
SaaS Licensing Agreement



Attention: Shawne Corley, Assistant CAO

Prepared by: Ted Price, CEO

September 1, 2018

Summary of Services and Implementation

Customer:

Shawne Corley, Assistant CAO
El Dorado County

Services:

Service Capacity: Use of the Standard Pension Module of the Total Liability Calculator (the "Service(s)").

Service Fees: \$19,750 per year discounted annual fee, with total contract value (including the one-time implementation fee of \$10,500) of **\$109,250** payable upfront and in advance subject to the terms of Section 4 herein.

Initial Term: Five years from the Effective Date.

Implementation Services:

Company will use commercially reasonable efforts to provide Customer the services described in accordance with the terms herein, and Customer shall pay Company the Implementation Fee in accordance with the terms herein.

Pension Implementation Fee (One-Time): \$10,500.

SERVICE AGREEMENT

This SaaS Services Agreement ("Agreement") is entered into on this ____ day of _____, 2018 (the "Effective Date") between GovInvest, Inc. ("Company"), and the Customer listed above ("Customer"). This Agreement includes and incorporates the above Summary of Services and Implementation, as well as the attached Terms and Conditions and contains, among other things, warranty disclaimers, liability limitations and use limitations. There shall be no force or effect to any different or additional terms of any purchase order, confirmation or similar form, even if signed by the parties before or after the date hereof.

GovInvest Inc.

El Dorado County

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

TERMS AND CONDITIONS

1. SAAS SERVICES AND SUPPORT

- 1.1 Subject to the terms of this Agreement, Company will use commercially reasonable efforts to provide Customer the Services in accordance with the Service Level Terms attached hereto as Exhibit A **and as proposed in Exhibit D, Proposal for Actuarial Services and Technology**. As part of the registration process, Customer will identify an administrative user name and password for Customer's account. Company reserves the right to refuse registration or cancel passwords it deems inappropriate.
- 1.2 Subject to the terms hereof, Company will provide Customer with reasonable technical support services in accordance with the terms set forth in Exhibit B.

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 or used to provide the Services ("Software"); modify, translate, or create derivative works based on the Services or any Software (except to the extent expressly permitted in writing by Company or authorized within the Services); use the Services or any Software for timesharing or service bureau purposes or otherwise for the benefit of a third party; or remove any proprietary notices or labels.
- 2.2 Further, Customer shall not export or re-export, either directly or indirectly, the Software or any copies thereof in such manner as to violate the export laws and regulations of the United States or any other applicable jurisdiction in effect from time to time (including, without limitation, when such export or re-export requires an export license or other governmental approval without first obtaining such license or approval). Without limiting the foregoing, Customer shall not permit any third parties to access or use the Services in violation of any United States export embargo, prohibition, or restriction.
- 2.3 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 Customer's failure to comply with the terms of this Agreement 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. Company reserves the right, in its sole discretion, to prohibit or suspend Customer's use of the Services at any time Company believes such use to be in violation of this Agreement or otherwise harmful to the Service. Any fee paid in advance yet unearned shall be refunded to Customer.
- 2.4 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.

3. CONFIDENTIALITY; PROPRIETARY RIGHTS

- 3.1 One 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 Service. Proprietary Information of Customer includes non-public data (“Customer Data”) provided by Customer to Company to enable the provision of the Services. 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 party 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, without any action by, or involvement of, the Receiving Party 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. The Receiving Party acknowledges that in the event of a breach of Section 3.1 by the Receiving Party, substantial injury could result to the Disclosing Party and money damages will not be a sufficient remedy for such breach. Therefore, in the event that the Receiving Party engages in, or threatens to engage in, any act which violates Section 3.1, the Disclosing Party will be entitled, in addition to all other remedies which may be available to it under law, to seek injunctive relief (including, without limitation, temporary restraining orders, or preliminary or permanent injunctions) and specific enforcement of the terms of Section 3.1. The Disclosing Party will not be required to post a bond or other security in connection with the granting of any such relief.

- 3.2 Company shall own and retain all rights, title and interest in and to: (i) the Services and Software, together with all improvements, enhancements, modifications, changes, translations, compilation, and derivative works thereto, (ii) any software, applications, inventions or other technology developed in connection with Implementation Services or support, (iii) any analytics generated through Customer’s use of the Services, including but not limited to, any data, materials, information, and reports (“Analytics”) and (iv) all intellectual property rights related to any of the foregoing. Company hereby grants Customer a non-exclusive, non-transferable and non-sublicensable license to access and use the Analytics.
- 3.3 Notwithstanding anything to the contrary, Company shall have the right to collect and analyze 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 the Summary of Services and Implementation in accordance with the terms therein (the “Fees”). If Customer’s use of the Services exceeds the Service Capacity set forth in the Summary of Services and Implementation or otherwise requires the payment of additional fees (per the terms of this Agreement), Customer shall be billed for such usage and Customer agrees to pay the additional fees in the manner provided herein. Company reserves the right to change the Fees or applicable charges and to institute new charges and Fees at the end of the Initial Term or then current Renewal Term, upon thirty (30) days prior notice to Customer (which may be sent by email). 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 thirty (30) days after the mailing date of the invoice. Unpaid amounts are subject to a finance charge of 5% per month on any outstanding balance, or the maximum permitted by law, whichever is lower, plus all expenses of collection and may result in immediate termination of Service. Customer shall be responsible for all taxes associated with Services other than U.S. taxes based on Company’s net income.

5. **TERM AND TERMINATION**

5.1 Subject to earlier termination as provided below, the Initial Term of this Agreement shall be for a period specified in the Summary of Services and Implementation (the “Initial Term”). Upon the expiration of the Initial Term, Customer will have option to renew this agreement for additional periods of the same duration as the Initial Term (each a “Renewal Term”). The Initial Term and the Renewal Term are collectively referred to herein as the “Term.”

5.2 In addition to any other remedies it may have, either party may terminate this Agreement upon thirty (30) days written notice (or without notice in the case of nonpayment), if the other party materially breaches any of the terms or conditions of this Agreement. Customer will pay in full for the Services up to and including the last day on which the Services are provided. All sections of this Agreement which by their nature should survive termination will survive termination, including, without limitation, accrued rights to payment, confidentiality obligations, warranty disclaimers, and limitations of liability. Any fee paid in advance yet unearned shall be refunded to Customer.

6. **WARRANTY AND DISCLAIMER**

Company shall use reasonable efforts consistent with prevailing industry standards to maintain the Services in a manner which minimizes errors and interruptions in the Services and shall perform the Implementation Services in a professional and workmanlike manner as expressed in Exhibit C. 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, THE ANALYTICS, AND IMPLEMENTATION 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**

Company shall hold Customer harmless from liability to third parties resulting from infringement by the Service 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 Service (i) not supplied by Company, (ii) made in whole or in part in accordance with Customer 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 Service is not strictly in accordance with this 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 Service 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 Service, or (c) if neither of the foregoing is commercially practicable, terminate this Agreement and Customer's rights hereunder and provide Customer a refund of any prepaid, unused fees for the Service.

8. **LIMITATION OF LIABILITY**

NOTWITHSTANDING ANYTHING TO THE CONTRARY, EXCEPT FOR BODILY INJURY OF A PERSON, COMPANY AND ITS SUPPLIERS (INCLUDING BUT NOT LIMITED TO ALL EQUIPMENT AND TECHNOLOGY SUPPLIERS), OFFICERS, AFFILIATES, REPRESENTATIVES, CONTRACTORS AND EMPLOYEES SHALL NOT BE RESPONSIBLE OR LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS 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 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. **MISCELLANEOUS**

If any provision of this Agreement is found to be unenforceable or invalid, that provision will be limited or eliminated to the minimum extent necessary so that this Agreement will otherwise remain in full force and effect and enforceable. This Agreement is not assignable, transferable or sublicensable by Customer except with Company's prior written consent. Company may not transfer or assign any of its rights and obligations under this Agreement without Customer's prior written consent. This Agreement is the complete and exclusive statement of the mutual understanding of the parties and supersedes and cancels all previous written and oral agreements, communications and other understandings relating to the subject matter of this Agreement, and all waivers and modifications in this Agreement must be in a writing signed by both parties, except as otherwise provided herein. No agency, partnership, joint venture, or employment is created as a result of this Agreement and Customer does not have any authority of any kind to bind Company in any respect whatsoever. In any action or proceeding to enforce rights under this Agreement, the prevailing party will be entitled to recover costs and attorneys' fees. All notices under this Agreement will be in writing and will be deemed to have been duly given when received, if personally delivered; when receipt is electronically confirmed, if transmitted by facsimile or e-mail; the day after it is sent, if sent for next day delivery by recognized overnight delivery service; and upon receipt, if sent by certified or registered mail, return receipt requested. This Agreement shall be governed by the laws of the State of California without regard to its conflict of laws provisions. The parties shall work together in good faith to issue at least one

mutually agreed upon press release within 90 days of the Effective Date, and Customer otherwise agrees to reasonably cooperate with Company to serve as a reference account upon request.

10. **CONTRACT ADMINISTRATOR**

The County Officer or employee with responsibility for administering this Agreement is Shawne Corley, Assistant CAO, or successor.

11. **NOTICE TO PARITES**

All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid and return receipt requested. Notices to County shall be addressed as follows:

COUNTY OF EL DORADO
Chief Administrative Office
330 Fair Lane
Placerville, CA 95667
ATTN: Shawne Corley, Assistant CAO

or to such other location as the County directs.

with a carbon copy to

COUNTY OF EL DORADO
Chief Administrative Office
Procurement and Contracts Division
330 Fair Lane
Placerville, CA 95667
ATTN: Purchasing Agent

Notices to Company shall be addressed as follows:

GOVINVEST, INC.
3625 Del Amo Boulevard, Suite 110
Torrance, CA 90503
ATTN: Ted Price, CEO

or to such other location as the Company directs.

EXHIBIT A
Service Level Terms

The Services shall be available 99% of the time, measured monthly, excluding holidays and weekends and scheduled maintenance. If Customer requests maintenance during these hours, any uptime or downtime calculation will exclude periods affected by such maintenance. Further, any downtime resulting from outages of third party connections or utilities or other reasons beyond Company's control will also be excluded from any such calculation. Customer's sole and exclusive remedy, and Company's entire liability, in connection with Service availability shall be that for each period of downtime lasting longer than 12 hours, Company will credit Customer 1% of Service Fees for each period of 30 or more consecutive minutes of downtime; provided that no more than one such credit will accrue per day. Downtime shall begin to accrue as soon as Customer (with notice to Company) recognizes that downtime is taking place, and continues until the availability of the Services is restored. In order to receive downtime credit, Customer must notify Company in writing within 12 hours from the time of downtime, and failure to provide such notice will forfeit the right to receive downtime credit. Such credits may not be redeemed for cash and shall not be cumulative beyond a total of credits for one (1) week of Service Fees in any one (1) calendar month in any event. Company will only apply a credit to the month in which the incident occurred. Company's blocking of data communications or other Service in accordance with its policies shall not be deemed to be a failure of Company to provide adequate service levels under this Agreement.

EXHIBIT B
Support Terms

Company will provide Technical Support to Customer via both telephone and electronic mail on weekdays during the hours of 9:00 a.m. through 5:00 p.m. Pacific Standard Time, with the exclusion of Federal Holidays (“Support Hours”).

Customer may initiate a help desk ticket during Support Hours by calling 310-371-7106 or any time by emailing support@govinvest.com.

Company will use commercially reasonable efforts to respond to all help desk tickets within one (1) business day.

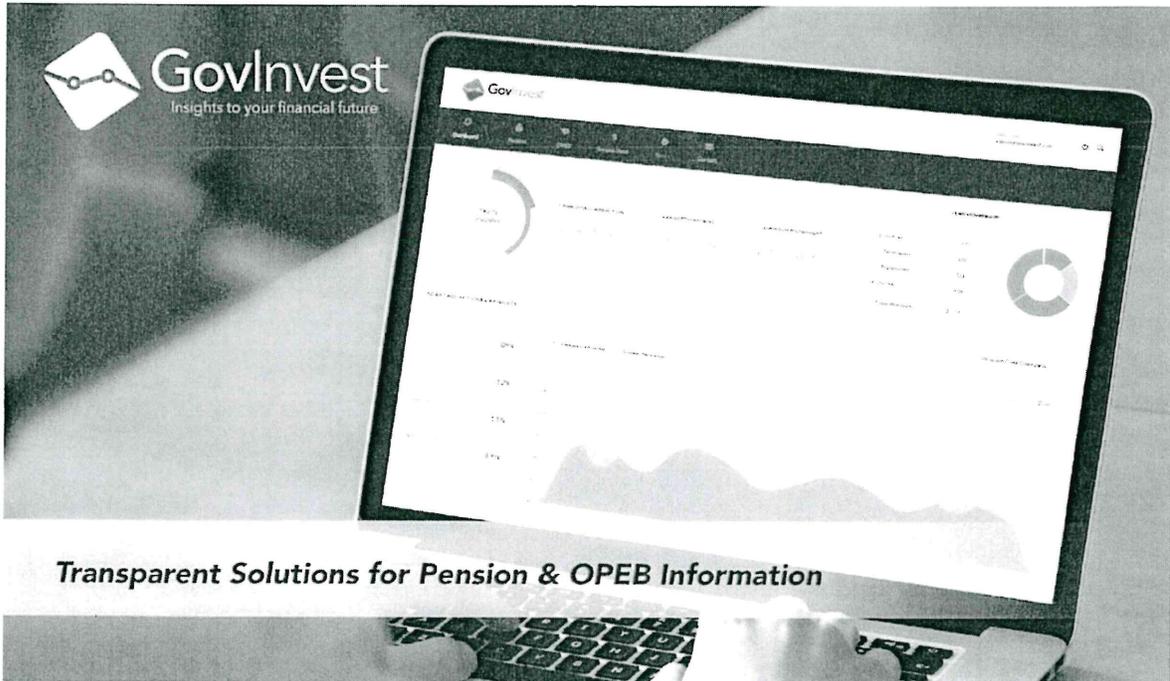
EXHIBIT C
Disclaimer of Software Analysis

Company will provide software with financially sound projections and analysis, but does not yet guarantee compliance with actuarial standards for funding and accounting purposes including GASB 68 and GASB 27.

EXHIBIT D

Proposal for Actuarial Services and Technology

Proposal for Actuarial Services and Technology



Attention: Shawne Corley, Assistant CAO

Prepared by: Ted Price, CEO

Date: September 1, 2018

El Dorado County

GovInvest
3625 Del Amo Blvd
Suite 110
Torrance, CA 90503

Date: September 1, 2018

Shawne Corley, Assistant CAO
El Dorado County

Dear Shawne,

We are submitting this letter to summarize the actuarial consulting and technology services for the El Dorado County. This proposal outlines the cloud-based software Defined Benefit Pension Plan benefits provided to the eligible employees of the El Dorado County.

The actuary assigned to your project will be one of our certified professionals, who have extensive experience in the defined benefit actuarial field.

The following material includes discussion of the Company Overview, Scope of Services, Data Requirements, Implementation, Added Value, and Terms.

Sincerely,

Ted Price
CEO
(310) 371-7106

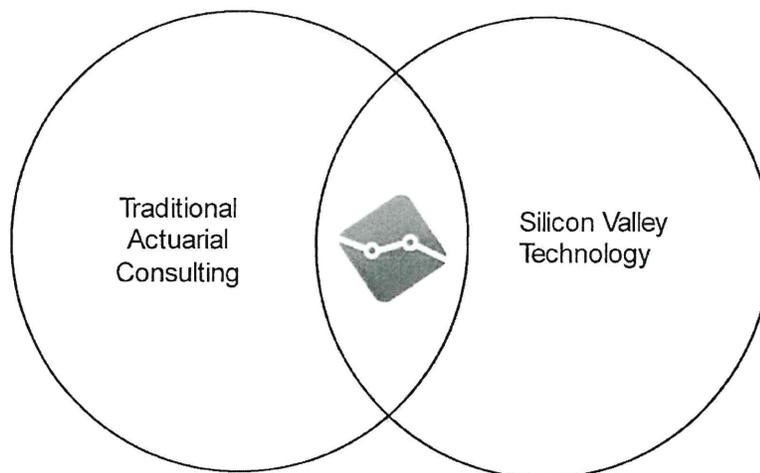
Company Overview

Since 2014, GovInvest has brought together leading actuaries, engineers, and designers to build innovative technological solutions to empower government agencies to better control pension liability, OPEB liability, and debt management. Our solution suite consists of actuarial software, actuarial valuations, accounting valuations, and actuarial consulting.

When Co-founders Jasmine Nachtigall-Fournier and Ted Price saw the actuarial valuation reports that agencies depended on to make key decisions about funding their future employee benefits, they realized how complicated, outdated, and obsolete the reports could be, and set out to build the Total Liability Calculator, a cloud-based software platform that provides our clients with real-time information, instant actuarial and financial analysis, and insights into how to pay down unfunded liabilities. By facilitating easy communication of complex information to decision-makers and stakeholders, our firm has effectively increased efficiency and education towards transparent solutions.

GovInvest's traditional actuarial consulting is led by industry veterans. Our actuaries provide agencies with the required Government Accounting Standards Board (GASB) reporting requirements, and present the reports in simple and intuitive visualizations of the key information.

GovInvest is bringing actuarial analysis out of the dark ages.



Scope of Services

Total Liability Calculator – Pension Module

The El Dorado County pension plan data will be presented on the Total Liability Calculator, a comprehensive dashboard with results extremely easy to understand, convey, analyze, and interact with.

The calculator makes understanding GASB 68 simple and intuitive, while helping decision makers and constituents get a clear picture of this important outstanding liability and the impact that economic and demographic variables have on the results.

Agencies who work with GovInvest get the added benefit of seeing the results of their actuarial valuations on the Total Liability Calculator, which provides interactive visualizations, allows decision-makers to adjust the assumptions and variables to stress-test different scenarios, see cost projections, and additional key metrics that help to form context for finding solutions to paying down unfunded liabilities. Some sample analyses include:

- What happens if we change the discount rate, amortization period, or make a lump sum payment?
- How will changes in my agency like retirement or new hires affect my liability?
- What happens if my agency issues a Pension Obligation Bond?

The above actuarial analyses generally can take weeks or months for a traditional actuarial consulting firm to produce, and can cost thousands of dollars per scenario change. **Our actuarial engine produces these results instantly.** Our comprehensive software and consulting ultimately put agencies on a sustainable path to provide pension and OPEB benefits to their employees.

GovInvest: The Cutting Edge



Required Reports & Disclosures
[Traditional Actuarial Consultants]



Stay On-top of GASB: Understand the assumptions you are approving



Go Above & Beyond: Effortless transparency for decision-makers and the concerned public

Data Requirements

- Active, retired, deferred members in a simple excel file (provided by the agency).
- The following reports downloaded from myCalPERS:
 - Participant Appointment Details Report.
 - Benefit Recipients by Employer Report.
 - Present Employer Statement Report.

Implementation

Once we receive the census data and plan information, the data upload can begin. The following tasks outline the general steps included in the process:

1. Review the plan benefits and the census data for any missing or inaccurate information. Discuss with the El Dorado County any data issues that need clarification or correction.
2. Upload the historical and current census data to the Total Liability Calculator and grant the El Dorado County access to the software package.

Added Value

 **GovInvest Added Value**

	 GovInvest	Traditional Actuaries
① Required GASB Reports	✓	✓
② Assumption Adjustments	✓	N/A
③ Liability + Cost Projections	✓	N/A
④ Presentation of Results	✓	N/A
⑤ Real-Time Interactive Info	✓	N/A
⑥ Granular Benefits Adjustments	✓	N/A
⑦ Actuarial Data Visualization	✓	N/A
⑧ Transparency	✓	N/A

Revolutionizing Pension & OPEB

(310) 371-7106 | info@govinvest.com
3625 Del Amo Blvd, Suite 110, Torrance CA 90503



El Dorado County

Terms

Below are the proposed terms of this agreement, which GovInvest is prepared to deliver:

Buyer: El Dorado County.

Seller: GovInvest Inc.

Services: Use of the Pension Module of the Total Liability Calculator.

Services Term: Five-years from Agreement Effective Date.

Fee* for Services: Software service fees are due upon engagement.

- Pension Module:
 - \$10,500 onboarding fee.
 - ~~\$22,250~~ annual licensing fee. *\$19,750 with Discount Incentive.*

Discount Incentive: Discount honored if Licensing Agreement is executed by October 15, 2018 and total contract value invoiced up-front.

Delivery – Pension Module: Up to 3 months after completion of data delivery.

Consulting Fees: GovInvest charges at \$600/hr for executive work, \$400/hr for FSA work, \$150/hr for actuarial associate work, and \$150 for analyst work. Consulting charges include: consulting with the agency on plan design or funding policies, review of pension/OPEB financial disclosures, in-person meetings, phone/web/in-person meetings on results, and/ or guidance with liability management outside the scope of services of the software.

Miscellaneous Fees: Reasonable travel expenses. Business license fees. Other fees to be negotiated on a case-by-case basis and agreed upon by Buyer and Seller.

Letter of Offer: If the foregoing is acceptable, please communicate the same and upon acceptance of the terms herein, and we will prepare a formal Agreement.

Non-Binding: Nothing contained herein shall be considered binding on either party. Binding obligations shall arise from a fully executed Agreement between Buyer and Seller.

Protection Against Inflation: Annual fee will increase by the greater of the US CPI or 3% each consecutive year.

*The fee may be higher if: the plan, financial, or census information is not provided as requested, is untimely, is not complete, or is inaccurate when received by GovInvest; the agency changes its plan design or policy after work has begun.