

# Bitco Software, LLC

## PROPRIETARY SOFTWARE LICENSE AGREEMENT

For City of Cheney, Washington

Subject to the provisions contained herein. Bitco Software, LLC ("Bitco Software") hereby grants to City of Cheney, Washington ("Customer") a non-exclusive license to use the proprietary computer software products ("Licensed Program") and materials ("Licensed Materials") specified below.

### SOFTWARE

Bitco Software, will furnish one (1) copy of the Licensed Program to Customer in machine-readable object code form and provide one (1) copy of the Licensed Materials to Customer containing detailed specifications for the operation and use of the Licensed Program.

### PRODUCT LICENSE AND SERVICE FEES

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PermitTrax™ Suite Software License Fee	\$0.00
Citizens Connect Software License Fee (See Schedule 1, Section A)	\$0.00
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Professional Services Fee (See Schedule 1, Section B)	\$1,000.00
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PermitTrax Software Annual Maintenance Fee	\$5,000.00
Citizens Connect Software Annual Maintenance Fee (See Schedule 1, Section C)	\$1,200.00
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<b>Total Fees Due &amp; Payable</b>	<b>\$7,200.00 + Tax</b> =====
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# Bitco Software, LLC

## CUSTOMER INFORMATION

Customer Name: -----  
Address: City of Cheney, Washington  
609 2<sup>nd</sup> Street  
Cheney, WA 99004  
-----  
Attention: Todd Ableman  
-----  
Telephone Number: (509) 498-9225  
-----  
-----

## Customer's Designated Site

Designated Site: Same as Above  
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-----  
Address: Same as Above  
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Billing Address: Same as above  
-----  
-----

Attention: -----  
Telephone: -----  
-----

Shipping Address: Same as above  
-----  
(If different from above) -----  
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Attention: -----  
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# Bitco Software, LLC

## PROPRIETARY SOFTWARE LICENSE AGREEMENT

Bitco Software, LLC

### TERMS AND CONDITIONS

1. LICENSE. Bitco Software hereby grants to Customer a non-exclusive, non-transferable license (the "License") to use the Licensed Program and Licensed Materials on the Designated Site, identified on Page 2 of this Agreement, subject to the terms and conditions contained herein. The term of this license is perpetual, commencing upon acceptance of this Agreement by Bitco Software.

This Agreement, and the Licensed Program and Licensed Materials to which it applies, may not be assigned, sub licensed, or transferred by the Customer without prior written consent from Bitco Software, which will not be unreasonably withheld nor delayed.

2. USE. Bitco Software shall be responsible for the delivery of the Licensed Program(s) together with the documentation. The Customer shall be exclusively responsible for the supervision, management and control of its use of the Licensed Program(s), including without limitation: (i) assuring proper machine configurations, audit controls and operating methods; (ii) establishing adequate backup plans based on alternative procedures and access to qualified programming personnel; and (iii) implementing sufficient recovery procedures and checkpoints to satisfy its requirements for security and accuracy of input as well as system restart and recovery in the event of a malfunction.

The Licensed Program and Licensed Materials may be used only in the furtherance of the internal operations of the Customer, its sub agencies and commissions, or its wholly owned or majority owned subsidiaries. In no event shall the Licensed Program be used to process information by or for the benefit of third parties.

X The Customer may, from time to time, change the Designated Site and/or the location thereof to any computer site of the Customer or a subsidiary, provided that in each case the Customer gives timely written notice thereof to Bitco Software, LLC. During the term of this Agreement, and at any given time, the Customer is authorized to use the Licensed Program on only one (1) of the Customer's computers and intended backup computer.

The Customer may not copy or otherwise reproduce the Licensed Program or any part thereof, except such copying, strictly limited in number, as is essential for system backup, testing, maintenance or recovery purposes. The Customer may reproduce the Licensed Materials solely for its own internal use provided that all titles, trademarks, trade names, copyright notices, and other proprietary notices of Bitco Software, are retained.

3. CONFIDENTIALITY. The ideas and the expressions hereof contained in the Licensed Program and Licensed Materials are confidential, proprietary information and trade secrets that the Customer will receive in confidence unless and only to the extent required by Washington state statutes governing the release of public records. The Customer shall not in any manner or form disclose, provide, or otherwise make available, in whole or in part, any Licensed Program and/or Licensed Material to any third parties except for Customer's employees and consultants who are bound by appropriate non-disclosures.

## Bitco Software, LLC

The Parties acknowledge and agree that all Parties' information that is marked "Confidential", except as specified below, that comes to be known by reason of work under this Agreement, is confidential to each Party and will not be disclosed to unauthorized third parties. The Parties will use the same standard of care and will bind their employees, agents, or representatives to such standard to prevent disclosure of such confidential information as each uses to protect its own confidential information and trade secrets. Information received by either Party under this Agreement will not be considered confidential if the information: (a) is not marked "Confidential"; (b) is known to the other Party or is in the other Party's possession at the time of executing this Agreement; (c) is in the public domain at the time of disclosure; (d) is independently developed by the other Party; or (e) is disclosed to the other Party by a third party with written approval of the first Party.

The obligations expressed within this Section 3 shall survive termination of this Agreement.

4. WARRANTIES. Bitco Software warrants that (i) it may lawfully grant the License, (ii) neither the Licensed Program or Licensed Materials, or the use thereof within the scope of the License, infringes a patent or copyright or is claimed to be a trade secret of any person who has not consented to the granting of the License, (iii) at the time of installation, and for so long thereafter as Customer pays Maintenance Fees hereunder, the Licensed Program will conform to applicable printed documentation (i.e., all Licensed Materials, including User Guides and Reference Manuals) delivered by Bitco Software to the Customer; (iv) neither the Licensed Program nor the Licensed Materials contain any virus, time bomb mechanism, or other software or code that can disable or adversely affect any and all of the Licensed Program or the Licensed Materials or destroy any data or other software; and (v) both the Licensed Program and the Licensed Materials are Year 2000 Compliant. THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE. No employee or agent of Bitco Software is authorized to give a greater or different warranty.

5. INDEMNIFICATION. Bitco Software, at its own expense, will defend and indemnify against any action brought against the Customer based on a claim that any Licensed Program infringed a United States patent, copyright, or trademark, provided that (i) Bitco Software shall be notified promptly in writing by the Customer of any notice of such claim; (ii) Bitco Software shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise; and (iii) the Customer shall permit Bitco Software, at Bitco Software's option and expense, either to procure for the Customer the right to continue using the Licensed Program or modify the Licensed Program so that it becomes non-infringing.

6. LIABILITY. Except as provided for in Section 5 above, Bitco Software's liability for damages to the Customer for any cause whatsoever, and regardless of the form of action, shall be limited to the License Fees paid by the Customer hereunder with respect to the affected Licensed Program. In no event will Bitco Software be liable for any lost profits, goodwill, or other consequential, special, or indirect damages suffered by the Customer in connection with or arising from the performance of the Licensed Program, even if Bitco Software has been advised of the possibility of such damages or for any claim against the Customer by any other party.

## Bitco Software, LLC

7. MAINTENANCE PLAN. Upon due and punctual payment of the applicable Maintenance Fees, the Customer shall receive:

New Releases: From time to time Bitco Software may issue modified or enhanced versions of the Licensed Program, herein referred to as a "New Release", and will provide the Customer with one (1) complete copy of such New Release and one (1) copy of the documentation updates. Following shipment of the New Release materials, the previous release shall remain "current", for purposes hereof, for a period of six (6) months; thereafter, only the New Release will be current. New Releases will only be issued to Customers who have a current Maintenance Plan in effect. Bitco Software shall have no obligation hereunder to furnish the Customer with separately priced components to a Licensed Program or Licensed Materials except as explicitly described in this License Agreement, unless Customer has entered into an additional License Agreement for such separately priced components. Bitco Software shall continue to provide maintenance to the Licensed Program so long as it continues to make the Licensed Program commercially available.

Service: Upon receipt of written notice (e-mail acceptable) from the Customer specifying failures or errors found in a Licensed Program, and upon receipt of such additional information as Bitco Software may request, Bitco Software will act in an expeditious manner to correct defects in the current release of such Licensed Program, as long as it has not been substantially altered by Customer. Bitco Software will provide telephone support services during normal business hours Monday through Friday (9:30 AM - 5:00 PM, Pacific Standard Time). Bitco Software is not obligated to perform investigation and/or correction of defects found by Bitco Software to be in other than a current release that has not been substantially altered by the Customer.

The Maintenance Plan shall be automatically renewed on an annual basis and the Customer shall pay therefore according to the then current Maintenance Fee, unless the Customer elects to cancel the annual renewal of the Maintenance Plan, effective upon any anniversary date of the commencement of the Maintenance Plan, by providing written notice to Bitco Software no less than thirty (30) days prior to such anniversary date. Bitco Software shall deliver to Customer an invoice no less than sixty (60) days prior to such anniversary date. Such invoice shall be due and payable within sixty (60) days. Customer may elect at the execution of this Agreement, or upon any anniversary date hereof, to purchase a Multi-Year Maintenance Plan by paying in advance to Bitco Software maintenance fees for two (2) or more years and receiving a maintenance prepayment discount of 10% (ten percent).

Bitco Software, in its sole discretion, shall establish Maintenance Fees payable under this Section. Notwithstanding the above, for the first three (3) years after contract execution, the annual Maintenance Fees shall not be increased. For years thereafter, any Maintenance Fee increases shall be limited to the percent change in the U.S. Department of Labor Consumer Price Index (CPI-U) for the calendar year prior to the renewal date of the Maintenance Plan.

8. PAYMENT. All Product License and Services Fees outlined on Page 1 of this Agreement are due and payable as described in Schedule 1, Section D ("Payment Terms"). All other fees and charges hereunder are due and payable in full upon receipt of Bitco Software invoice by Customer. There shall be added to all charges hereunder (i) all reasonable shipping, handling, travel and other reasonable out-of-pocket expenses incurred by Bitco Software in connection with this Agreement or its performance; and (ii) amounts equal to any taxes paid or payable by Bitco Software, however designated, levied, or based on this

## Bitco Software, LLC

Agreement, or on any Licensed Program or Licensed Materials, its charges or its use, including without limitation, any value-added, royalty, federal, state or local sales, use, and property taxes, and any taxes or amounts in lieu thereof, exclusive, however, of taxes based on the net income of Bitco Software. Customer will be charged interest at the rate of one and one-half percent (1-1/2%) per month on all sums hereunder that remain unpaid thirty (30) days after due, with such interest to commence on the due date.

9. GENERAL. The Customer acknowledges that they have read this Agreement, understands it, and agrees to be bound by all terms and conditions hereof. All subsequent modifications, amendments, and waivers to this Agreement must be by written instrument and executed by authorized representatives of the parties hereto. In the event that any provision under this Agreement shall be deemed illegal or otherwise unenforceable by any applicable statute or rule of law, such provision shall be omitted and the entire Agreement shall not fail on account thereof and the remainder of the Agreement shall continue in full force and effect. No waiver of any breach of any provision of this Agreement shall constitute a waiver of any other breach of any other provision hereof. Bitco Software shall not be liable for delay or failure to perform its obligations herein set forth if such delay or failure is due to any cause or condition beyond its reasonable control. This Agreement shall be binding upon and inure to the benefit of any successor of the Customer, who, whether by merger, purchase, or otherwise, acquires all or substantially all of the assets or business of the Customer.

Both parties agree that neither party shall solicit or hire the other party's employees involved directly in the relationship established by this Agreement as an employee or as a consultant in the same geographical region. This provision shall remain in effect until one (1) year has passed since the date the last services were provided by Bitco Software to Customer. Both parties recognize that their employees are valuable resources whose loss may be damaging to their respective businesses, and therefore, violation of this restriction shall result in the violating party making an immediate restitution payment of \$250,000 to the other, payable within thirty (30) days of the start date of the hired employee or consultant.

All notices and other communications hereunder shall be by written instrument and shall be deemed given upon certified mailing with return receipt, addressed to the party to be notified at the address set forth on Page 2 of this Agreement, or to Bitco Software.

This Agreement is governed and construed by the laws of the State of Washington.

This Agreement, including all Addenda, attached hereto, represents the complete and exclusive statement of the agreements between the parties and supersedes all prior agreements and representations between them. In the event of conflict between general Terms and Conditions, Schedule 1, and the Addenda, the following order of precedence shall apply: Schedule 1, Addenda, Terms and Conditions. This Agreement is binding upon the parties upon execution by Customer and acceptance by Bitco Software.

**Bitco Software, LLC**

Accepted By:

City of Cheney, WA

By:



(Authorized Signature)

Tom Trulove, Mayor

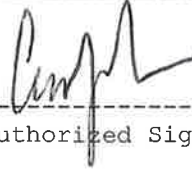
(Name and Title)

1-15-13

(Date)

Bitco Software, LLC

By:



(Authorized Signature)

Cory Jorgensen, President

(Name and Title)

1-24-13

(Date)

# Bitco Software, LLC

## PROPRIETARY SOFTWARE LICENSE AGREEMENT


Bitco Software, LLC

### SCHEDULE 1

City of Cheney, Washington

#### Product Pricing, Configuration and Service Schedule

A. Licensed Program(s):	License Fee
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Application: PermitTrax™ Suite	\$ 0.00
Application: Citizens Connect™	\$ 0.00
Database: SQL Server	
Licensed number of Users: Unlimited	
<b>Total License Fees (after all applicable discounts):</b>	<b>\$ 0.00</b>

 Note that the Customer is fully responsible for providing the relational database management software and other third party software and systems required for the operation of the Bitco Software system.

#### B. Professional Services:

Service provided under this contract:

##### Implementation

Bitco Software agrees to design and implement new consoles for client until go-live. This includes Document Design, Scripting and Data Entry.

##### Data Conversion

Bitco Software Agrees to provide data conversions that will import data into the application. This includes an Assessor conversion of parcel and address data.

##### Reports

Bitco Software agrees to provide custom reports where canned reports will not meet the needs of the client.

##### Training

Bitco Software will provide training to use the application until the client feels their staff is satisfactorily trained.

After the completion of these professional services and customer goes LIVE and is using the application to transact normal business, all Professional Services will be at then-current-hourly rate. The current hourly rate is \$145 per hour.



## Bitco Software, LLC

Below are Estimated Milestones of Professional Services:

Contract Execution through Week 3:

Information gathering by Bitco Software for Implementation, Data Conversion, and Reports.

Week 4 through Week 8:

Data Conversion Delivered to Client for Review and sign off at end of week 8.

Week 9 through Week 12:

Console Designs, Documents, and Scripting for Review and sign off at end of week 12.

Week 13 through Week 16:

Testing by Client, Custom Reports, Final Changes and Training. After Week 16, Set a GO Live Date with Client.

Data Conversion Fee:	\$ 0.00
Implementation Fee:	\$ 1,000.00

**Total Professional Services (after all applicable discounts): \$ 1,000.00**

C. Software Maintenance Fee:

Application: PermitTrax™ Suite	\$5,000.00
Application: Citizens Connect	\$1,200.00
<b>Total Annual Maintenance Fee</b>	<b>\$6,200.00</b>

**Total Maintenance Fees (after all applicable discounts): \$6,200.00**

Customer hereby purchases, as part of this Agreement, the Software Maintenance Plan, commencing upon contract execution and extending for a term of one (1) year. Customer will pay a software maintenance fee equal to (\$6,200.00) for this Software Maintenance Plan.

D. Payment Terms:

Due and payable upon contract execution:

PermitTrax™ Suite License	\$ 0.00
Annual Maintenance Fee	\$ 6,200.00
50% Data Conversion Fee	\$ 0.00
Implementation Fee	\$ 1,000.00
<b>Total:</b>	<b>\$ 7,200.00 + Tax</b>

## Bitco Software, LLC

Due and payable upon Go LIVE:

50% Data Conversion Fee	\$ 0.00
	<hr/>
Total:	\$ 0.00

Payments for GO LIVE fees are due upon acceptance by the Customer as operational and meeting the terms of this Agreement such acceptance shall not be unreasonably withheld.

E. License Fee Basis:

Customer acknowledges that the License Fees described herein are based on the number of IIS Servers of the Licensed Program. The license fee described herein is based on an unlimited number of users.

**Bitco Software, LLC**

Accepted By:

City of Cheney, WA

By:



(Authorized Signature)

*Tom Trulove, Mayor*

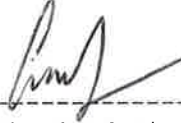
(Name and Title)

*Jan 15, 2013*

(Date)

Bitco Software, LLC

By:



(Authorized Signature)

Cory Jorgensen, President

(Name and Title)

*1-24-13*

(Date)

