

Proposed Service Level Agreement For Medium SaaS Projects

THIS ON-LINE SERVICES AGREEMENT (this “Agreement”) shall commence on June 15, 2012, or upon execution of this Agreement, whichever date is later, by and between **InternetCompany.com, Inc.**, a California corporation (d/b/a “ACME”), and **CUSTOMER**, a public entity acting by and through its duly appointed representative (“Customer”).

1. Provision of On-line Services.

(a) Customer hereby engages ACME, and ACME hereby agrees (subject to the terms and conditions set forth herein), to provide the services (the “Services”) described in this Agreement. Customer hereby acknowledges and agrees that ACME’s provision and performance of the Services is dependent and conditioned upon Customer’s full performance of its duties, obligations and responsibilities hereunder.

2. **Additional ACME Responsibilities.** In connection with the performance of this Agreement, ACME shall be responsible for the following:

(a) ACME shall provide all required hosting and operations support for the applications provided through this agreement.

(b) ACME shall follow those support, maintenance and other procedures and shall provide those support, maintenance and other services to Customer more fully described in this Agreement.

3. **Customer Responsibilities.** In connection with the performance of this Agreement and the provision of the Services, Customer shall be responsible for the following:

(a) ACME’s logos, including the “powered by” logo, may appear on the “employment opportunities”, “job description” and other pages of Customer’s web site.

(b) Customer shall be responsible for ensuring that Customer’s use of the Services and the performance of Customer’s other obligations hereunder comply with all laws applicable to Customer.

(c) Customer shall be responsible, as between ACME and Customer, for the accuracy and completeness of all records and databases provided by Customer in connection with this Agreement for use on ACME’s system.

4. Additional ACME Service Level Warranties.

A. Application Service Levels.

a. The hosted solution must meet the response time and availability standards described in this section. If response time and/or system availability degrades to a level of non-compliance during the periods specified, Customer may request a Service Credit for each occurrence and the Contractor must take the necessary steps to bring the system back to the required level unless Customer determines that factors outside the Contractor’s control, such as Customer’s infrastructure, are the cause.

(1) Response Times.

Average response times of less than five (5) seconds for screen-to-screen for 95% of all transactions and less than three (3) seconds average for field-to-field activity is required.

(2) System Availability and Connectivity.

The system shall be available 24/7/365 excluding scheduled downtime, and have an uptime availability level of 99.5%. Customer shall be able to connect to the system using any ACME supported web browser and an Internet connection.

Assume 21 business days, 24 hours per day, total of 504 hours per month.

Availability = 501.5 hours

Offline = 2.5 hours

(3) Standard Service Levels/Warranty.

In the event that Customer experiences any of the service performance issues defined in this section as a result of the Contractor's failure to provide services, the Contractor will, upon Customer's request in accordance with Section 4(A)(3)(v) below, credit Customer's account as described below (the "Service Level Warranty"). The Service Level Warranty shall not apply to any services other than system availability, and shall not apply to performance issues (i) caused by factors outside of the Contractor's reasonable control; (ii) that resulted from any actions or inactions of Customer or any third parties; or (iii) that resulted from Customer's equipment and/or third party equipment (not within the sole control of the Contractor).

i. Service Warranty Definitions. For purposes of this Contract, the following definitions shall apply:

(a) "Downtime" shall mean sustained, unscheduled System unavailability in excess of three (3) consecutive hours due to the failure of the Contractor to provide Service(s) for such period. System unavailability is defined as inability to login to the Contractor's systems (this does not include slow performance and/or intermittent system errors). Downtime shall not include any System unavailability during the Contractor's Scheduled Maintenance of the System, and Services, as described herein.

(b) "Scheduled Maintenance" shall mean a period of time where the System is unavailable to CUSTOMER, and/or any third party, in order for the Contractor to perform maintenance of the System. System maintenance includes, but shall not be limited to (i) adding, modifying, or upgrading equipment software and/or System source code, and; (ii) adding, modifying, or upgrading equipment.

(c) "Service Credit" shall be calculated as follows:

Service Level Credit = $\left(\frac{H-2.5}{504} \times 3\right) \times \text{MRC}$

H = Hours in which the Hosting Service is unavailable or is experiencing a Severity Level 1 Error, minus any Service Level Credits Exclusions.

MRC (Monthly Recurring Charges) = One-twelfth of the Hosted Application Management Annual Fees

Where "3" is a negotiated surcharge rate at which service credits accrue when there is downtime or a severity 1 issue.

Service Level Credits Exclusions And Limitations: Service Level Credits apply to live production systems only. Service Level Credits shall not be paid for any Software unavailability that results from Routine and Emergency Maintenance downtime so long as Emergency Maintenance downtime does not exceed one (1) hour in a calendar month. Routine Maintenance downtime is defined as a mutually agreeable period of downtime to perform maintenance as part of the Hosted Application Management Services. Emergency Maintenance downtime is defined as downtime required by Service Provider to perform emergency or critical maintenance. Emergency Maintenance downtime is downtime that cannot be scheduled in advance. Service Level Credits shall not be paid for any Software unavailability that occurs during local Stock Exchange Holidays or weekends. Service Level Credits shall not be paid if, at the time that the unavailability occurs, Customer is in payment default or is not fulfilling all of Customer's Responsibilities or if the Hosted Application Management assumptions are not met. Service Level Credits shall not be paid if the unavailability results from or is in connection with (i) acts or omissions of the Customer, or (ii) force majeure events. Service Level Credits shall not be paid if the Customer elects to not utilize the hosted Disaster

Recovery site system to mitigate unavailability of the hosted Primary site system. Service Level Credits for any month shall not exceed 100% of that month's Hosted Application Management Fees.

ii. Downtime Period. In the event Customer experiences Downtime, Customer shall be eligible to receive from the Contractor a Service Credit for each Downtime period. Only one Service Credit can be applied within a twenty-four (24) hour period. Examples: If Customer experiences one Downtime period, it shall be eligible to receive one Service Credit. If Customer experiences two Downtime periods, from multiple events at least twenty-four (24) hours apart, it shall be eligible to receive two Service Credits.

iii. Remedy for Downtime. If the source of the Downtime is within the sole control of the Contractor, the Contractor will remedy the Downtime as soon as possible. If the source of the Downtime resides outside of the Contractor's System, the Contractor will use commercially reasonable efforts to notify the party(ies) responsible for the source of the Downtime and cooperate with it (them) to resolve such problem as soon as possible.

iv. Failure to Determine Source and/or Remedy. In the event that the Contractor (A) is unable to determine the source of the Downtime within the time periods described herein and/or, (B) along with any hosting service on which the Contractor's system resides is the sole source of the Downtime and is unable to remedy such Downtime within time period described herein, ACME will deliver a Service Credit to Customer according to Section A. (3)(ii).

v. Customer Must Request Service Credit. In order to receive any of the Service Credits described herein, Customer must notify the Contractor within seven (7) days from the time Customer becomes eligible to receive a Service Credit. Failure to comply with this requirement will forfeit Customer's right to receive a Service Credit.

vi. Maximum Service Credit. The aggregate maximum number of Service Credits to be issued by the Contractor to Customer for any and all Downtime periods that occur in a single calendar month shall not exceed seven (7) Service Credits. A Service Credit shall be issued in the Contractor's invoice in the year following the Downtime, unless the Service Credit is due in Customer's final year of service. In such case, a refund for the dollar value of the Service Credit will be mailed to CUSTOMER.

B. Performance Benchmarks

Customer will perform the following tests on a monthly basis.

Add tests here

If the average performance of any of the Tests exceeds the Target Performance Threshold for such test by 100%, Customer shall notify Service Provider's Managed Services support personnel, along with any relevant information, and Service Provider shall initiate the following procedure:

- a. Review any CUSTOMER-provided statistics and any related descriptive information
- b. Validate client test results
- c. Investigate the issue and determine root cause
- d. Develop and pursue corrective action
- e. Communicate status to Customer at a frequency based on Severity Level
- f. Escalate within Service Provider based on Severity Level
- g. Work with Customer to re-test and resolve until performance is brought within Target Performance Thresholds.

Performance issues will be addressed by Service Provider based on Severity Level as described in the Service, Support and Maintenance Attachment (i.e., 24x7support for Severity Level 1 issues; business hours support for Severity Level 2 issues).

If performance issues are due to changes in Customer environment, volumes or usage characteristics, additional hosting infrastructure resources may be required, which Service Provider can provide for an additional fee.

C. Customer Service Response.

Customer requires ACME to be available for telephone customer support from 6:00 am to 6:00 pm Pacific time, Monday through Friday, excluding ACME holidays. Customer can also log cases/issues online 24/7. Customer shall provide first level support to both their user base and applicant base users. ACME will also provide applicant system user support who can also speak with ACME customer help desk representatives to answer any user questions and resolve any possible technical issues.

Priority assignments, definitions and responses are defined as:

Priority 1 - System down. Acknowledgement and updates are governed by Standard Service Level requirements and liability

Priority 2 - Inability to conduct daily business - Acknowledgement Online and or via phone within eight (8) Contractor business hours

Priority 3 - Daily process is able to be completed, but not efficient - Acknowledgement Online and or via phone within sixteen (16) Contractor business hours

Measurable Event	Service Level Requirement	Calculation	Measurement Interval
Timely Resolution of Application Problems and Maintenance Service Requests	Priority 1: 90% within 4-8 hours Priority 2: 90% within 16-24 hours Priority 3: 85% within 2-5 Business Days	Performance = Number of Tickets Closed within severity level timeframe / Total number of Tickets Closed	Measure = Monthly Report Period = Quarterly

ACME shall provide periodic updates or responses as progress is made. Failure to meet these standards shall result in Customer receiving a Service Credit.

The Customer shall designate up to three technical contacts (“Technical Contacts”) to act as liaison with Service Provider’s technical support team.

D. Backup and Recovery Plan.

ACME shall update and maintain a Backup and Recovery Plan in support of the hosted solution. To prevent loss of data, ACME shall test and implement backup and recovery procedures. This plan shall include procedures for the periodic copying of data to other media and the process for restoring data to its original or prior form. Tests shall be performed to validate the backup and recovery procedures. ACME shall include provision for off-site storage of the Applicant Services application and data. ACME shall update this plan on a quarterly basis, if applicable.

ACME will maintain the capabilities to recover system and data with a Recovery Time Objective (RTO) of 24 hours as required by CUSTOMER. ACME must be able to recover the system and data with a Recovery Point Object (RPO) of eight (8) hours. ACME shall have failover connectivity to its switching equipment providing complete redundancy. ACME is responsible for managing, configuring, and maintaining the computer and networking

equipment and each piece of networking and server equipment is configured to be redundant with no single point of failure. ACME shall utilize multiple Internet connections load balanced through firewalls and switches enabling ACME to get up to 200 Mbps burst to provide for maximum bandwidth scalability. ACME owns, operates and manages all its network and security equipment – including firewalls, switches, load balancers, SAN/NAS devices etc. Customer databases are stored on a primary database server cluster that is clustered for redundancy. All customer data is stored on disk storage that is mirrored across different storage arrays and controllers for both archival and retrieval purposes. ACME shall use BIG-IP load balancers to balance traffic for its web servers and SQL Server clustering and data mirroring features maximum data redundancy and scalability.

E. Security Plan.

ACME shall maintain a detailed Security Plan describing how the system application security features shall be integrated with existing network user log-in ids. Recommended levels of security, limitations of capabilities, and required rules shall be provided.

F. Disaster Recovery Plan.

ACME shall maintain a Disaster Recovery Plan throughout the life of the contract. The plan must address recovery of business functions, business units, business processes, human resources, and the technology infrastructure. The Contractor shall continually review the Disaster Recovery Plan and make necessary updates to the plan at least annually to ensure the plan always contains accurate and up-to-date information.

The plan shall include, but not be limited to:

- a. Checkpoint/restart capabilities.
- b. Description of data file and backup retention.
- c. Backup procedures for all keying operations.
- d. Backup procedures for all other manual operations in the event of a computer or telecommunications outage or a disaster at any of Customer offices.
- e. Backup procedures for online processing.
- f. Recovery procedures for loss of manual files and hardcopy documents.
- g. Annual test of the disaster recovery plan.

G. Maintenance and Upgrades.

ACME shall maintain a standard enhancement release schedule for rolling out new Insight features and capabilities and all Insight releases (upgrades) shall be included at no additional cost upon release.

Each enhancement release includes written communication about the new features as well as trainings of the new features (if applicable) and updated user documentation. ACME announces upgrades and generates a notification outlining new system capabilities and a description on how to utilize the functionality. All customers are notified via email of the new items and the process in which to use the functionality. Customers are again notified via email two weeks prior to the rollout.
