web Design Services	\$ 201.00	Web site design and implementation services which are NOT built on a Microsoft SharePoint platform.
Infrastructure Deployment Services	\$ 206.00	Installation and Setup of the following: Networks, Electronic Messaging Systems, Servers, SANs, VMWare, Citrix, Network Domains, and Desktop Deployments.
Infrastructure Maintenance Services	\$ 196.00	Maintenance Services for the following: Networks, Electronic Messaging Systems, Servers, SANs, VMWare, Domains, Microsoft Server, and Desktop support.
Travel Time	\$ 124.00	Travel time to and from the Client. This rate includes the mileage expense at the current IRS approved mileage rate.
After Hours Support Services	\$ 257.00	All reactive support services provided to Client outside of the hours of 8am to 5pm Monday through Friday and all services provided on National Holidays

Last Updated April 10, 2024

Exhibit A Hourly Rates

Note: Rates will automatically increase on an annual basis equivalent to the lower of the CPI change for All Urban Consumers or by a rate of 4%. Annual rate increases will become effective on the first of the month following the release of data for the prior calendar year.

Confidential: this document is for internal use by only the Client, and to the extent allowed by law, is not to be shown or distributed to any other parties without the express written permission of VC3.

**RD 900 BOARD MEETING
RECLAMATION DISTRICT 900
November 20, 2024
Minutes**

The Regular Board meeting was called to order at 5:37 PM by President Guerrero. Also in attendance at the meeting were: Trustees Alcala, Early, and Sulpizio Hull, General Manager Johnson, Assistant General Manager McGillian, and District Counsel Nevis.

GENERAL ADMINISTRATION – PART I

Entry No. 1

Heard General Administration Functions as follows:

- A. Presentations by the public on matters not on the agenda within the jurisdiction of the District. The Agency is prohibited by law from discussing issues not on the agenda brought to them at this time.
- B. Monthly/YTD Revenue and Expenses.

CONSENT AGENDA – PART II

Entry No. 2 – Consideration of a shared agreement cost reimbursement with the city of West Sacramento to provide financial auditing services for the 2023-2024 fiscal year.

Entry No. 3 – Consideration of approval of the September 18, 2024 Board meeting minutes.

MOTION: Early	SECOND: Sulpizio Hull	AYES: Guerrero, Alcala, Early, Sulpizio Hull
NOES: None	ABSTAIN: None	ABSENT: Orozco

The consent agenda passed 4-0, by roll call vote.

REGULAR AGENDA – PART III

Entry No. 4 – Consideration of purchasing mitigation credits for the Blacker Canal Bank Stabilization Project from Antonio Mountain Ranch Mitigation Bank.

MOTION: Sulpizio Hull	SECOND: Early	AYES: Guerrero, Alcala, Early, Sulpizio Hull
NOES: None	ABSTAIN: None	ABSENT: Orozco

The agenda item passed 4-0, by roll call vote.

Entry No. 5 –General Manager Updates (provided in Board Packet, below are the highlights)

Administration/ Finance – Several new policies/ procedures have been developed and are in need of approval by the board. The District has an RFP posted in search of an IT contractor to improve internet capabilities, District Cybersecurity, and create a network for office. A grant has also been applied for by the District through CalOES for Cybersecurity enhancements.

Mowing Season – District staff has been cleaning canal/ditches and tree trimming, getting prepared for the winter. Levees, pumps, and drainage facilities are prepared for the winter storms.

Duckweed – The District has been working to find a solution to the Duckweed covering the pond in the south sector. At this time, we have implemented an option do nothing now and see if the winter helps us (utilize the colder temps to kill off the duckweed). Many of the residents in the area have stopped by to see how things are going and realize the challenges we are facing.

DWR/ USACE – Staff met with DWR inspector to inspect the levee system. Levees are in good shape. DWR rates the levees as: A, Acceptable; M, Minimally Acceptable; U, Unacceptable. Most of the District's levees receive an A or M rating. An M rating includes homeless camp on levee slope, minor erosion, or older

encroachments that have been abandoned.

Blacker Canal Stabilization Project – Based on this new “rate of erosion”, the District’s consultant was able to make a case of a benefit cost analysis greater than 1.0. FEMA/CalOES are reviewing this new analysis which looks promising. The grant had an expiration date of June 2025 but has been extended until 2027.

Emergency Preparedness – Attended 2024 Winter Preseason Meeting (WSFD, WSPD, WSAFCA, Yolo OES, DWR, WS Public Works). Discussion included chain of command, emergency procedures/ protocols, and scenarios.

FEMA/ CalOES – FEMA has obligated approximately \$60,000 for the January 2023 declared disaster. CalOES is reviewing for final payment. FEMA is still reviewing damage along the District’s Main Canal with an estimated \$2 million worth of damage.

Entry No. 6 - Trustee Comments

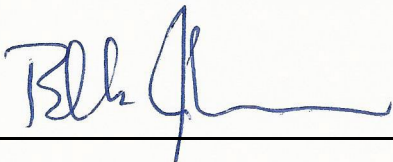
N/A

Entry No. 7 – Adjourn

The meeting adjourned at 6:38 PM.

MOTION: Early	SECOND: Sulpizio Hull	AYES: Guerrero, Alcala, Early, Sulpizio Hull
NOES: None	ABSTAIN: None	ABSENT: None

The agenda item passed 4-0, by roll call vote.



Blake Johnson, General Manager/Secretary

Reclamation District 900



General Manager Update

February 2025

ADMINISTRATION/FINANCE

Updating Financial Policies and Procedures (currently under review by two auditors), human resources, and information technologies. Once reviewed/finalized, staff will bring policies before the Board for review/approval.

STATE AND LOCAL CYBERSECURITY GRANT PROGRAM (SLCGP)

The District has secured a \$54,572 Cybersecurity Grant through the CA Office of Emergency Services (CalOES) and FEMA (notified on 12/24/2024), which will significantly reduce the cost of necessary computer networking, server, and safety upgrades.

An IT consultant, VC3, Inc., has been selected and included for approval in this Board Packet. If approved by the Board, the contract will serve to improve internet capabilities, District cybersecurity, and create a network for secure storage and inner-office programs/ communications.

FY2024 AUDIT

District staff has been working with the City's auditor LSL to provide all necessary information for the 2023/24 audit.

CAPITAL IMPROVEMENT PROGRAM

District staff and consultant has been working on our Capital Improvement Program and should be ready to present to the Board at our next Board meeting.

OPERATION AND MAINTENANCE

LEVEE/DRAINAGE/PUMP MAINTENANCE

Stormy season is here and the district has shifted its focus to concentrate on clearing dead shrubs, trimming back trees, and clearing ditches.

The team has also had to focus a significant amount of time and labor cleaning up abandoned homeless encampments throughout the District. District works with City to help with cleanup.

The District has weathered the storms in December 2024 and February 2025 with no issues.

The District continues to monitor the "Duckweed Pond" located on the south side of Lake Washington Blvd (east of Nugget Market) for any significant changes to the area. The duckweed appears to be dying off from the colder winter temperatures. Treatment for duckweed will occur later in the spring.

The District's engineer will be providing preliminary plans and costs for the Causeway and Racetrack pump stations for backup power. Causeway would have a permanent backup generator, Racetrack would have a panel that a portable generator could be plugged into. The District would then have the option to purchase a backup generator or rent a backup generator.

The District's engineer is also looking at remote communications for several of the District's pump stations. The District could then monitor each pump from a computer or cell phone.

PROJECTS

Blacker Canal Bank Stabilization Project

District staff and consultants have re-submitted the benefit cost analysis (BCA) to FEMA/CalOES. The new BCA is approximately 1.43, making this an acceptable project. The District's engineer has also re-designed the project to reduce construction costs. Mitigation credits have been purchased through the Antonio Lewis Mitigation Ranch.

537 PUMP STATION

The 537 Pump station has 5 discharge pipes along with its pumps. These discharge pipes were videoed for inspection purposes in January 2025. Unfortunately, most of the pipes will need to be replaced within a few years. These pipes are near the end of the useful life due to corrosion.

PERIODIC LEVEE INSPECTIONS

USACE

The USACE intends to perform their periodic levee inspection in July 2025. This will be the first inspection by the USACE that includes portions of RD537 that were incorporated into RD 900's jurisdiction.

EMERGENCY PREPAREDNESS

City Fire/Police/County OES

The District communicates with City Fire and Yolo County OES prior to significant storms. Communication has been very good between all agencies.

COORDINATION WITH OTHER PROJECTS

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY/ USACE

The two slipouts along the Deep Water Shipping Channel (damaged in Jan. 2023) could not be repaired by the USACE in the fall of 2024. Delays in relocating power poles stalled the project. Poles were relocated November 14, 2024 but did not give the USACE's contractor time to work on the repair. The USACE will repair the slipouts during the Spring/ Summer 2025. Coordination meetings for this repair will begin in March 2025.

The USACE's project Yolo Bypass East Levee – South (completed in 2023) was found to have additional deficiencies in the foundation of the levee. The USACE declared an emergency and has completed the temporary fix for this portion of levee, providing a "setback" levee or adjacent levee. This fix will provide protection throughout the winter. Both the District and the USACE will continue to monitor.

The USACE intends to construct a permanent fix in 2025.

FEMA/Cal-OES

The District has received its first reimbursement from FEMA/Cal-OES for the storm disaster in January 2023. At this time, FEMA has obligated approximately \$58,000 for reimbursement for this disaster (inspection time spent during the storms, equipment and material used, energy expenditures for the pump stations, and management). FEMA is still reviewing damages that were done to the Main Canal and Blacker Canal. The estimated repair cost for these two sites is \$2.4 million.

COORDINATION WITH OTHER AGENCIES

CITY OF WEST SACRAMENTO

District staff coordinates with City staff on upcoming projects or issues that involve both agencies.

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY/ USACE

District staff and WSAFCA staff meet/talk at least on a weekly basis.

The USACE/WSAFCA has meetings several times a week discussing the many projects within West Sacramento. District staff attends all meetings.

FUTURE

February 20, 2025 – WSAFCA Board Meeting 9:30 am

March 19, 2025 – RD 900 Board Meeting 5:30 pm

March 20, 2025 – WSAFCA Board Meeting 9:30 am