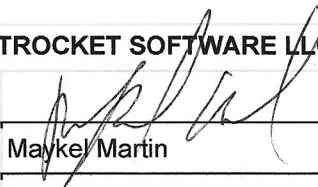# PermitRocket Software, LLC (dba "ePermitHub")

### ATTACHMENT D: SOFTWARE SUBSCRIPTION SERVICE AGREEMENT

This Software Subscription Service Agreement ("Subscription Agreement") is entered into on this day (the "Effective Date") between PermitRocket Software LLC ("Company" - dba "ePermitHub"), and City of San Antonio, TX (City) ("Customer"). This Subscription Agreement includes and incorporates the attached Subscription Terms and Conditions, as well as the below Exhibit A ("Order Form") Form and other Exhibits, and contains, among other things, warranty disclaimers, liability limitations and use limitations. There shall be no force or effect to any different terms of any related purchase order or similar form even if signed by the parties after the date set forth below.

IN WITNESS WHEREOF, the parties have caused this Subscription Agreement to be duly executed as of the last date set forth below by the undersigned authorized representatives of the parties, intending thereby to be legally bound.

| [CITY OF SAN ANTONIO] | | [PERMITROCKET SOFTWARE LLC] | |
|---|---|---|---|
| By: | | By: | |
| Name: | Michael Shannon | Name: | Maykel Martin |
| Title: | Director | Title: | President |
| Date: | | Date: | 5/28/2019 |

## SOFTWARE SUBSCRIPTION TERMS AND CONDITIONS

### 1. SUBSCRIPTION SERVICES AND SUPPORT

1.1 Subject to the terms of this Subscription Agreement, Company will use commercially reasonable efforts to provide Customer the Services in accordance with the Service Level Terms attached hereto as Exhibit C ("Service Level Terms"). As part of the registration process, Customer will identify an administrative user name and password for Customer's Company account. Subject to the limitations of Section 2, Customer may authorize access to the Subscribed Services by creating an unlimited number of unique usernames and passwords ("Logins"). Company reserves the right to refuse registration of, or cancel passwords it deems inappropriate.

1.2 Initial Service Term includes cutover checklist development and 2-business days remote Go-Live Support Services in Production environment for City staff and customer daily use (including afterhours & weekends). If required, additional Go-Live Support, including on-site support will be made available through an separate Statement of Work and will be charged separately at Company's then-current time-and-materials rates.

1.3 Support Terms: Subject to the terms hereof, Company will provide Customer with reasonable technical support services in accordance with the terms set forth in Exhibit D ("Technical Support Terms").

1.4 The following are not covered by support terms of Exhibit D ("Technical Support Terms"), but may be separately available at rates and on terms which may vary from those described herein: a) Services required due to misuse of the Subscribed Services; b) Services required by Customer to be performed by Company outside of Company's usual working hours; c) Services required due to external factors including, but not necessarily limited to, customizations, or modifications not developed or authorized by Customer, Customer's use of software or hardware not authorized by Company; or d) Services required to resolve or work-around conditions which cannot be reproduced in Company's support environment.

### 2. RESTRICTIONS AND RESPONSIBILITIES

2.1 Customer will not, directly or indirectly: reverse engineer, decompile, disassemble or otherwise attempt to discover the source code, object code or underlying structure, ideas, know-how or algorithms relevant to the Services or any software, documentation or data related to the Services ("Software"); modify, translate, or create derivative works based on the Services or any Software (except to the extent expressly permitted by Company or authorized within the Services); use the Services or any Software for time-sharing or service bureau purposes or otherwise for the benefit of a third party; or remove any proprietary notices or labels. With respect to any Software that is distributed or provided to Customer for use on Customer premises or devices, Company hereby grants Customer a non-exclusive, non-transferable, non-sublicensable license to use such Software during the Term only in connection with the Services.

2.2 Further, Customer may not remove or export from the United States or allow the export or re-export of the

Services, Software or anything related thereto, or any direct product thereof in violation of any restrictions, laws or regulations of the United States Department of Commerce, the United States Department of Treasury Office of Foreign Assets Control, or any other United States or foreign agency or authority. As defined in FAR section 2.101, the Software and documentation are "commercial items" and according to DFAR section 252.2277014(a)(1) and (5) are deemed to be "commercial computer software" and "commercial computer software documentation." Consistent with DFAR section 227.7202 and FAR section 12.212, any use modification, reproduction, release, performance, display, or disclosure of such commercial software or commercial software documentation by the U.S. Government will be governed solely by the terms of this Subscription Agreement and will be prohibited except to the extent expressly permitted by the terms of this Subscription Agreement.

2.3     Customer represents, covenants, and warrants that Customer will use the Services only in compliance with Company's standard published policies, which are found at http://bit.ly/permitrocketsupportpolicy & http://bit.ly/permitrocketdataprivacy, then in effect (the "Policy") and all applicable laws and regulations. Customer hereby agrees to indemnify and hold harmless Company against any damages, losses, liabilities, settlements and expenses (including without limitation costs and attorney's fees) in connection with any claim or action that arises from an alleged violation of the foregoing or otherwise from Customer's use of Services. Although Company has no obligation to monitor Customer's use of the Services, Company may do so and may prohibit any use of the Services it believes may be (or alleged to be) in violation of the foregoing, with provision of notice to Company with a description of the violation.

2.4     Where applicable, the Subscribed Services will be hosted by Company at a physically secure commercial third-party hosting facility. Company will perform system administration duties as required to maintain the service levels described in Exhibit C ("Service Level Terms") and to facilitate timely restoration of Customer's data and operations, if necessary, following unanticipated interruptions of the Subscribed Services. Company will implement suitable network security measures to minimize the likelihood of unanticipated interruptions of the Subscribed Services.

2.5     With respect to any Software that is distributed or provided to Customer for use on Customer premises or devices, Customer shall be responsible for obtaining and maintaining any equipment and ancillary services needed to connect to, access or otherwise use the Services, including, without limitation, modems, hardware, servers, software, operating systems, networking, web servers and the like (collectively, "Equipment"). Customer shall also be responsible for maintaining the security of the Equipment, Customer account, passwords (including but not limited to administrative and user passwords) and files, and for all uses of Customer account or the Equipment with or without Customer's knowledge or consent and Customer releases Company from any liability for claims relating to its obligations under the Section.

## 3.     CONFIDENTIALITY; PROPRIETARY RIGHTS

3.1     Each party (the "Receiving Party") understands that the other party (the "Disclosing Party") has disclosed or may disclose business, technical or financial information relating to the Disclosing Party's business (hereinafter referred to as "Proprietary Information" of the Disclosing Party). Proprietary Information of Company includes non-public information regarding features, functionality and performance of the Services. Proprietary Information of Customer includes non-public data provided by Customer to Company to enable the provision of the Services ("Customer Data"). The Receiving Party agrees: (i) to take reasonable precautions to protect such Proprietary Information, and (ii) not to use (except in performance of the Services or as otherwise permitted herein) or divulge to any third person any such Proprietary Information. The Disclosing Party agrees that the foregoing shall not apply with respect to any information after five (5) years following the disclosure thereof or any information that the Receiving Party can document (a) is or becomes generally available to the public, or (b) was in its possession or known by it prior to receipt from the Disclosing Party, or (c) was rightfully disclosed to it without restriction by a third party, or (d) was independently developed without use of any Proprietary Information of the Disclosing Party or (e) is required to be disclosed by law.

3.2     Customer shall own all right, title and interest in and to the Customer Data. Company shall own and retain all right, title and interest in and to (a) the Services and Software, all improvements, enhancements or modifications thereto, (b) any software, applications, inventions or other technology developed in connection with Professional Services or support, and (c) all intellectual property rights related to any of the foregoing.

3.3     Notwithstanding anything to the contrary, Company shall have the right collect and analyze non-confidential data and other information relating to the provision, use and performance of various aspects of the Services and related systems and technologies (including, without limitation, information concerning Customer Data and data derived therefrom), and Company will be free (during and after the term hereof) to (i) use such information and data to improve and enhance the Services and for other development, diagnostic and corrective purposes in connection with the Services and other Company offerings, and (ii) disclose such data solely in aggregate or other de-identified form in connection with its business. No rights or licenses are granted except as expressly set forth herein.

## 4.     PAYMENT OF FEES

4.1     Customer will pay Company the then applicable fees described in Exhibit A ("Order Form") for the Software Subscription Services and Professional Services in accordance with the terms therein (the "Fees"). The minimum annual Software Subscription Fee is $20,000. The initial Software Subscription Service Fees are invoiced on Subscription Agreement effective date. Subsequent annual

Software Subscriptions are due on the anniversary of the prior Software Subscription Fee invoice date. Professional Service Fees are invoiced according to the Payment Terms found in Article 10 of the Agreement by which this Subscription Agreement is attached. If Customer's use of the Services exceeds the Service Capacity set forth on the Order Form or otherwise requires the payment of additional fees (per the terms of this Subscription Agreement), Customer shall be billed for such usage and Customer agrees to pay the additional fees in the manner provided in Exhibit B ("Pricing Guide") hereto. Company reserves the right to change the Fees or applicable charges and to institute new charges and Fees at the end of the Initial Service Term or then current renewal term, upon sixty (60) days prior notice to Customer (which may be sent by email). Any price increase will be capped at 7% for the renewed Services and will be effective at the start of the renewal term. If Customer believes that Company has billed Customer incorrectly, Customer must contact Company no later than 60 days after the closing date on the first billing statement in which the error or problem appeared, in order to receive an adjustment or credit. Inquiries should be directed to Company's customer support department.

4.2 Company may choose to bill through an invoice, in which case, full payment for invoices issued in any given month must be received by Company according to the Payment Terms in the Order Form. If Customer is exempt from certain taxes, Customer will provide Company with an appropriate certificate of exemption. Otherwise, Customer shall be responsible for all taxes associated with Services other than U.S. taxes based on Company's net income.

4.3 Customer is responsible for keeping Company accurately informed of Customer's billing and contact information and all requirements, including but limited to purchase order reference. If any Fees are not received from Customer by the due date, they will accrue interest at the rate of one and a half percent (1.5%) of the outstanding balance per month, or the maximum rate permitted by law, whichever is lower. If any amount owing by Customer under this Subscription Agreement for any of the Services is thirty (30) or more days overdue, Company may, without limiting Company's other rights and remedies, accelerate Customer's unpaid fee obligations under this Subscription Agreement (including any Order Form or Statement of Work) so that all such obligations become immediately due and payable, suspend the Subscription Service and/or stop performance of the Professional Services until such amounts are paid in full.

## 5. TERM AND TERMINATION

5.1 Subject to earlier termination as provided below, this Subscription Agreement is for the Initial Subscription Service Term as specified in the Order Form, and if the Agreement by which this Subscription Agreement is attached is renewed for one additional one-year period, this Subscription Agreement shall also be renewed for one additional one-year period (collectively, the "Subscription Term").

5.2 Professional Services Terms found in Attachment B ("Statement of Work") of the Agreement by which

this Subscription Agreement is attachment will commence on the date listed in the first Order Form or Statement of Work and continue for the period designated in such Order Form or Statement of Work. The term of the Professional Services Terms will be automatically extended to the last date specified in all Statement of Works and Professional Services Orders issued by Company.

5.3 Customer will pay in full for the Subscribed Services up to and including the last day on which the Services are provided. All sections of this Subscription Agreement, which by their nature, remain applicable after termination will survive termination, including, without limitation, accrued rights to payment, confidentiality obligations, warranty disclaimers, and limitations of liability.

## 6. WARRANTY AND DISCLAIMER

Company shall use reasonable efforts consistent with generally recognized commercial practices and standards for similar services to maintain the Services in a manner which minimizes errors and interruptions in the Services and shall perform the Professional Services with personnel who have the necessary general skills, knowledge and experience with generally recognized practices and standards. Services may be temporarily unavailable for scheduled maintenance or for unscheduled emergency maintenance, either by Company or by third-party providers, or because of other causes beyond Company's reasonable control, but Company shall use reasonable efforts to provide advance notice in writing or by e-mail of any scheduled service disruption. HOWEVER, COMPANY DOES NOT WARRANT THAT THE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE; NOR DOES IT MAKE ANY WARRANTY AS TO THE RESULTS THAT MAY BE OBTAINED FROM USE OF THE SERVICES. EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION, THE SERVICES AND PROFESSIONAL SERVICES ARE PROVIDED "AS IS" AND COMPANY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

## 7. INDEMNITY

7.1 Company shall hold Customer harmless from liability to third parties resulting from infringement by the Services of any United States patent or any copyright or misappropriation of any trade secret, provided Company is promptly notified of any and all threats, claims and proceedings related thereto and given reasonable assistance and the opportunity to assume sole control over defense and settlement; Company will not be responsible for any settlement it does not approve in writing. The foregoing obligations do not apply with respect to portions or components of the Services (i) not supplied by Company, (ii) made in whole or in part in accordance with Customer direction or specifications, (iii) that are modified after delivery by Company, (iv) combined with other products, processes or materials where the alleged infringement relates to such combination, (v) where Customer continues allegedly infringing activity after being notified thereof or after being informed of modifications that would have avoided the alleged

infringement, or (vi) where Customer's use of the Services resulting in the claim, is not in accordance with this Subscription Agreement. If, due to a claim of infringement, the Services are held by a court of competent jurisdiction to be or are believed by Company to be infringing, Company may, at its option and expense (a) replace or modify the Services to be non-infringing provided that such modification or replacement contains substantially similar features and functionality, (b) obtain for Customer a license to continue using the Services, or (c) if neither of the foregoing is commercially practicable, terminate this Subscription Agreement and Customer's rights hereunder and provide Customer payment of an amount equal to any prepaid, unused fees for the Services.`

## 8. LIMITATION OF LIABILITY

NOTWITHSTANDING ANYTHING TO THE CONTRARY, EXCEPT FOR BODILY INJURY OF A PERSON, COMPANY AND ITS SUPPLIERS, OFFICERS, AFFILIATES, REPRESENTATIVES, CONTRACTORS AND EMPLOYEES SHALL NOT BE RESPONSIBLE OR LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS SUBSCRIPTION AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER THEORY: (A) FOR ERROR OR INTERRUPTION OF USE OR FOR LOSS OR INACCURACY OR CORRUPTION OF DATA OR COST OF PROCUREMENT OF SUBSTITUTE GOODS, SERVICES OR TECHNOLOGY OR LOSS OF BUSINESS; (B) FOR ANY INDIRECT, EXEMPLARY, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES; (C) FOR ANY MATTER BEYOND COMPANY'S REASONABLE CONTROL; OR (D) FOR ANY AMOUNTS THAT, TOGETHER WITH AMOUNTS ASSOCIATED WITH ALL OTHER CLAIMS, EXCEED THE FEES PAID BY CUSTOMER TO COMPANY FOR THE SERVICES UNDER THIS SUBSCRIPTION AGREEMENT IN THE 12 MONTHS PRIOR TO THE ACT THAT GAVE RISE TO THE LIABILITY, IN EACH CASE, WHETHER OR NOT COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

## 9. GENERAL

The parties acknowledge that the terms of each of the Exhibits to this Subscription Agreement (inclusive of any supplements thereto), including, but not limited to, the disclaimers, limitations of liability, and other general provisions thereof, are incorporated into and form a part of this Subscription Agreement. In the event of a direct conflict between the body of this Subscription Agreement and the terms of the Exhibits hereto, the terms in the body of this Subscription Agreement will govern.

## EXHIBIT A: PERMITROCKET SOFTWARE SUBSCRIPTION ORDER FORM ("ORDER FORM")

| **Customer:** | City of San Antonio, TX | | **Date:** | 06/06/2019 | **PO#:** | TBD |
|---|---|---|---|---|---|---|

| **Software Service:** | ePermitHub Digital Plan Room Software Subscription Service | | | | **Service Terms:** | 3 |
|---|---|---|---|---|---|---|

| **Total Software Service Term Fee:** | $307,985.26 | per 12-month term. Thirty-percent [30%] of initial Term payable at contract signing. Remaining seventy-percent [70%] of initial Term payable at Project UAT commencement. Subsequent Terms payable in advance. All Terms, subject to the Service Capacity, the terms of Section 4 of the Software Subscription Service Agreement attached hereto, and Exhibit B attached hereto. |
|---|---|---|

| **Plan Review Project Volume:** | Basic: 3,973 | | | Basic: $11.68 | **Fees by Project Type:** | Basic: $46,404.64 |
|---|---|---|---|---|---|---|
| **Software Service Capacity:** | Iterative: 9,681 | **Per Project Price:** | | Iterative: $27.02 | Iterative: $ | Iterative: $261,580.62 |

| **Software Service Capacity:** | Software Service capped at above listed Plan Review Project Volume during the Service Term, subject to the terms of Section 4 of the Software Subscription Service Agreement attached hereto, and Exhibit B attached hereto. |
|---|---|

| **Professional Services Fee (one-time):** | $207,311.00 | **Professional Services:** | ePermitHub will provide City  Professional Services as described in Attachment B ("Statement of Work") of the Agreement by which this Software Agreement is attachment, and City shall pay ePermitHub Professional Fee subject to Payment Terms in Article 10 of the Agreement by which this Software Agreement is attached. |
|---|---|---|---|

| **Payment Method:** | Check | **Billing Method:** | Email | **Payment Terms:** | Net 30 |
|---|---|---|---|---|---|

| **Billing Information:** | | | **Delivery Information:** | |
|---|---|---|---|---|
| | Attn: Accounts Payable | | | Attn: Development Services Department |
| Address: | P.O. Box 839976 | | Address: | P.O. Box 839966 |
| | San Antonio, Texas 78283-3976 | | | San Antonio, Texas 78283-3966 |
| Contact: | Accounts Payable | | Contact: | Terry Kannawin |
| Phone: | | | Phone: | (210) 207-6535 |
| Email: | accounts.payable@sanantonio.gov | | Email: | terry.kannawin@sanantonio.gov |

**Alternate Contact**

| | Attn: Development Services Department |
|---|---|
| Address: | P.O. Box 839966 |
| | San Antonio, Texas 78283-3966 |
| Contact: | Addison Martinez |
| Phone: | (210) 207-5218 |
| Email: | addison.martinez@sanantonio.gov |

- This Order Form is governed by the attached applicable master Software Subscription Service Agreement.
- Payment obligations hereunder are non-cancelable and any sums when paid shall be non-refundable, except as provided in the Subscription Service Agreement.
- If City requires additional on-site assistance, a separate estimate and Statement of Work will be provided.
- If this Order Form is executed and/or returned to ePermitHub by City after the Order Date above, ePermitHub may adjust the Order Start Date and Order End Date without increasing the total price based on the date ePermitHub activates the products and provided that the total term length does not change.
- Annual Subscription fees do not include hardware or equipment.  Please contact your selected hardware vendor for additional hardware or software costs.
- Current Basic and Iterative volume discount pricing schedules are as follows:

| BASIC PROJECT VOLUME DISCOUNT TABLE | | | Per Project Price | ITERATIVE PROJECT VOLUME DISCOUNT TABLE | | | Per Project Price |
|---|---|---|---|---|---|---|---|
| Band # | Project Range per Band | | Per Project Price | Band # | Project Range per Band | | Per Project Price |
| 1 | 1 | 249 | $14.99 | 1 | 1 | 249 | $39.99 |
| 2 | 250 | 499 | $14.47 | 2 | 250 | 499 | $38.59 |
| 3 | 500 | 749 | $13.96 | 3 | 500 | 749 | $37.24 |
| 4 | 750 | 999 | $13.47 | 4 | 750 | 999 | $35.94 |
| 5 | 1,000 | 1,749 | $13.00 | 5 | 1,000 | 1,749 | $34.68 |
| 6 | 1,750 | 2,499 | $12.54 | 6 | 1,750 | 2,499 | $33.46 |
| 7 | 2,500 | 3,249 | $12.11 | 7 | 2,500 | 3,249 | $32.29 |
| 8 | 3,250 | 3,999 | $11.68 | 8 | 3,250 | 3,999 | $31.16 |
| 9 | 4,000 | 5,749 | $11.27 | 9 | 4,000 | 5,749 | $30.07 |
| 10 | 5,750 | 7,499 | $10.88 | 10 | 5,750 | 7,499 | $29.02 |
| 11 | 7,500 | 9,249 | $10.50 | 11 | 7,500 | 9,249 | $28.00 |
| 12 | 9,250 | 10,999 | $10.13 | 12 | 9,250 | 10,999 | $27.02 |
| 13 | 11,000 | 14,499 | $9.78 | 13 | 11,000 | 14,499 | $26.08 |
| 14 | 14,500 | 17,999 | $9.43 | 14 | 14,500 | 17,999 | $25.17 |
| 15 | 18,000 | 21,499 | $9.10 | 15 | 18,000 | 21,499 | $24.28 |
| 16 | 21,500 | 24,999 | $8.78 | 16 | 21,500 | 24,999 | $23.43 |

| [CITY OF SAN ANTONIO] | |
|---|---|
| By: | |
| Name: | Terry Kannawin |
| Title: | Assistant Director, Development Services Division |

# ePermitHub Digital Plan Room Pricing Guide



Current as of April 12th, 2019

# 1. Introduction

The following guide explains how the ePermitHub Digital Plan Room Software Service is priced. Related Professional Services are priced separately, and detailed in Statement of Work documents as necessary.

To ensure our pricing model is supportive of creating mutually beneficial relationships with our Customers, we developed the following *Pricing Credo* to guide us in structuring our pricing:

- **Principle #1:** We believe the way we price should directly align with why our customers use our solutions and receive value from those solutions.
- **Principle #2:** We believe our pricing model should scale up or down based on how our Customers use our solutions.
- **Principle #3:** We believe how we price should be transparent and supportive of how our Customer's plan their annual budgets.
- **Principle #4:** We believe we have a financial responsibility to all our Stakeholders (e.g., Customers, Employees, Investors, etc.) to ensure our continued and sustainable success as a Company.

The ePermitHub Digital Plan Room Software Service pricing model is based on usage. The remaining sections of this guide explain how our usage-based pricing model works.

# 2. Definitions

a. **ePermitHub Digital Plan Room Software Service ("Service"):** Software service designed and offered by PermitRocket Software (dba, ePermitHub) to help government permitting agencies, who are our Customers, more efficiently process a greater volume of permit plan reviews submitted by agency customers with improved accuracy and higher customer and agency staff satisfaction.

b. **Customer:** Customer spelled with a capital 'C' distinguishes our Customers (aka, government permitting agencies) from our Customers' customers (i.e., Architects, Engineers, Contractors, Developers, Owners, general public, etc.).

c. **Software Service Term ("Term"):** Service is licensed on a 12-month subscription basis and is priced based on the estimated annual Plan Review Project volume during a given Term multiplied by the per Project price.

d. **Value Metric:** The pricing metric that best correlates with how Customers perceive value from a given product or service. A vendor's value metric determines both how they charge and limit the usage of the product or service.

e. **Plan Review Project ("Project"):** A Project is any permit application requiring a plan review. Consistent with Principle #1 of our Pricing Credo, the Project is the value metric we use to determine both the Term Fee and limit Service Usage during the Term. There are two Project types: Basic and Iterative. This Pricing Guide applies the same to both Project types. See below definitions for "Plan Review Project- Basic" and "Plan Review Project - Iterative" types for additional detail.

f. **Plan Review Project - Basic:** Basic Projects, such as Fences, Sheds, Decks, Accessory Structures, etc., require less plan review work and are priced less than Iterative Projects. Basic Projects are any Project with five [5] or less sheets that go through two [2] or less Review Cycles.

g. **Plan Review Project - Iterative:** Iterative Projects, such as Site Plan/Land Use, Commercial, Residential, Mixused, Fire, etc., require advanced document control, sheet-level versioning, issue resolution communication with your end-customer, Digital Signature validation in some states, etc., and are priced higher than Basic Projects.

h. **Per Project Price:** The unit cost of a Project processed through the Service.

i. **Service Capacity ("Capacity"):** The total Project count the Customer may process through the Service within a given Term without incurring additional charges. The Capacity represents the upper limit on the estimated number of Projects to be processed through the Service during the Term.

j. **Service Usage ("Usage"):** The actual number of Projects processed through the Service at any point during a Term.

k. **Project Credit ("Credit"):** A downward dollar adjustment applied to Customer's subsequent Term Fee based on Usage in prior Term being less than prior Term's Capacity. Subject to Credit Cap restrictions.

l. **Project Debit ("Debit"):** An upward dollar adjustment applied to a subsequent Term's Fee based on Customer's Usage during prior Term being greater than prior Term's Capacity. Subject to Debit Cap restrictions.

m. **Project Credit Cap ("Credit Cap"):** A 20% cap on number of accrued Credits within a given Term.

n. **Project Debit Cap ("Debit Cap"):** A 20% cap on the number of accrued Debits within a given Term where payment for those Debits is rolled over to the subsequent Term.

o. **Debit Overage Blocks:** Project Debits in blocks of 20% of the then current Term's Capacity invoiced when Customer exceeds 20% Debit Cap on current Term's Capacity within the first nine (9) months of that Term.

## 3. How the Pricing Works

a. The ePermitHub Digital Plan Room software service ("**Service**") is licensed on a subscription basis with a 12-month Service Term ("**Term**").

b. The Plan Review Project ("**Project**") is the value metric used to determine the price of the Customer's Term. In other words, our Customers pay based on the number of Projects they process through the Service during a given Term (aka, **"Usage"**). Therefore, there are *no restrictions* on the number of:
   i. Submittal cycles per Project, or documents per submittal.
   ii. Users leveraging the Service, which means 3rd party reviewing agencies (i.e., other counties/cities, public/private utilities, state agencies, regional planning authorities, etc.) can use the Service with no additional licensing required. There is also no restriction or additional payment required for public users (i.e., Architects, Engineers, Contractors, Developers, the general Public, etc.) submitting Projects for approval.
   iii. Project *types* (e.g., site plans, building plans, ROW plans, utility plans, etc.) configured in the Service.

c. Each Term includes a Project Capacity ("**Capacity**") representing the total Project count the Customer may process through the Service within that Term without incurring additional charges.

d. A given Term's Fee is calculated by multiplying the Term's Capacity by the **per Project price**. Volume discounts may apply.

e. Based on prior Term's final Usage relative to the Term's Capacity, Customers receive Project Credits (**"Credits"**) or Project Debits (**"Debits"**) applied to the subsequent Term. Credits have a Project Credit Cap (**"Credit Cap"**) restricting the number of accrued Credits within a Term. Debits have a Project Debit Cap (**"Debit Cap"**) restricting the number of accrued Debits within a Term where payment for those Debits is rolled over into the subsequent Term. The final count of Credits and Debits accrued during a given Term is calculated on the day following the end of that Term.
   i. For additional detail on how Credits work, including Credit Cap restrictions, see Section 5 below.
   ii. For additional detail on how Debits work, including Debit Cap restrictions, see Section 6 below.

        iii.     For additional detail on budgeting for a subsequent Term before knowing the final Credit or Debit count on the prior Term, please see Section 7 below.

    f.    Quarterly Usage reports are provided for Customers during each Term detailing the Term's Usage.

To assist Customers in understanding in detail how both initial and subsequent Term fees are calculated, and how to budget for subsequent Terms before knowing the prior Term's final Credit or Debit count, the following questions are answered herein:

1. How is the initial Term fee calculated?
2. How is a subsequent Term's fee calculated if there are Credits?
3. How is a subsequent Term's fee calculated if there are Debits?
4. How do you budget for a subsequent Term before knowing the final Credit or Debit count from the prior Term?

## 4. Calculating the Initial Service Term Fee

    a.    Customer's initial Term fee is calculated by multiplying the total Project count from the previous calendar year (or trailing twelve months) as reported by the Customer by the per Project price. See following example calculation:

| Figure 1: Calculating Initial Service Term Fee | |
| --- | --- |
| Last Calendar Year Total # of Projects as Reported by Customer | 100 |
| (x) Per Project Price | $40 |
| **Initial Term Fee** | **$4,000** |

    b.    The total Project count from the latest calendar year (or trailing twelve-months) as reported by the Customer sets the Capacity for the initial Term.

    c.    Customer's Capacity agreed upon for the initial Term may be less than the actual previous calendar year (or trailing twelve months) Project count as reported by the Customer. However, if Customer goes over their Capacity within a given Term, Customer may be required to purchase additional Capacity within that Term subject to Debit Cap restrictions detailed in Section 6 below.

## 5. Calculating a Subsequent Service Term's Fee with Project Credits

    a.    To provide price protection for our Customers in the event a significant percentage less than the total Project count estimated for a given Term is processed through the Service by the conclusion of that Term, Credits are calculated against the prior Term and applied to the subsequent Term fee.

    b.    Credits are calculated on a per Project basis. There is a Credit Cap of 120% of a given Term's Capacity on the potential number of Credits accrued within that Term.

    c.    Figures 2 and 3 below show how Credit counts and dollar values are determined. In both examples, the prior Term's Capacity assumed is 100 Projects. Therefore, the maximum Project Credits available during the Term is 20 Projects (100 Projects x 20% Credit Cap). The first example shows a Customer that processed 90% of the prior Term's Capacity of 100 Projects by the conclusion of the prior Term, which results in 10 Credits worth $350. The second example shows a Customer

that processed 70% of the prior Term's Capacity of 100 Projects by the conclusion of the prior Term, which results in 20 Credits, not 30 Credits, worth $700.

| Figure 2: Calculating Project Credit Count & Value (Scenario A - Within 20% Project Credit Cap) | |
| --- | --- |
| Prior Term's Capacity | 100 |
| Prior Term's Usage | 90 |
| **Credit Count Accrued in Prior Term** | **10** |
| | |
| Credit Count Accrued in Prior Term | 10 |
| (x) Per Project Price | $40 |
| **Credit Amount Applied to Subsequent Term's Fee** | **$400** |
| | |
| Figure 3: Calculating Project Credit Count & Value (Scenario B - Greater than 20% Project Credit Cap) | |
| Prior Term's Capacity | 100 |
| Prior Term's Usage | 70 |
| *Prior Term's Unprocessed Project Capacity* | *30* |
| | |
| Prior Term's Unprocessed Project Capacity | 30 |
| (-) # of Unprocessed Projects Outside 20% Credit Cap | 10 |
| **Credit Count Accrued in Prior Term** | **20** |
| | |
| Credit Count Accrued in Prior Term | 20 |
| (x) Per Project Price | $40 |
| **Credit Amount Applied to Subsequent Term's Fee** | **$800** |

d.  Outstanding Credits are applied to the subsequent Term's fee. Figures 4 and 5 below show how the subsequent Term's fee is calculated assuming the Credit values respectively from Figures 2 and 3 above. In both below examples, the subsequent Term's Capacity is assumed to have increased to 125 Projects from 100 Projects in the prior Term.

| Figure 4: Calculating Subsequent Service Term Fee with Accrued Credits - Scenario A | |
| --- | --- |
| Subsequent Term Capacity Anticipated | 125 |
| (x) per Project Price | $40 |
| *Subsequent Term Subtotal* | *$5,000* |
| | |
| Subsequent Term Subtotal | $5,000 |
| (-) Prior Term Credit Amount (see Figure 2) | $400 |

| | |
|---|---:|
| **Subsequent Term Total Including Prior Term's Credit** | **$4,600** |
| | |
| **Figure 5: Calculating Subsequent Service Term Fee with Accrued Credits - Scenario B** | |
| Subsequent Term Capacity Anticipated | 125 |
| (x) per Project Price | $40 |
| *Subsequent Term Subtotal* | *$5,000* |
| | |
| Subsequent Term Subtotal | $5,000 |
| (-) Prior Term Credit Amount (see Figure 3) | $800 |
| **Subsequent Term Total Including Prior Term's Credit** | **$4,200** |
| | |

e. If the Customer does not renew their Term, the Customer may process Projects through the Service up to the amount of the outstanding Credit count. Outstanding Credits automatically expire sixty (60) following the end of the Term at which time the Service is canceled. Credits are non-refundable.

## 6. Calculating a Subsequent Service Term's Fee with Project Debits

a. Debits are calculated on a per Project basis. Within a current Term, if the Customer exceeds the Capacity, the Customer accrues Project debits where each Project processed over the Term's Capacity equals one Project debit. For example, if the Capacity for that Term is 100 Projects, but 110 Projects are ultimately processed during that Term, then the Customer accrues 5 Project debits. See following example calculation:

| **Figure 6: Calculating Project Debit Count & Amount** | |
|---|---:|
| Prior Term's Usage | 110 |
| (-) Prior Term's Capacity | 100 |
| **Debit Count Accrued in Prior Term** | **10** |
| | |
| Debit Count Accrued in Prior Term | 10 |
| (x) Per Project Price | $40 |
| **Debit Amount Applied to Subsequent Term's Fee** | **$400** |

b. There is a Debit Cap of 120% of a given Term's Capacity on the potential number of Debits accrued within that Term where payment for those Debits is rolled over into the subsequent Term based on the following schedule:
   i. Debits accrued at *any point during the current Term* up to 120% of that Term's Capacity are paid with the subsequent Term's invoice.

> ii. Debits accrued over 120% of the current Term's Capacity *within the last three (3) months of that Term* are also paid with the subsequent Term's invoice.
>
> iii. Debits accrued over 120% of the current Term's Capacity *within the first nine (9) months of that Term* are invoiced Debit Overage Blocks as incurred within the current Term. Each Debit Overage Block represents 20% of that Term's Capacity. At the end of that Term, if there is unused Capacity from a Debit Overage Block, that Capacity rolls over as Credits in the subsequent Term.

c. See below example using the Debits example from Figure 6 above.

| Figure 7: Calculating Subsequent Service Term Fee with Accrued Debits | |
| --- | ---: |
| Subsequent Term Capacity Anticipated | 125 |
| (x) Per Project Price | $40 |
| *Subsequent Term Subtotal* | *$5,000* |
| | |
| Subsequent Term Subtotal | $5,000 |
| (+) Prior Term Debit Amount (see Figure 6) | $400 |
| **Subsequent Term Total Including Prior Term's Debit** | **$5,400** |

d. If the Customer does not renew their Term, then the Customer is only invoiced for the amount of the outstanding Project debits accrued during the prior Term.

## 7. Credits, Debits and Budgeting for Subsequent Service Terms

a. Our usage-based pricing model has the benefit of aligning directly with both how our Customers receive value from the Service and how our Customers charge their customers. However, per Section 3.e above, the final count of Credits and Debits accrued during a given Term is calculated on the day following the end of that Term, which is the first day of the subsequent Term. Therefore, the final Credit or Debit amount applied to the subsequent Term's fee is not known until the subsequent Term starts and well after Customers budget for their subsequent Term. This budgeting problem is primarily an issue during the initial Term given there is no historical *Service Usage* data available during the initial Term. When budgeting for any subsequent Term following any prior Term *other* than the initial Term, Customers will have historical Usage data available to accurately estimate the subsequent Term's Capacity requirements.

b. With respect to Credits, the budgeting challenge detailed in in Section 7.a above is less of an issue because accrued Credits only result in Customers coming in under budget by no more than 20% given the Credit Cap detailed in Section 5.b above.

c. With respect to Debits, the budgeting challenge detailed in in Section 7.a above is more acute because certain accrued Debits are paid with the subsequent Term's invoice. Therefore, Customers need a way to budget for potentially accrued Debits before knowing the final accrued Debit count of a given Term.

d. However, per Sections 6.b and 6.c above, any Debits accrued 120% or less of the prior Term's Capacity at any point during the prior Term, or any Debits accrued over 120% of the prior Term's Capacity during the final three (3) months of the prior Term, are paid with the subsequent Term's invoice. Per Section 6.d above, any Debits accrued greater than 120% of the prior Term's Capacity within the first nine (9) months are invoiced and paid within that Term.

e. Therefore, if Customers budget for the subsequent Term immediately following the initial Term based on projected Usage in the subsequent Term, and include a contingency of up to 20% of the prior Term's Capacity, it is highly likely the subsequent Term's final fee will be that amount or less.

f. See below example showing how to calculate and budget for potential accrued Debits using the 20% contingency on the initial Term's Capacity as a guideline. This example uses both the initial Term Capacity of 100 Projects from Figure 1 above and the subsequent Term Capacity anticipated of 125 Projects from Figure 3 above.

| Figure 8: Budgeting for Subsequent Service Term Following Initial Term | |
|---|---:|
| Initial Term's Capacity (see Figure 1) | 100 |
| 20% Initial Term Capacity Contingency | 20 |
|  |  |
| Subsequent Service Term Capacity Anticipated (see Figure 4) | 125 |
| (+) 20% Initial Term Capacity Contingency | 20 |
| **Subsequent Service Term Budgeted Capacity** | **145** |
|  |  |
| Subsequent Service Term Budgeted Capacity | 145 |
| (x) Per Project Price | $40 |
| **Subsequent Service Term Budget Total** | **$5,800** |

g. In the examples above shown in Figures 4, 5, 7 and 8, it is assumed the subsequent Term's Capacity increased to 125 Projects from 100 Projects in the prior Term. There are two reasons Capacity might increase Term-over-Term. First, the Customer projects an increase in the rate of development activity within the Customer's market during a subsequent Term, which results in more permit applications requiring plan reviews in the subsequent Term as compared to the prior Term. Second, the Customer decides to expand their use of the Service into additional departments from one Term to the next. For example, during the initial Term, only the Building department used the Service, but in the subsequent Term the Planning department also starts using the Service.

h. Per Section 3.f above, to assist with budgeting for subsequent Terms, Customers are provided quarterly Usage reports during each Term detailing the Term's Usage.

**EXHIBIT C: SOFTWARE SUBSCRIPTION SERVICE LEVEL TERMS ("SERVICE LEVEL TERMS")**

Company will (a) make the Software Subscription Services ("Services") available to Customer pursuant to this Subscription Agreement and the applicable Order Forms, (b) provide applicable Company standard support for the Services to Customer at no additional charge in accordance with the terms set forth in Exhibit D ("Technical Support Terms"), and/or upgrade support, (c) use commercially reasonable efforts to make access to the Services available 24 hours a day, 7 days a week, except for: (i) planned downtime (of which Company shall give advance electronic notice as provided in the Documentation), and (ii) any unavailability caused by circumstances beyond Our reasonable control, including, for example, an act of God, act of government, flood, fire, earthquake, civil unrest, act of terror, strike or other labor problem (other than one involving Our employees), Internet service provider failure or delay, Non-Company maintained systems or networks, or denial of service attack.

**EXHIBIT D: TECHNICAL SUPPORT TERMS ("TECHNICAL SUPPORT TERMS")**

In support of the Subscribed Services, Company will provide Technical Support to Customer with:

A. A telephone number to contact Company's live technical support facility, which is available from 8:00 a.m. until 8:00 p.m. Eastern time Monday through Friday ("**Support Hours**"), excluding Company's observed holidays [including: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve, Christmas Day, and New Year's Eve];

B. Access to an online support portal to which Customer may submit routine or non-critical support requests, which Company will address during its regular business hours;

C. Access to archived software updates and other technical information in Company's online support portal, which is continuously available. Where support is needed to address non-functioning or seriously impaired Services and there is no reasonable workaround available, Company will promptly respond to the support request and use commercially reasonable efforts to provide updates toward resolution of the issue.

Company will use commercially reasonable efforts to respond to all Helpdesk tickets based on its assessment of the issue and on the following schedule:

| Level of Severity | Description of Severity | Characteristics | Response Time |
|---|---|---|---|
| Level 1 - Critical | **Critical Business Impact**: Critical issue occurring on production system preventing business operations. A large number of users are prevented from working with no procedural workaround. | 1. System hangs or crashes<br>2. Critical functionality not available<br>3. Data loss or data corruption<br>4. Large number of end users blocked from work<br>5. Impact is escalating quickly | 1 hr |
| Level 2 - Major | **Significant Business Impact**: Major issue occurring on production system severely impacting business. A large number of users are impacted by issue but they are still able to work in a limited capacity. | 1. Significant performance degradation<br>2. Important functionality not available<br>3. Small number of users blocked from work<br>4. Impact is escalating | 4 hrs |
| Level 3 - Medium | **Normal Business Impact**: Issue causing a partial or non-critical loss of functionality on production system. A small number of users are affected. | 1. Some system functions not available<br>2. Minor performance degradation<br>3. Small number of users impacted<br>4. Impact is not escalating | 8 hrs |
| Level 4 - Low | **Minimal Business Impact**: Issue occurring on non-production system or question, comment, feature request, documentation issue or other non-impacting issue. | 1. Incorrect product behavior without impact<br>2. Product question or enhancement | 24 hrs |

Customer is limited to two technical contacts at any one time authorized to submit Helpdesk tickets to Company Technical Support as identified below:

| City TECHNICAL CONTACT #1 | | City TECHNICAL CONTACT #2 | |
|---|---|---|---|
| Name: | | Name: | |
| Title | | Title | |
| Email | | Email | |
| Phone | | Phone | |