



## SERVICES AGREEMENT

THIS AGREEMENT made the \_\_\_\_ day of \_\_\_\_\_, 2017, by and between Lake Havasu City, having its principal offices at 2330 McCulloch Blvd. N., Lake Havasu City, Arizona 86403 hereinafter referred to as "Client," and CherryRoad Technologies Inc., with offices located at 301 Gibraltar Drive, Suite 2C, Morris Plains, New Jersey 07950, hereinafter referred to as "Consultant" in the following manner:

### W I T N E S S E T H:

WHEREAS, the Client is desirous of entering into an agreement with Consultant for work requested by the Client, and

NOW THEREFORE, the parties hereto, in consideration of the covenants, agreements, terms, and conditions herein contained, do agree as follows:

- 1. Scope of Services:** The Statement of Work, attached as Exhibit A and incorporated as part of this Agreement, shall define the scope of services ("Services") for this engagement. Client acknowledges that the performance of the Services under this Agreement will be an interdependent effort with employees and agents from both Consultant and Client working together to perform the Services. Both parties agree to fully cooperate with each other in the performance of the Services and to meet the obligations assigned to each party in Exhibit A. Each party shall be responsible for the acts and omissions of its own employees and agents.
- 2. Payment Terms:** A schedule of deliverables and progress payments has been defined based on the pricing outlined in Exhibit A to this Agreement. Exhibit A explicitly overrides any pricing and payment schedules referenced in Consultant's original proposal and in the Client's RFP. Consultant will invoice Client as identified in Exhibit A. Actual travel expenses are subject to the expense guidelines identified in Exhibit A and are additionally billable. Client agrees to remit payment for properly submitted invoices within thirty (30) days of receipt of invoice.
- 3. Order of Precedence:** If there is a conflict between or among the provisions of this Agreement, the order of precedence is as follows: 1) the terms and conditions set forth in this Agreement; 2) the Statement of Work.
- 4. Work Stoppage:** In the event Client fails to pay Consultant for work successfully completed in accordance with the terms of this Agreement, or if Client fails to meet its obligations identified in Exhibit A of this Agreement Consultant may temporarily cease any and all work under this Agreement ("Work Stoppage"), provided Consultant gives Client at least ten (10) calendar days' notice and Client fails to cure within such ten (10) calendar days. In such event, if the period of time for such Work Stoppage is more than ten (10) calendar days, Consultant shall have the right to terminate for cause. In the event Client cures by making full payment after the Work Stoppage and/or demonstrates to Consultant's satisfaction its ability to meet its obligations prior to any termination, Consultant will return to work within a reasonable time, but in no event more than thirty (30) calendar days thereafter.

In the event the matter is resolved either between the parties or through dispute resolution in accordance with this Agreement and Consultant agrees to return to work hereunder, then Consultant shall have no liability for any changes, modifications or alterations made during the Work Stoppage by non-Consultant employees or subcontractors to the work previously performed prior to the Work Stoppage.

5. **New Services:** For a period extending XX months from date of go-live of the final phase as identified in Exhibit A, Client may request in writing that Consultant perform certain services that are not specifically described in Exhibit A hereto but are related to the Services ("New Services"). These New Services shall be limited to the type of services previously delivered by the Consultant under Exhibit A or which are typically provided by Consultant to its public sector customers in the course of performing similar implementation services for those public sector customers. Notwithstanding the above, Consultant shall have the right to decline Client's request to provide such services, during that XX month period, if the Consultant reasonably believes that: i) the services requested by the Client are outside the above criteria for New Services or ii) are for a customization that Consultant deems, in its reasonable opinion to be detrimental to meeting its performance obligations under this Agreement or iii) Client has failed to pay, per the terms of this Agreement, for New Services previously requested. In the event the Consultant agrees to perform such New Services, then Consultant shall perform such New Services on a time and materials basis, at an hourly rate not to exceed that described in Exhibit A unless otherwise agreed upon in writing, for each of the Consultant personnel assigned to perform such New Services. Requests for New Services will be limited to increments of no less than eight hours. Consultant shall commence performing the applicable New Services within thirty (30) calendar days of written notice from the Client's Project Manager.
6. **Warranty:** For a period of three months from the date of Final Acceptance of each module Consultant warrants that (A) ALL WORK PERFORMED IN CONNECTION WITH THIS AGREEMENT SHALL BE PERFORMED IN A COMPETENT, PROFESSIONAL AND WORKMANLIKE MANNER, AND SHALL BE OF INDUSTRY STANDARD QUALITY; (B) ALL WORK PERFORMED AND ALL DELIVERABLES SHALL COMPLY WITH APPLICABLE LAWS; AND (C) ALL WORK PERFORMED AND ALL DELIVERABLES SHALL BE PROVIDED IN ACCORDANCE WITH AND SHALL CONFORM IN ALL MATERIAL RESPECTS TO ANY SPECIFICATIONS AND REQUIREMENTS SET FORTH IN THIS AGREEMENT.

To receive warranty remedies, Client must report any deficiencies to Consultant in writing within the Warranty Period. Consultant shall correct all deficiencies in the Services or Work identified by Client during the Warranty Period provided that the defective Services or Work is not caused any inappropriate, improper or unforeseen usage of the Work or Services by the Client unless such actions are taken at the direction of the Consultant. If the deficiency is related to a software issue beyond the control of Consultant, Consultant shall work in good faith with Oracle to resolve the situation or develop a work around solution that materially meets the Client's requirements as set forth in the Statement of Work.

THE WARRANTIES CONTAINED HEREIN AND IN THE STATEMENT OF WORK ARE CONSULTANT'S SOLE AND EXCLUSIVE WARRANTIES. CONSULTANT AFFIRMATIVELY EXCLUDES ANY AND ALL OTHER WARRANTIES, CONDITIONS, OR REPRESENTATIONS (EXPRESS OR IMPLIED, ORAL OR WRITTEN), WITH RESPECT TO

THE SERVICES PROVIDED INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PURPOSE (WHETHER OR NOT THE CONSULTANT KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE) WHETHER ARISING BY LAW OR BY REASON OF CUSTOM OF THE TRADE.

- 7. Indemnification:** Consultant shall, at all times hereafter, indemnify, hold harmless and, defend Client, and its officers, agents, and employees from and against any and all third-party claims, suits, actions, demands, causes of actions of any kind or nature, including all costs, expenses and attorneys' fees, arising out of any negligent or willful misconduct of Consultant and its employees and subcontractors in the performance of this Agreement. Client shall fully cooperate with Consultant in the course of any such defense, including, without cost, providing resources, information, and individuals deemed reasonably necessary by Client to effectively defend any such action. Client agrees not to intentionally interfere or otherwise undermine any defense, negotiations, or settlement conducted by Consultant to resolve any such matter.
- 8. Termination:** This Agreement may be terminated upon the following events:

Termination by Mutual Agreement. In the event the parties mutually agree in writing, this Agreement may be terminated on the terms and dates stipulated therein.

Termination Without Cause. Client shall have the right to terminate this Agreement without cause by providing Consultant with thirty (30) calendar days' written notice.

Termination for Cause. In the event of a material breach, either party may provide the other party with written notice of the material breach, with such sufficient detail so the party can readily understand the claim for material breach. The other party shall have thirty (30) calendar days from the date of its receipt of such notification to cure such material breach. If the material breach is not cured within that time period, the non-breaching party may terminate this Agreement immediately.

Termination for Lack of Funds. In the event the funds to finance this Agreement become unavailable or are not allocated, Client shall provide Consultant with thirty (30) calendar days' written notice of termination. Nothing in this Agreement shall be deemed or construed to prevent the parties from negotiating a new Agreement in this event.

Upon termination of this Agreement for any reason, including expiration, Consultant shall place no further orders nor enter into subcontracts for materials or services unless it is necessary in accordance with agreed upon wind-down disentanglement procedures. Consultant shall, upon receipt of termination notice, unless otherwise directed by the Client (i) take such action as may be necessary for the protection and preservation of the Client's materials and property; and (ii) shall act in good faith to mitigate costs to Client.

In the event of termination of this Agreement, Client shall pay for completed Work delivered as well as for Work performed by Consultant that was not yet completed or received by the Client but was performed pursuant to this Agreement. Upon payment for such Work, Client shall be entitled to all completed and uncompleted Work.

In the event of any termination, Client and Consultant shall mutually agree upon "wind-down" disentanglement procedures to include, without limitation, the scope, staffing, and costs

required by such procedures. Such services shall be paid to Consultant on a time and materials basis at the rates listed in this Agreement.

Notwithstanding any other provisions of this Agreement, the provisions regarding insurance, indemnification, confidentiality, limitation of liability, non-solicitation and any other provisions which by their terms survive, shall survive the termination or expiration of this Agreement.

- 9. Insurance:** Consultant shall comply with the Client's Insurance Requirements as set forth in Exhibit E.
- 10. Subcontractors:** Consultant shall not be entitled to subcontract the performance obligations provided herein to any other party without the prior written consent of Client, which shall not be unreasonably withheld, conditioned, or delayed. Consultant shall not be allowed to assign any rights, except monies which may become due under this Agreement, without the prior written approval of Client, such approval not to be unreasonably withheld, conditioned, or delayed.

Consultant shall be fully responsible for all acts and omissions of its subcontractors to the same extent that Consultant is responsible for the acts and omissions of persons directly employed by it. Nothing in this Agreement shall create any contractual relationship between any subcontractor and Client or any obligation on the part of Client to pay or to see the payment of any monies due any subcontractor.

- 11. Force Majeure:** Neither party shall be liable to the other for any failure or delay in performance hereunder due to circumstances beyond its reasonable control including, but not limited to acts of God; labor disputes; and governmental and judicial action not the fault of the party causing such failure or delay in performance. Upon receipt of notice of failure or delay in performance caused by the foregoing, performance time shall be considered extended for a period of time equivalent to the time lost as a result of any such delay. If either party is unable to continue to perform for a period of thirty (30) calendar days from the date such notice was issued, then either party may terminate this Agreement.
- 12. Non-Disclosure:** During the term of this Agreement, Client will have access to and become acquainted with Consultant's written and oral confidential and proprietary Information. Such information shall not be disclosed by Client to any third-party without the prior written consent of Consultant, or as required by law subject to compliance with the procedure set forth in this Section.

The following information shall not be considered confidential and proprietary information for the purposes of this Agreement: information previously known when received from the other party; information freely available to the general public; information which is now or hereafter becomes publicly known by other than a breach hereof; information which is developed by one party independently of any disclosures made by the other party of such information; or information which is disclosed by a party pursuant to subpoena or other legal process and which as a result becomes lawfully obtainable by the general public.

If either party is confronted with legal action or believes applicable law requires it to disclose any portion of the other party's confidential and proprietary information protected hereunder, that party shall promptly notify and assist the other (at the other party's expense) in obtaining a protective order or other similar order, and shall thereafter disclose only the minimum of the

other party's confidential and proprietary information that is required to be disclosed in order to comply with the legal action, whether or not a protective order or other order has been obtained.

The parties acknowledge that a breach of the provisions of this Section will result in immediate irreparable harm to the aggrieved party, and the aggrieved party shall be entitled to immediate temporary, preliminary, and permanent injunctive or other equitable relief.

- 13. Dispute Resolution:** Any dispute, disagreement, claim or controversy between the parties arising out of or relating to this Agreement (the "Disputed Matter") shall be resolved by mutual agreement by first having the Project Manager for Consultant and the Project Manager or Project Leader for Client meet to endeavor to resolve such dispute. If a resolution to such dispute does not occur during such meeting or within three (3) business days thereafter, the parties agree to elevate the dispute to a meeting of the Client's Project Steering Committee. If a resolution of such dispute does not occur during such meeting or within five (5) business days thereafter, the parties agree to elevate the dispute to the Vice President or President level of Consultant and Client's Chairman of the Executive Committee. If either of the representatives at this level concludes, after a good faith attempt to resolve the Disputed Matter, that amicable resolution through continued negotiation does not appear likely, then, the parties agree to try in good faith to settle the Disputed Matter by mediation under the Commercial Mediation Rules of the American Arbitration Association. No formal proceedings for the judicial resolution of such Disputed Matter, except for the seeking of equitable or injunctive relief, may begin until this dispute resolution procedure is completed. If any such Disputed Matter cannot be settled by mutual agreement as described hereinabove, the parties may decide to enter into binding arbitration or seek legal or equitable remedies.
- 14. Non-Discrimination:** Consultant agrees that it will not discriminate against any person(s) because of age, ancestry, race, color, creed, marital status, political affiliation, religion, disability, national origin, citizenship, sex, or sexual orientation.
- 15. Notice:** Any notice hereunder by one party to the other party shall be given in writing by personal delivery, facsimile, regular mail, overnight mail, or certified mail with proper postage, to the party at the address designated in this Agreement. Any notice shall be effective on the date it is received by the addressee. Either party may change its address for notice purposes by giving the other party notice of such change in accordance with this paragraph.

Notices shall be addressed as follows:

**CLIENT:**

Administrative Services Director  
2330 McCulloch Blvd N  
Lake Havasu City, Arizona 86403  
Phone: (928) 854-4230

**CONSULTANT:**

CherryRoad Technologies Inc.  
301 Gibraltar Drive, Suite 2C

Morris Plains, NJ 07950  
Attn: Barbara M. Robinson  
Phone: (973) 541-4212  
Fax: (973) 541-2545

**16. Waiver or Modification of Agreement:**

- a) Both parties understand and agree that any and all changes and modifications to the terms and conditions of this Agreement shall be by mutual written agreement of both parties.
- b) No waiver or modification of this Agreement or of any covenant, condition, or limitation contained herein shall be valid unless it is reduced to written form and duly executed by the parties. No evidence of any waiver or modification of the terms herein shall be offered or received into evidence in any proceeding, mediation, arbitration, or litigation between the parties arising, in any manner, out of this Agreement, unless such waiver or modification is in writing and duly executed by the parties.
- c) No waiver by either party of any default, breach or condition precedent, shall be construed as a waiver of any provision of this Agreement nor as a waiver of any other default, breach, condition precedent, or any other right hereunder.

**17. Governing Law:** The validity, performance and enforcement of this Agreement shall be governed by and be construed in accordance with the laws of the State of Arizona, without regard to the conflicts of law rules thereof and the state courts or the federal courts of Arizona shall have exclusive jurisdiction and venue over the parties with respect to any dispute or Disputed Matter arising under this Agreement. By signing this Agreement, each party consents to personal jurisdiction in state and federal courts located in Arizona and agrees to not raise any defense to same.

**18. Non-Solicitation of Employees:** Consultant and Client agree that neither party shall directly or indirectly solicit for employment any employee of the other party. This clause shall remain in effect during the term of this agreement and for a period of one year after the termination of this agreement, unless prior written consent of the other party is first obtained.

**19. Independent Contractor Status:** Client expressly acknowledges that Consultant is an "independent contractor", and nothing in this Agreement is intended nor shall be construed to create an agency relationship, an employer/employee relationship, a joint venture relationship, or any other relationship allowing Client to exercise control or direction over the manner or method by which Consultant or its subcontractor performs hereunder. Client shall neither have nor exercise any control or direction over the methods by which the Consultant shall perform its work and functions other than as provided in this Agreement. No party shall have the authority to bind the other or otherwise incur liability on behalf of each other.

**20. Change Orders:** Modifications to the Statement of Work shall be mutually agreed upon in writing between the parties and will be governed by the terms and conditions of this Agreement. Changes in scope will be dealt with on a time and materials basis using rates consistent with the roles identified in Exhibit A and will result in the issuance of a Change Order by Client. Consultant shall not be obligated to provide the work required by the change in the Statement of Work until such time as the Change Order is agreed to in writing by both Consultant and Client.

**21. Severability:** A determination for any reason that any provision of this Agreement is void, invalid, or unenforceable by a court of appropriate jurisdiction shall not affect the enforceability or validity of any other provision of this Agreement or the whole of this Agreement, but such term(s) or provision(s) shall be deemed modified to the extent necessary. The parties shall cooperate and use their best efforts to amend this Agreement in such a way as to confer upon the parties (to the greatest extent possible) the benefits and rights which they would have possessed under the Agreement as a whole, had the invalidated provisions remained in effect. Failing such agreement by the parties, the Agreement shall be construed by the court (to the greatest extent possible) in such a way as to confer upon the parties the benefits and rights which they would have possessed under the Agreement as a whole, had the invalidated provision(s) remained in effect.

**22. Headings or Captions:** The paragraph headings or captions used in this Agreement are for identification purposes only and do not limit or construe the contents of the paragraphs.

**23. Limitation on Liability:** EXCEPT WITH RESPECT TO THE INDEMNIFICATION AND NON-DISCLOSURE OBLIGATIONS SET FORTH HEREIN AND NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, IN NO EVENT SHALL EITHER PARTY BE RESPONSIBLE FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES OF ANY KIND OR NATURE, INCLUDING WITHOUT LIMITATION, LOST PROFITS, LOST REVENUES OR OTHER MONETARY LOSS, ARISING OUT OF OR RELATED TO THIS AGREEMENT AND ANY ACTIONS OR OMISSIONS WITH RESPECT THERETO, WHETHER OR NOT ANY SUCH MATTERS OR CAUSES ARE WITHIN A PARTY'S CONTROL OR DUE TO NEGLIGENCE OR OTHER FAULT ON THE PART OF A PARTY, ITS AGENTS, AFFILIATES, EMPLOYEES OR OTHER REPRESENTATIVES, AND REGARDLESS OF WHETHER SUCH LIABILITY ARISES IN TORT, CONTRACT, BREACH OF WARRANTY OR OTHERWISE. ANY LIABILITY INCURRED BY CONSULTANT IN CONNECTION WITH THIS AGREEMENT SHALL BE LIMITED TO ALL FEES AND EXPENSES PAID BY CLIENT TO CONSULTANT UNDER THIS AGREEMENT. ANY LIABILITY INCURRED BY CONSULTANT IN CONNECTION WITH CLOUD SERVICES SHALL BE LIMITED TO THE TOTAL AMOUNTS ACTUALLY PAID TO CONSULTANT FOR THE CLOUD SERVICES UNDER THE ORDER GIVING RISE TO THE LIABILITY IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO SUCH LIABILITY LESS ANY REFUNDS OR CREDITS RECEIVED UNDER SUCH ORDER.

**24. Work Products:** Consultant shall grant Client, upon full payment, including all retainage, a perpetual, irrevocable, non-assignable, non-exclusive license to all work product and deliverables created by Consultant for Client under this Agreement ("Work"). Consultant shall acquire no rights in any property or information of Client or licensors of Client, except as otherwise expressly provided in this Agreement.

Further, Consultant will retain ownership of all intellectual property, knowledge, techniques, procedures, routines, templates, and methods which have been developed by Consultant in its regular course of business and not for specific use in performance of this Contract, and used in the provision of services ("Consultant Tools"). Consultant shall grant Client, upon full payment, including all retainage, a perpetual, irrevocable, non-assignable, non-exclusive license to all Contractor Tools that Consultant embeds in or provides with any Work or that are otherwise used in connection with the Services.

- 25. Point of Contact:** Should an occasion arise wherein a management decision is necessary to proceed, Client's Project Manager shall serve as the Client point of contact on all matters to be reviewed and considered.
- 26. Term of Agreement:** TBD
- 27. Entire Agreement:** This Agreement, together with the exhibits constitutes the entire agreement between the parties hereto and is a complete and exclusive statement, and all prior agreements, discussions, and understandings are merged herein.
- 28. Binding Effect:** Each party, and each person signing on behalf of a party, represents and warrants that it, he or she has full legal capacity and authority on its own behalf and on behalf of its predecessors, successors, and assigns heretofore and hereafter, to enter into and perform the respective obligations under this Agreement without any additional consent or approval. In addition, each of the parties hereby agrees, represents, and warrants that the execution, delivery, and performance of this Agreement do not conflict in any material respect with or constitute a material breach or material default under the terms and conditions of any material documents, agreements, or other writings to which it is a party. This Agreement shall be binding upon, and inure to the benefit of the parties hereto, their representatives, employees, agents, independent contractors, successors and assigns.
- 29. Counterparts:** This Agreement may be executed in one or more counterparts. All executed counterparts, each of which shall be deemed an original and all such counterparts shall constitute one and the same instrument.
- 30. Participation by Other Local Government Agencies:** Consultant agrees to allow other government entities or agencies to purchase services pursuant to the terms and conditions of this Agreement if such agencies are authorized, by law or their governing bodies, to execute such purchases. Client shall not be a party to such purchases and assumes no liability or responsibility associated with such purchases.
- 31. Good Faith of Parties:** In the performance of this Agreement or in considering any requested approval, acceptance, or extension of time, the parties agree that each will act in good faith and will not act unreasonably, arbitrarily, capriciously, or unreasonably withhold, condition, or delay any approval, acceptance, or extension of time required or requested pursuant to this Agreement.
- 32. CherryRoad/Oracle Public Sector Cloud Services Agreement v.1:** The CherryRoad/Oracle Public Sector Cloud Services Agreement v.1 (the "CherryRoad CSA") is attached hereto as Exhibit B and its terms are fully incorporated herein. The terms and conditions of the CherryRoad CSA shall govern any Cloud Services ordered by Client through the CherryRoad CSA and Cloud Services Ordering Document. The CherryRoad CSA terms and conditions shall take precedence in the event of a conflict with the terms and conditions of this Agreement including any exhibits. Consultant may amend the CherryRoad CSA at any time which shall be incorporated herein. For the avoidance of doubt, Consultant shall invoice Client for Cloud Services and Client agrees to remit payment to Consultant for submitted invoices within thirty (30) days of receipt of invoice. Any additional Cloud Services that Client wishes to purchase shall be incorporated into an amendment to this Agreement.
- 33. Cloud Services Ordering Document:** The Cloud Services Ordering Document is attached hereto as Exhibit C and its terms are fully incorporated herein.



**34. ADP GMSA:** The Global Master Services Agreement (“GMSA”) executed between the Client and ADP is attached hereto as Exhibit D and is hereby incorporated by reference and forms a part hereof. The terms and conditions of the GMSA shall govern any services provided by ADP (“ADP Services”) and ordered by Client through the GMSA. Regarding ADP Services, the GMSA shall take precedence over any conflicting terms in an order, any change order or any other agreement between the parties.

All rights given to ADP under the GMSA shall also be rights given to Consultant. All obligations of the Client to indemnify ADP in the GMSA shall also be an obligation of the Client to indemnify Consultant under the same terms and conditions. Consultant’s warranties are limited to those warranties made by ADP in the GMSA. Consultant’s limit on liability for all damages arising out of or related to any ADP Services whether in contract or tort, or otherwise, shall be limited in the same manner that ADP’s liability is limited in section 7 of the GMSA. Any notification required to be given by the Client to ADP under the GMSA shall also be required to be given by the Client to Consultant.

For the avoidance of doubt, Consultant shall invoice Client for the ADP Services and Client agrees to remit payment to Consultant for submitted invoices within thirty (30) days of receipt of invoice. Any additional ADP Services that Client wishes to purchase shall be incorporated into another Change Request.

If Client terminates any ADP Services or the GMSA in whole or in part for convenience, Client will pay Consultant the following amount: (1) if such termination occurs during the implementation of ADP Services, Client will pay Consultant for the implementation services at Consultant’s then current hourly labor rates and reimburse Consultant for any license fees or other costs incurred in connection with such implementation services; and (2) if such termination occurs after the go-live date for the ADP Services, Client will reimburse Consultant for its costs (including unamortized investments and any costs incurred that have not been recovered from fees charged) associated with the termination of the ADP Services as set forth in the chart below, which provides the unrecovered costs as a percentage of the estimated aggregate ongoing fees for the ADP Services as of the effective date during each year of the GMSA:

| <b>Year</b>  | <b>1</b>   | <b>2</b>   | <b>3</b>  |
|--|------------|------------|-----------|
| <b><i>Percentage of<br/>Estimated Aggregate<br/>Ongoing Fees as of<br/>the GMSA Effective<br/>Date</i></b> | <b>25%</b> | <b>17%</b> | <b>8%</b> |

### 36. Miscellaneous

- a) No Boycott of Israel. Consultant certifies that it is not currently engaged in, and agrees for the duration of this Agreement that it will not engage in, a boycott of Israel, as that term is defined in ARIZ. REV. STAT. § 35-393.
- b) Cancellation for Conflict of Interest: This Agreement may be cancelled in accordance with ARIZ. REV. STAT. § 38-511.
- c) Immigration Law Compliance Warranty: As required by A.R.S. § 41-4401, Consultant hereby warrants its compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). Contractor further warrants that after hiring an employee, Consultant verifies the employment eligibility of the employee through the E-Verify program. If Consultant uses any subcontractors in performance of the Work, subcontractors shall warrant their compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A), and subcontractors shall further warrant that after hiring an employee, such subcontractor verifies the employment eligibility of the employee through the E-Verify program. A breach of this warranty shall be deemed a material breach of the Agreement that is subject to penalties up to and including termination of the Agreement. Consultant is subject to a penalty of \$100 per day for the first violation, \$500 per day for the second violation, and \$1,000 per day for the third violation. Client at its option may terminate the Agreement after the third violation. Consultant shall not be deemed in material breach of this Agreement if the Consultant and/or subcontractors establish compliance with the employment verification provisions of Sections 274A and 274B of the federal Immigration and Nationality Act and the E-Verify requirements contained in A.R.S. § 23-214(A). Client retains the legal right to inspect the papers of any Consultant or subcontractor employee who works on the Contract to ensure that Consultant or subcontractor is complying with the warranty. Any inspection will be conducted after reasonable notice and at reasonable times. If state law is amended, the parties may modify this paragraph consistent with state law.
- d) E-verify Requirements. To the extent applicable under A.R.S. § 41-4401, Consultant and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under A.R.S. § 23-214(A). Consultant's or its subcontractor's failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by Client.

---

Agreed to by:

**CHERRYROAD TECHNOLOGIES INC.**

**CLIENT**

---

(Signature)

---

(Signature)

---

(Name & Title)

---

(Name & Title)

---

(Date)

---

(Date)

**EXHIBIT A**  
**STATEMENT OF WORK**

**EXHIBIT B**  
**CHERRYROAD/ORACLE PUBLIC SECTOR CLOUD SERVICES AGREEMENT**  
**TERMS V. 1**

**EXHIBIT C**  
**CLOUD SERVICES ORDERING DOCUMENT**

## **EXHIBIT D**

### **ADP Global Master Services Agreement**

## **EXHIBIT E**

### **Professional Services Insurance Requirements**