



Caselle® Software & Services Proposal

Northwest Arctic Borough, AK

September 1, 2016

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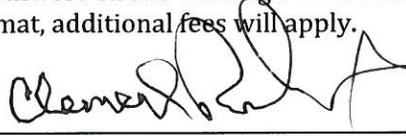
Proposal Summary

Total Software License	\$49,695
Special Consideration Discount	<7,454>
Net Software License	\$42,241
Total Training	8,625
Total Setup	14,950
Total Conversion	7,250
Total Investment	\$73,066

A deposit of 50% of the total proposal price is required with order. The remaining balance will be due upon completion of training.

Software Assurance (after the "qualified" free support period) will be \$1,327 per month.

I have read and agree to all terms & conditions proposed herein. I understand if Northwest Arctic Borough is unable to provide data to Caselle in the requested format, additional fees will apply.



Signature

Clement Richards

Printed Name & Title

9-21-2016

Date

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Proposal Detail

<i>Caselle®</i> Application Software	License Fees	Training	Setup	Conversion	Total
General Ledger	\$5,500	\$1,625	\$700	\$3,000	\$10,825
Budgeting	Incl. w/GL	Included	-	-	-
Bank Reconciliation	Incl. w/GL	Included	-	2,000	2,000
miExcel GL	500	Included	500	-	1,000
Payroll/Direct Deposit	9,200	1,625	1,750	850	13,425
Electronic W2/1099	1,700	Included	-	-	1,700
Timekeeping	2,700	750	500	-	3,950
Human Resources	4,500	375	-	-	4,875
Online Pay Stubs/W2's	-	-	3,000	-	3,000
Accounts Payable	5,500	375	500	1,400	7,775
Cash Receipting	4,500	375	500	-	5,375
Business Tax Collection	4,500	500	1,500	-	6,500
Business Tax Online Filing/Payment	3,000	Included	3,000	-	6,000
Business License/Tax Web Services	500	-	-	-	500
Caselle Document Management Premium Package	3,595	3,000	3,000	-	9,595
Three (3) Concurrent User Licenses	Included	-	-	-	Included
Two (2) Additional Concurrent User Licenses (5 Total)	4,000	-	-	-	4,000
Sub Total	\$49,695	\$8,625	\$14,950	\$7,250	\$80,520
Special Consideration Discount	(7,454)	-	-	-	(7,454)
Grand Total	\$42,241	\$8,625	\$14,950	\$7,250	\$73,066

Notes:

1. Online Paystubs includes 50 employees paid bi-weekly and annual W2's. Software Assurance will be adjusted if the number of employees exceeds this estimate.
2. The Caselle Document Management Premium Package includes: Full Text Search, Encryption, Drag and Drop, Role-Based Security, Versioning, Document Retention, Audit Trail, OCR (10,000 pages/month), three (3) Concurrent User Licenses, three (3) Advanced Workflow Licenses and the Caselle Clarity Suite Integration.

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Software Assurance Breakdown per Month	
General Ledger, Budgeting, Bank Reconciliation	\$138.00
GL Excel Add-in	25.00
Payroll/Direct Deposit	230.00
Electronic W2/1099	25.00
Timekeeping	68.00
Human Resources	113.00
Online Pay Stubs/W2's	46.00
Accounts Payable	138.00
Cash Receipting	113.00
Business Tax Collection	113.00
Business Tax Online Filing/Pmt.	75.00
Business Tax Web Services	13.00
Caselle Document Management	130.00
Two Additional Concurrent User Licenses	100.00
Total	\$1,327.00

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General Information

In order to further define and clarify the various products and services offered in this proposal, the following notes will apply based on the software applications and/or services quoted:

- | | |
|--|--|
| Hardware, Network, & Database Software Requirements | It is the responsibility of the customer to meet the attached Caselle System Requirements. Prior to the implementation, your SQL Server installation must be complete. Customers requesting additional assistance with Microsoft SQL Server installations are asked to contact Executech, Caselle's authorized contractor at (801) 253-4541. Charges will be billed at the rate of \$105 per hour upon approval by the customer. You will be invoiced by Caselle for these services. |
| Source Code | Source code is held in escrow with InnovaSafe, Inc. Technology Protection Services and requires a beneficiary enrollment form, available upon request. An annual fee of \$200 will apply. |
| Software License Fees | The price quoted is based on the number of concurrent users listed in the proposal. Additional concurrent user licenses are \$2,000 each. |
| Training | Unless otherwise quoted, training will take place at Caselle's Education Center, located in Provo, Utah. Your staff will be trained on your data. Approximately one half of the training time will be spent reviewing and validating your converted data files. Training hours are from 8:30 a.m. to 4:30 p.m., Monday through Friday. |
| On-site Implementation Assistance | If on-site implementation assistance is quoted, this will include a pre-implementation customer process evaluation meeting. We will review your current processes and determine what is required to make a smooth transition to the Caselle software system. Additional on-site assistance days may be quoted to assist during and after the implementation. This insures that you are utilizing the Caselle application features to the full benefit of your organization. |
| Travel Expenses | If on-site training or implementation assistance is quoted, travel expenses will be estimated based on the number of days and trips required. Actual expenses will be invoiced when implementation is complete. |
| Software Maintenance & Support | Two months of free support is provided when Caselle's conversion and training are purchased. When Caselle completes the data conversion and training, a Software Assurance agreement is implemented following the free support period. |



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Implementation Services

Data conversion is an involved, sometimes complicated procedure that must be completed with a high level of accuracy and precision. To make this process run smoothly, Caselle requires your assistance in providing the required materials for preliminary data conversion, offering clarification as needed during the conversion process, and supplying updated materials for the final data conversion. **Please read the following information carefully.**

Gathering Preliminary Data

Assemble the following information and send it to Caselle.

- Complete the **Information Worksheets** during each phase of the conversion.
- Provide **data to be converted**.
 - You may need to clarify the data, as needed, during the conversion process.
 - Caselle will not convert the prior period detail during data conversion unless optional history conversion is specified in the contract.
- Send **printed or PDF reports** to verify account balances at the time data is sent to Caselle for preliminary conversion and again for final data conversion.

Submitting Conversion Data

You will be provided a file layout (**See Attachment A**) for each application that will have data conversion. The file layout details the required and/or optional fields that Caselle will need to provide the conversion. The cost of conversion quoted in this proposal is based on your submission of the necessary data in the requested formats. If data cannot be supplied in this format, additional costs will be billed to get your existing data into the desired formats ready for conversion, and could delay any proposed timeline. We may also need file layouts or descriptions of tables and where all of the necessary information is located within your existing data to complete the conversion.

Data Conversion Timeline

The timeline begins when the requested data and all required preliminary information has been received by Caselle. The timeline to complete an accurate data conversion can range from 90 – 120 days. This is dependent upon the condition of the data and the client's willingness to review the preliminary information for accuracy, including information requested in the discovery phase of the conversion.

Scheduling Training

Important! Training will only be scheduled after Caselle has completed the mock conversion and the customer has reviewed and approved the conversion.

After training is scheduled, a representative from the Implementation team will review the remaining steps to ensure a successful implementation, prior to going Live on Caselle.

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Software Setup & Data Conversion

This section contains the items, per directory, that will be setup and converted in each module. Since estimating the exact quantity may be difficult, we will adjust the calculated conversion cost if the actual number of items converted is greater than or less than 25% of the original estimate.

Data conversion requires that data be submitted in the required format. **(See Attachment A)** It is the responsibility of the customer to provide data to Caselle. Conversion services to retrieve or modify your data to the required formats are available at an additional cost. These services will be billed at Caselle's current hourly rate and are not included in this proposal.

General Ledger Setup

- Set up the control table in the General Ledger and Account Masks with the appropriate segments for funds, departments, revenue sources, object codes, and other account classifications.
- Modify the existing chart of accounts to utilize the advanced reporting features available with Caselle, if needed.
- Format five standard financial statements:
 - Balance Sheet with Revenue/Expenditures compared to budget
 - Allocation Reconciliation
 - Income Statement (All Funds)
 - Balance Sheet (All Funds)
 - Fund Summary Income Statement

Note: Fees may be required to set up additional financial statements.

- Establish all necessary journals for interfaced subsystems to allow the subsystems to update transactions to the General Ledger.
- Create a custom Checklist to document your organization's daily, monthly, and fiscal year-end steps; as well as budget procedures.

Data Conversion

- The current year-to-date trial balance and budget will be entered and balanced to your existing system. Caselle will provide supporting reports that document the balance sheet accounts, revenues, and expenditure balance for auditing purposes. A trial balance period will be established and all periods from that period forward will contain detail transaction information, if provided.

1,500 accounts are included

Bank Reconciliation Data Conversion

- Bank reconciliation for the desired cash accounts with outstanding deposits and checks will be established. A bank reconciliation will be completed and balanced to cash for the appropriate beginning period.

4 bank accounts are included

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Payroll/Direct Deposit Setup

- Set up necessary pay codes for gross pay, deductions, taxes, and benefits.
- Set up check formats for the Employee Payroll Check and Vendor Remittance for applicable deductions.
- Create a custom Checklist to document all necessary payroll procedures for pay periods and year-end.
- Set up default reports for all necessary payroll reporting, including:
 - Transmittals
 - Standard State/Federal Reporting
- Set up header and batch information with the appropriate ACH/NACHA file information.
- Set up bank file with all necessary employee bank routing information.
- Format one direct deposit voucher.

Additional Options (available at Caselle's current hourly rate):

- Format additional forms, such as timesheets.

Data Conversion

- Each employee's information will be converted. This information includes the employee name, address, Social Security number, exemptions, and worker's compensation status.
- Each employee's wage distribution for salary and benefits will be established.
- Employee pay codes for all wages, deductions, taxes, benefits, and reimbursements will be converted.
- Payroll YTD information will be entered and reviewed to ensure W-2 information is accurate at year-end.
- Payroll processing to verify data conversion is accurate will be completed.
- Payroll YTD totals, leave time, hours, and benefits will be balanced to the existing system if supporting reports are provided.
- Caselle will provide reports of the converted data for auditing purposes.
- Each employee file will be set up with the employee's bank routing account information for full ACH compatibility. A pre-notification test file will be generated and verified to ensure accuracy.

50 employees are included

Timekeeping Setup

- Establish activity codes and appropriate payroll overrides.
- Set up and define task codes, including descriptions and General Ledger override accounts, if necessary.
- Set up employee defaults for tasks, activities, and shifts.
- Set up applicable FLSA shifts with beginning dates, ending dates, and default hours.

Accounts Payable Setup

- Establish vendor defaults.
- Format one check form with requested stub detail.
- Create a Checklist to document Accounts Payable procedures, including the printing of 1099's.

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Data Conversion

- Each vendor's information will be converted. This information includes the vendor name, street address, mailing address, remittance addresses, city, state, zip code, and 1099 status.

- Exception: 1099 balances can be established, if provided.

700 vendors are included

Cash Receipting Setup

- Set up the General Ledger accounts for bank deposits and standard receipting revenue.
- Set up category and distribution codes.
- Set up payment types, for example, check, cash, and credit card, and associated reports for balancing.
- Create default reports to assist in daily operation.
- Create a Checklist to document procedures for daily cash receipting transactions, updates, and posting of receipts.

**Business Tax
Collection Setup**

- Set up fees, frequencies, tax agencies, tax return types, and tax types.
- Format six business tax return forms.
- Format four other forms (delinquent notice, non-file notice, overpayment notice, renewal notice, etc.)
- Create a Checklist to document Business Tax procedures.

ATTACHMENT A

General Ledger Conversion Layout

The following tables detail the required format for your data migration to Caselle General Ledger. All exported data should be delivered in a CSV format, Access or SQL database, or an additional format previously approved by a Caselle migration specialist.

Please review the following tables, and notice that each required field is marked with an 'R' for required, while optional fields are marked 'O' for optional.

Account Table – Stores all information for the Organizations Chart of Accounts.

Field	Req/Opt	Format	Comments
Account Number	R	Text, 30 char	Account number; must be unique
Title	R	Text, 30 char	Account title
Expanded Title	O	Text, 60 char	Expanded account title
Closing Account	R	Yes/No	Each fund must have only one closing account
Normal Balance	R	Text, 6 char	Debit or Credit
Account Type	R	Text, 11 char	Asset, Liability, Equity, Revenue or Expenditure
Header Account	R	Yes/No	Yes indicates that the account is non-posting
Notes	O	Text	Account notes

Bank Table – Stores the banks that will be used in the General Ledger for Reconciliation purposes.

Field	Req/Opt	Format	Comments
Bank Name	R	Text, 50 char	Bank of America, Wells Fargo, etc.
Account Description	R	Text, 15 char	Checking, savings, etc.
Routing Number	O	Numeric, 9	R if this bank is to be used for direct deposit
Bank Account	O	Text, 20 char	Account number at bank

Budget Transaction Table – Stores all transactions that are only related to the Budget.

Field	Req/Opt	Format	Comments
Account Number	R	Text, 30 char	GL Account number
Date	R	Date	Budget date
GL Period	R	Numeric	MMYY
Amount	R	Numeric	Budget amount; negative if revenue
Reference Number	O	Numeric	Reference number
Sequence Number	O	Numeric	Sequence within Reference Number
Description	R	Text, 60 char	Budget transaction description

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Transaction Table – Stores all of the transactions that make up the account actual balances. All period balances will be determined by the actual transactions that are identified in the Data. For example the 12/21/2012 date will be stored within the 12/31/2012 General Ledger period.

Field	Req/Opt	Format	Comments
Account Number	R	Text, 30 char	GL Account number
Date	R	Date	Transaction date
GL Period	R	Numeric	MMYY
Amount	R	Numeric	Transaction amount
Journal Code	O	Text, 10 char	Journal Code if transactions are grouped by journal
Reference Number	O	Numeric	Check numbers, etc.
Sequence Number	O	Numeric	Sequence within Reference Number
Description	R	Text, 60 char	Transaction description

Payroll Conversion Layout

The following tables detail the required format for your data migration to Caselle Payroll. All exported data should be delivered in a CSV format, Access or SQL database, or an additional format previously approved by a Caselle migration specialist.

Please review the following tables, and notice that each required field is marked with an ‘R’ for required, while optional fields are marked ‘O’ for optional.

Employee Table – Stores all employee information for Payroll.

Field	Req/Opt	Format	Other Info
Employee Number	R	Numeric	Employee number
Name	R	Text, 40 char	Employee name
Address 1	R	Text, 40 char	Employee address – line 1
Address 2	O	Text, 40 char	Employee address – line 2
City	R	Text, 30 char	Employee city
State	R	Text, 30 char	Employee state
Zip	R	Text, 10 char	Employee zip code
Phone 1	O	Text, 18 char	Employee phone 1
Phone 2	O	Text, 18 char	Employee phone 2
Fax	O	Text, 18 char	Employee fax
Email	O	Text, 250 char	Employee email
Social Security No	R	Numeric	Social security number without formatting
Hourly Rate	R	Numeric	Hourly rate of pay
Annual Wage	R	Numeric	Annual salary amount

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Employee Table Continued			
Field	Req/Opt	Format	Other Info
Birth date	R	Date	Date of birth
Driver License	O	Text, 20 char	Driver License number
Annual Hours	R	Numeric	Estimated annual hours; default is 2080
Gender	O	Text, 7 char	Employee gender
Department	O	Text, 30 char	Department this employee works in
Hire Date	R	Date	Date of hire
Job Class	O	Text, 20 char	
Job Position	O	Text, 60 char	
Pay Frequency	R	Text, 12 char	Biweekly, semimonthly, monthly, etc.
Payroll Type	R	Text, 10 char	Salary, hourly, etc.
Status	R	Text, 10 char	Full time, part time, seasonal, etc.
Termination Date	O	Date	Date employee was terminated
Workers Comp class	R	Text, 10 char	Workers Compensation class code
Pay Schedule	O	Text, 30 char	Only use if pay is based on salary schedule
Pay Grade	O	Text, 30 char	Only use if pay is based on salary schedule
Pay Step	O	Text, 30 char	Only use if pay is based on salary schedule
Notes	O	Text	Notes about this employee

Disbursement Table – Stores all information for the Direct Deposit Information for employees.

Field	Req/Opt	Format	Comments
Employee Number	R	Numeric	Employee number
Sequence Number	R	Numeric	Sequence of employee disbursements
Bank Name	O	Text, 50 char	Name of bank
Routing Number	R	Numeric	Bank routing number
Account Number	R	Text, 30 char	Bank account number
Type	R	Text, 30 char	Amount or Percent
Transaction Type	R	Text, 30 char	Checking or Savings
Amount	R	Numeric	Zero for remainder

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Employee Allocation Table – Stores information where the employee wages are charged. More than one allocation for an employee can exist as long as total allocations equal 100%.

Field	Req/Opt	Format	Comments
Employee Number	R	Numeric	Employee number
GL Account	R	Text, 30 char	GL Account for employee's salary expense
Allocation Percent	R	Numeric	Percent of salary to allocate to GL Account
Workers Comp class	R	Text, 10 char	Workers compensation class code
GL Activity Number	O	Numeric	Only needed if Activity Reporting is set up in GL
Job Number	O	Text, 20 char	Only needed if Project Management is used

Employee Transaction Table – All Payroll transactions for Employees are stored in this table.

Field	Req/Opt	Format	Comments
Employee Number	R	Numeric	Employee number
Check Issue Date	R	Date	Actual check issue date MM/DD/YYYY
Check Number	R	Numeric	Physical check number/ voucher for Direct Deposit
Pay code	R	Text	Earning, deduction or tax code
Hours	R	Numeric	Number of hours for calculation
Rate	O	Numeric	Rate of Pay
Amount	R	Numeric	####.##
Workers Comp Code	O	Text	Workers compensation class code
GL Account	O	Text	

Employer Transaction Table – All Benefit Transactions for the Employer are stored in this table.

Field	Req/Opt	Format	Comments
Employee Number	R	Numeric	Employee number
Check Issue Date	R	Date	Actual check issue date MM/DD/YYYY
Pay code	R	Text	Benefit code
Hours	R	Numeric	Number of hours for calculation
Rate	O	Numeric	Rate of Pay
Amount	R	Numeric	####.##
Workers Comp Code	O	Text	Workers compensation class code
GL Account	O	Text	



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Leave Transaction Table – All employee transactions for any type of leave (Vacation, Sick, Personal Time off, etc.) are stored in this table.

Field	Req/Opt	Format	Comments
Employee Number	R	Numeric	Employee number
Check Issue Date	R	Date	Check issue date MM/DD/YYYY
Pay code	R	Text	Leave code – sick, vacation, comp time, etc.
Leave Hours	R	Numeric	Number of hours accrued
Leave Rate Level	O	Text	Employee leave rate level

Employee Code Table – Paycode information for individual employees is stored in this table.

Field	Req/Opt	Format	Comments
Employee Number	R	Numeric	Employee number
Pay code	R	Text	Earning, deduction, tax or benefit code
Pay code type	R	Text	Earning, deduction, tax, benefit
Amt/Rate/Percent	R	Numeric	Employee amount, rate or percent
ARP Code	R	Text	Amount in previous field is amount, rate or percent

Accounts Payable Conversion Layout

The following tables detail the required format for your data migration to Caselle Accounts Payable. All exported data should be delivered in a CSV format, Access or SQL database, or an additional format previously approved by a Caselle migration specialist.

Please review the following tables, and notice that each required field is marked with an ‘R’ for required, while optional fields are marked ‘O’ for optional.

Vendor Table – Stores all information for the Accounts Payable Vendors.

Field	Req/Opt	Format	Comments
Vendor Number	R	Numeric	Vendor number
Sequence	R	Numeric	Should be 1 unless multiple addresses are provided
Name	R	Text, 40 char	Vendor name
Address 1	R	Text, 40 char	Vendor address – line 1
Address 2	O	Text, 40 char	Vendor address – line 2
City	R	Text, 30 char	Vendor city
State	R	Text, 30 char	Vendor state
Zip	R	Text, 10 char	Vendor zip code
Phone 1	O	Text, 18 char	Vendor phone 1

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Vendor Table Continued			
Field	Req/Opt	Format	Comments
Phone 2	O	Text, 18 char	Vendor phone 2
Fax	O	Text, 18 char	Vendor fax
Email	O	Text, 250 char	Vendor email
Contact	O	Text, 40 char	Contact name
Vendor Type	R	Text, 15 char	Normal or 1099
GL Account	O	Text, 30 char	Default GL account for this vendor
1099 ID number	O	Text, 15 char	Federal tax ID number; required if 1099 vendor
1099 Type	O	Text, 20 char	Type of 1099 – Nonemployee, Rent, Attorney, etc.
Department	O	Text, 30 char	Department that uses this vendor
Terms	O	Text, 30 char	Terms – 2/10 net/30, etc.
Notes	O	Text	Notes about this vendor

Invoice / Invoice Detail Tables – Stores the invoice information that is tied to the vendors.

Field	Req/Opt	Format	Comments
Vendor Number	R	Numeric	Vendor number
Invoice Number	R	Text, 20 char	Invoice number
Sequence	R	Numeric	Invoice line number
Invoice Date	R	Date	Date of invoice
Payment Due Date	R	Date	Date payment is due
Terms	O	Text, 30 char	Payment terms
Description	R	Text, 250 char	Description of goods/services purchased
Amount	R	Numeric	Amount to pay
GL Account	R	Text, 30 char	GL Account number this expenditure posts to
IRS 1099 Type	O	Text, 20 char	If purchase qualifies for 1099 reporting

Check / Check Detail Tables – This table stores the check information that is tied to the vendors.

Field	Req/Opt	Format	Comments
Vendor Number	R	Numeric	Vendor number
Check Number	R	Numeric	Check number
Check Sequence	R	Numeric	Line number on check
Invoice Number	R	Text, 20 char	Invoice number paid by this check
Invoice Sequence	R	Numeric	Invoice line number paid by this check sequence
Check Issue Date	R	Date	Date of payment
Amount	R	Numeric	Amount to pay
Bank	R	Text, 50 char	Name of bank this check is drawn on

**SOFTWARE MAINTENANCE & SUPPORT AGREEMENT
(SOFTWARE ASSURANCE)**

CASELLE, INC.
1656 S. East Bay Blvd.
Suite 100
Provo, UT 84606

and

NORTHWEST ARCTIC BOROUGH
163 Lagoon St.
PO Box 1110
Kotzebue, AK 99752

("Caselle")

("You" or "Your")

agree that Caselle will provide You with unlimited telephone support on Caselle's Software, for the purpose of answering Your questions, giving usage instructions, providing updates and attempting to resolve problems on a best efforts basis, for the consideration of \$1,327.00 monthly, subject to the following terms and conditions:

Availability

Support calls, covered by this Agreement, will be answered by Caselle's Support Center, on the designated support telephone number, between 7:30 am and 5:30 pm Mountain Time, Monday through Friday, except holidays.

Coverage

This Maintenance & Support Agreement covers all Caselle application software licensed to You. It does not cover third party software or products. Support may, on a best efforts basis, be provided for third party products, such as operating systems and hardware. Extended, after hours support may be billable at Caselle's regular hourly billing rate.

Charges

Charges cover Software presently installed and will remain fixed for one year providing You license no new applications. If You license new applications or change user levels, charges will be modified. Following the first year, charges may be increased, at Caselle's discretion.

Updates

Caselle will provide program updates within the same operating system through normal software releases at no extra charge. Additional software packages, add-on modules and custom programming are not covered by this Agreement and will be billed at current rates. Caselle will determine which enhancements and/or materials will be part of a software release, add-on package or custom programming.

Upgrades

Caselle will provide software upgrades within the same operating system at no extra charge if this agreement is still in effect at the time the upgrade is made available and if this agreement is not cancelled or terminated for a period of five (5) years.

Term and Termination

This Software Maintenance & Support Agreement is effective for one year from the date of the Agreement. Thereafter, it will automatically be renewed monthly, unless either party gives written notice of termination, at least 30 days in advance. If the Agreement is terminated Caselle will honor commitments to support You until the date of termination.

Payment

Payment terms shall be monthly in advance in U.S. Dollars and shall not be considered received until Your check clears the banking process. Any charges or costs incurred in the collection of Your check, due to insufficient funds or any other reason, shall be reimbursed by You. Late payments shall be subject to extra charges. If payment is not received when due, Caselle reserves the right to suspend Your support until payment is received. Such suspension will not relieve You of payment obligation.

Limitations of Remedies

Your Remedies. Your sole and exclusive recourse and remedy for any loss, including your right to recover damages shall be as set forth in this Section. Caselle's liability with respect to any and all actual losses incurred during the Term (or a Renewed Term) of the Agreement shall not exceed the amount paid by You to Caselle at the last billing. You shall provide Caselle with documentation sufficient to demonstrate any expenses that You actually incurred for which You seek damages from Caselle. Caselle shall not be responsible for any loss incurred by You from a claim that is settled or compromised by You without the prior written approval of Caselle.

No Liability for Consequential Damages. In no event shall Caselle be liable to You or to any third party for any indirect, special, punitive, incidental, consequential or compensatory losses, damages, claims or causes of action in excess of the amount of compensation paid hereunder, including, but not limited to, those arising from loss of business or profits or any other economic loss, even if Caselle was aware of the possibility of such damages.

General

(a) You shall not assign, sublicense or transfer any of Your rights under this Agreement without the prior written consent of Caselle.

(b) This Agreement shall be governed and construed in accordance with the laws of the State of Utah. If any part of this Agreement violates applicable law that part of the Agreement shall be deemed to be amended to the extent necessary to comply with the law.

(c) This Agreement constitutes the entire agreement between Caselle and You and supersedes any prior agreement or understanding, written or oral relating to support services. Except as provided herein, this Agreement may not be varied, amended or supplemented except in writing and properly executed by both parties.

(d) If any provision of this Agreement shall be adjudged by a court to be void or unenforceable, the same shall in no way affect any other provision of this Agreement or the validity or the enforceability of this Agreement.

(e) All rights and remedies provided herein are cumulative and are in addition to all other rights and remedies available at law or equity.

(f) In the event either party successfully takes legal action to enforce any provision of this Agreement the non-prevailing party shall pay full costs and expenses of such action, including reasonable attorney's fees.

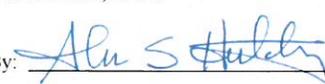
(g) Any notice required by this Agreement shall be deemed to have been properly given if sent by registered or certified mail to the address stated above or such other address as may be designated in writing by either party.

(h) The waiver of any breach or default of this Agreement shall constitute a waiver only as to such particular breach or default and shall not constitute a waiver of any other breach or default.

(i) Caselle shall not be held liable for delays in any of its performance resulting from acts of God, war, civil disturbance, court order, labor dispute or any other cause beyond its control.

The signatures below indicate each party's acceptance of this Agreement. Each party has caused this agreement to be executed by its duly authorized representative.

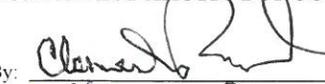
CASELLE, INC.

By: 

Name & Title: Alan S. Hutchings, President

Date: September 1, 2016

NORTHWEST ARCTIC BOROUGH

By: 

Name: Clement Richards

Title: Mayor

Date: 9-15-2016

SOFTWARE LICENSE AGREEMENT

CASELLE, INC.
1656 S. East Bay Blvd.
Suite 100
Provo, UT 84606

("Caselle")

NORTHWEST ARCTIC BOROUGH
163 Lagoon St.
PO Box 1110
Kotzebue, AK 99752

("You" or "Your")

You agree to License the Software and Purchase the services detailed below ("Items"), and Caselle, Inc. agrees to provide them, subject to the terms and conditions on pages two and three of this Agreement.

Total Price \$73,066.00

Deposit \$36,533.00

Balance Due \$36,533.00

Items

Total Software	\$42,241.00
Total Training	8,625.00
Total Setup	14,950.00
Total Conversion	7,250.00
Total Price	<u>\$73,066.00</u>

The attached proposal is considered part of this Agreement.

The signatures below indicate each party's acceptance of this Agreement. Each party has caused this Agreement to be executed by its duly authorized representative.

CASELLE, Inc.

By:



Name & Title: Alan S. Hutchings, President

Date: September 1, 2016

NORTHWEST ARCTIC BOROUGH

By:



Name & Title: Clement Richards

Date: 9-15-2016 Mayor

CASELLE, INC.
SOFTWARE LICENSE AGREEMENT

Grant of License

Caselle, Inc. and its Licensors agrees to grant, and You agree to accept a limited, non-transferable, non-exclusive license ("License") to use the computer programs, with the accompanying manuals, literature and other materials ("Software") as detailed under Items, in perpetuity subject to the terms and conditions of this Software License Agreement and subject to termination as provided herein. The term Software shall also include all revisions, updates, enhancements and new modules or add-ons to the existing Software as detailed under Items.

Payment

The Deposit shall be paid by You upon execution of this Software License Agreement. The Balance shall be paid within sixty (60) days of delivery of the Software, which delivery You agree to accept, notwithstanding earlier termination by you as provided hereinafter. Payment shall be in U.S. Dollars and shall not be deemed to have been received by Caselle until Your check clears the banking process. Any costs incurred in collecting Your check, due to insufficient funds or any other reason, shall be reimbursed by you. Late payments shall be subject to a FINANCE CHARGE OF 1.5% PER MONTH, OR 18% PER ANNUM.

Taxes

Prices and fees are exclusive of all federal, state, municipal, or other government excise, duties, sales, use, occupational, or like taxes now or hereafter in force, and are therefore subject to increase in an amount equal to any tax Caselle may be required to collect or pay upon licensing or delivery of any Items, other than federal, state and local taxes based on Caselle's income. You also agree to pay all personal property taxes which accrue to you by reason of this Agreement.

Title and Confidentiality

Title and full ownership rights to the Software licensed under this Agreement, including, without limitation, all intellectual property rights therein and thereto, and any copies You make, remain with Caselle. It is agreed the Software is the proprietary, confidential, trade secret property of Caselle, whether or not any portions thereof are or may be copyrighted and You shall take all reasonable steps necessary to protect the confidential nature of the Software as You would take to protect Your own confidential and trade secret information. You further agree that You shall not make any disclosure of any or all such Software (including methods or concepts utilized therein) to anyone, except to employees, agents, or contractors working for You to whom such disclosure is necessary to the use for which rights are granted hereunder. You shall appropriately notify all employees, agents, and contractors to whom any such disclosure is made that such disclosure is made in confidence and shall be kept in confidence by them. Upon Caselle's request, such employees, agents, and contractors shall enter into an appropriate confidentiality agreement for secrecy and nonuse of such information which by its terms shall be enforceable by injunctive relief at the request of Caselle. If Caselle makes such a request, it shall provide You with the appropriate confidentiality agreements. The obligations imposed by this section upon You, Your employees, agents, and contractors, shall survive and continue after any termination of rights under this Agreement. It shall not be a breach of this Agreement if

you are required to disclose or make the Software available to a third party or to a court if the Software is subpoenaed or otherwise ordered by an administrative agency or court of competent jurisdiction to be produced or disclosed.

License

You may:

- a) Use the Software on a single CPU or network ("System") for the appropriate number of users. The Software may be moved to and used on another System, but shall under no circumstances be used on more than one System at a time.
- b) Make System readable copies of the software media provided with the Software as required for backup protection. Such copies may only be used in support of Your use of the Software on the System and may not be used for any other purpose. Each of these copies must have a label placed on the media indicating the Software is a proprietary product of Caselle.

You may not:

- a) Rent, lease, sublicense, assign, sell, loan or otherwise transfer this Software, in whole or in part, except as expressly permitted by this Agreement.
- b) Inspect, disassemble, decompile, reverse engineer or in any way attempt to determine the internal methods of the Software.
- c) Modify the Software or merge it into any other product without the express written consent of Caselle.
- d) Reproduce, prepare derivative works based upon, transmit or distribute the Software, or any part of it, in any form or by any means except as expressly permitted in this Agreement.
- e) Permanently transfer or assign the Software and the rights under this License to another party without the express written consent of Caselle.

Any attempt to do any of the above (a to e) shall void and terminate this Agreement.

Term

This Software License Agreement is and shall be effective from the date of full execution and shall remain in force until terminated. You may terminate this Agreement at any time by notifying Caselle in writing and returning all copies and modifications of the Software within 30 days of such notification. Your License terminates automatically if you materially fail to comply with any terms or conditions of this Agreement and You must return all copies and modifications of the Software to Caselle within 30 days of receipt of written notification of such termination. For each day You retain the Software without a valid License You agree to pay Caselle \$100.

Warranty

Caselle warrants that it has sufficient right and title to the Software to grant You this License. For one (1) year from the date of receipt of the Software ("Warranty Period"), Caselle also warrants the Software media to be free from defects in materials and workmanship under normal use, and Software operation will substantially conform to the specification published by Caselle. If an error or a defect in the Software or its media becomes apparent within the Warranty Period You must promptly notify Caselle, in writing, describing the defect. Upon confirming the error or defect Caselle will, at its exclusive option, repair or

replace the item or refund the price paid for the defective item. Caselle does not warrant that the functions contained in the Software will meet Your requirements or that the operation of the Software will be uninterrupted or error free. The warranty does not cover Software modified by anyone other than Caselle and problems with, or caused by, computer hardware or non-Caselle software. This limited warranty is VOID if failure of the licensed Software has resulted from accident, abuse or misapplication.

Disclaimers and Limitations of Warranty and Remedies

EXCEPT AS SPECIFICALLY STATED IN THE WARRANTY SECTION OF THIS AGREEMENT, THE SOFTWARE IS LICENSED "AS IS" WITHOUT ANY OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL CASELLE BE LIABLE FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF ANTICIPATED PROFITS, REVENUE OR SAVINGS, BUSINESS INTERRUPTION OR LOSS OF BUSINESS INFORMATION, ARISING FROM THE USE OF OR INABILITY TO USE THE SOFTWARE OR BREACH OF ANY EXPRESSED OR IMPLIED WARRANTY, EVEN IF CASELLE OR ITS AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING THE FAILURE OF AN ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. CASELLE'S AGGREGATE LIABILITY UNDER THIS AGREEMENT FOR DAMAGE WILL NOT, IN ANY EVENT, WHETHER BASED UPON CONTRACT, NEGLIGENCE, STRICT LIABILITY IN TORT, WARRANTY, OR ANY OTHER BASIS, EXCEED THE LICENSE FEES PAID BY YOU FOR THE LICENSED SOFTWARE GIVING RISE TO SUCH LIABILITY.

Returns

- a) No returns will be accepted without a written request to Caselle. To receive full credit, less the cancellation fee (set forth below), such requests must be made in writing to and received by Caselle's corporate office within thirty (30) days of this agreement. No returns will be considered for credit until appropriate notice has occurred within the time limits specified and all Software and related materials are returned to Caselle's corporate office within ten (10) days of notice.
- b) Pre-approved returns occurring after the thirty-day period has lapsed will be allowed 75% credit, if such requests are made in writing to and received by Caselle's corporate office within sixty (60) days of this agreement. Any returns attempted after the sixty-day period has lapsed will receive no credit.
- c) A minimum cancellation fee of 10% will be assessed to all pre-authorized returns. Caselle has a right, but not an obligation to retrieve the returned Software. Caselle will assume no liability for Software that is damaged or lost in transit while being returned. Additionally, such returns shall occur at Client's expense.
- d) In addition to the return of the Software, Client agrees that it will delete and remove all copies from all computer systems within its control. Client also agrees that it will return all written materials received from Caselle, including program materials, instruction manuals, and any and all training materials to Caselle.

Additional Services

Support, Training and Data Conversion for the Software will be

provided directly by Caselle, or its authorized support centers, and are subject to separate agreements.

General

- a) This Agreement shall be governed and construed in accordance with the laws of the State of Utah and You hereby consent to the jurisdiction of State and Federal courts in Utah. If any part of this Agreement violates applicable law, that part shall be deemed to be amended to the extent necessary to comply with the law.
- b) This Agreement constitutes the entire Agreement between Caselle and You and supersedes any prior Agreement or understanding, written or oral, relating to the subject matter of this Agreement. Except as provided herein, this Agreement may not be amended or supplemented except in writing and properly executed by both parties.
- c) If any provision of this Agreement shall be adjudged by a court to be void or unenforceable, the same shall in no way affect any other provision of this Agreement or the validity or the enforceability of this Agreement.
- d) All rights and remedies provided herein are cumulative and are in addition to all other rights and remedies available at law or equity.
- e) In the event that either party successfully takes legal action to enforce any provision of this Agreement the unsuccessful party shall pay full costs and expenses of such action, including reasonable attorney's fees.
- f) Any notice required by this Agreement shall be deemed to have been properly given if sent by registered or certified mail to the address set forth in this Agreement.
- g) The waiver of any breach or default of this Agreement shall constitute a waiver only as to such particular breach or default and shall not constitute a waiver of any other breach or default. Failure to act by either party in exercising any right, power, or remedy under this Agreement, except as specifically provided herein, shall not operate as a waiver of any such right, power or remedy, and will not affect the validity of the whole or any part of this Agreement, or prejudice such party's right to take subsequent action.
- h) Neither party shall be held liable for delays in any of its performance resulting from acts of God, war, civil disturbance, court order, labor dispute or any other cause beyond its control.
- i) The relationship of the Parties shall be solely that of independent contractors. No partnership, joint venture, employment, agency or other relationship is formed, intended or to be inferred under this Agreement. Neither party to this Agreement shall attempt to bind the other, incur liabilities on behalf of the other, act as agent of the other, or authorize any representation contrary to the foregoing.
- j) This Agreement is binding upon and shall inure to the benefit of the parties, their successors and assigns. However, this Agreement is not assignable by you. This Agreement is personal to you and neither the Agreement, nor the rights or duties hereunder, may be voluntarily or involuntarily, directly or indirectly, assigned or otherwise transferred without the prior written consent of Caselle. Any unauthorized assignment or transfer shall constitute a breach hereof and shall be voidable by Caselle.

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