



MASTER SOFTWARE LICENSE,  
MAINTENANCE & PROFESSIONAL SERVICES AGREEMENT

Pega CR-26591

This Master Software License, Maintenance and Professional Services Agreement (the "Agreement") is effective October 21, 2015, between Pegasystems Inc., located at One Rogers Street Cambridge, MA, 02142, USA ("Pegasystems"), and the state of North Carolina Department of Environmental and Natural Resources ("Customer").

This Agreement describes the terms and conditions that will apply to licenses for Pegasystems' products that Customer purchases from time to time, and maintenance services and professional services and training from Pegasystems relating to those licensed products. This Agreement consists of specific terms and conditions relating to Licenses, Maintenance and Professional Services and Training, general terms and conditions relating to the relationship between the parties, the defined terms specified on Exhibit A, and the terms and conditions in any Schedule. This Agreement also incorporates Exhibit B and its terms and conditions.

Pegasystems' products include its PegaRULES Process Commander® (PRPC) platform for business process management, and solution frameworks and technology components that provide purpose-specific or industry-specific functionality that enable customers to efficiently deploy PRPC for specific solutions. These products are comprised of RuleSets that Customer may configure to develop Applications for processing and automation of its business, as described in a License Schedule to this Agreement. Customer may integrate these Applications to its other systems through Service and Connector facilities. Customer may also obtain maintenance services under a Maintenance Schedule to this Agreement and professional services and training under a Work Order to this Agreement.

#### Licenses

1. License Grant.

- (a) Pegasystems grants to Customer or its applicable Affiliate a non-exclusive license to use the Software, in object code and/or RuleSet form, for the Scope of Use specified in the applicable License Schedule. This license is non-transferable, except as provided in Paragraphs 15(b) and (c).
- (b) Customer may use the Software on any Technology Platform that is then generally supported by Pegasystems, and may switch from one generally supported Technology Platform to another (e.g., from a Windows environment to a Linux environment) at no additional charge.
- (c) Unless specifically authorized by law, Customer may not reverse engineer, decompile, disassemble or otherwise attempt to determine source code or protocols from the Software. Customer agrees not to lease or sublicense the Software to any third party or otherwise use it except as permitted under this Agreement or the applicable Schedule. The Software will contain Pegasystems' copyright notice, and Customer will reproduce such notice in any permitted copy made by Customer.
- (d) In each License Schedule, Customer will commit to purchase licenses for production use of each Application at the time that development of the Application begins. Customer will not use shared User IDs, or aggregating technologies such as concentrators, multiplexers, gateways or edge servers, to avoid or reduce the counting of individuals that use the Software.
- (e) Pegasystems retains all right, title and interest to the Software and Background Materials.

2. Escrow of Source Code. (RESERVED)

#### Maintenance

3. Maintenance. In a License Schedule, Customer may purchase maintenance services as described in the applicable Maintenance Schedule. The following terms and conditions will apply to maintenance services:
- (a) The maintenance term under each License Schedule will renew for a successive annual term, at the then-current fees under such License Schedule, subject to annual adjustments upon each renewal in accordance with Section 6, unless either party provides prior written notice of its intent not to renew maintenance at least 60 days prior to the expiration of the then-current term. If Customer elects not

MASTER SOFTWARE LICENSE,  
MAINTENANCE & PROFESSIONAL SERVICES AGREEMENT



Pega CR-

to renew maintenance, the election must be for all of the Software licensed under the applicable License Schedule. In addition, if Customer cancels maintenance under any License Schedule, it agrees that it cannot use maintenance services that remain in effect under another License Schedule for the benefit of any Application that is covered by the License Schedule for which maintenance was cancelled. The maintenance fees for each term will be due and payable thirty days in advance.

- (b) If the Customer licenses the Software for additional use, the corresponding maintenance fee will be assessed at the applicable percentage of the license fee. Any such additional maintenance fee will be prorated to reflect the period of time remaining in the then-current term and will be payable from the date the additional usage is licensed.
- (c) In the event that Customer elects not to renew maintenance, and then later elects to purchase maintenance, any reinstatement of maintenance services will be subject to the mutual agreement of the parties and Customer's payment to Pegasystems of 100% of all fees that would have been payable from the time that Customer discontinued maintenance to the time of its reinstatement.

#### Services and Training

- 4. Performance of Services; Deliverables.
  - (a) Pegasystems may provide Services to Customer under a mutually-agreed Work Order.
  - (b) All Deliverables that Pegasystems creates during the course of Services for Customer under this Agreement will be a "work made for hire" and will become, effective upon payment by Customer in full, the exclusive property of Customer. Customer will also retain all right, title and interest in any RuleSets that Customer develops for itself using the Software. So long as Pegasystems has not used any Customer Confidential Information, Customer agrees not to challenge or make claims against Pegasystems' ability to provide its products and services to other customers.
  - (c) Pegasystems may use its Background Materials in the course of providing Services to the Customer. Background Materials will at all times remain the property of Pegasystems, and Customer will receive a non-exclusive, fully-paid license to use the Background Materials that are provided under a Statement of Work solely in connection with the Deliverables with which they were provided under the terms of the applicable License Schedule.

#### General Terms and Conditions

- 5. Term.
  - (a) This Agreement is binding upon signing and will continue through the term of its Schedules.
  - (b) In the event that Pegasystems commits a material breach of this Agreement or any Schedule, and such breach is uncured for 30 days following receipt of Customer's written notice to Pegasystems specifying the breach, Customer may terminate this Agreement and any Schedule to which the breach relates by providing written notice of Pegasystems' failure to cure such breach. In the event that Customer commits a material breach of this Agreement or any Schedule, including non-payment, and such breach is uncured for 30 days following Pegasystems' written notice to the Customer specifying the breach, Pegasystems' reserves the right to either suspend or terminate Customer's use of the Software or Pegasystems' provision of maintenance or other services.
  - (c) If the Agreement is terminated or expires, each party will return to the other, or certify in writing the destruction of all Confidential Information (as defined below) or property of the other, provided, however, that neither party has to delete or erase any Confidential Information that has been saved to a back-up file or electronic archiving system in accordance with such party's ordinary back-up or document retention policies or that is required for litigation, regulatory or corporate records retention reasons. Upon termination of the Agreement or any Schedule, the payment obligation for all fees for the full applicable term will be paid to Pegasystems at the time of termination of this Agreement or the Schedule. For the avoidance of doubt, the parties may retain information for a reasonable applicable period of time following termination that they reasonably believe in good faith is subject to disclosure under the Freedom of Information Act (FOIA).
  - (d) (RESERVED)
  - (e) (RESERVED)
  - (f) Sections 1(c), 1(e), 5(c), 8 through 11 and 15 will survive the termination of this Agreement.

6. Fees. Fees and expenses are specified in the applicable Schedule and are payable in US Dollars (\$), unless otherwise specified. To the extent that Customer requires the issuance of a purchase order before it can make payment, Customer's delay in issuing the purchase order prior to the due date will not affect Customer's obligation to pay the applicable charges and interest. All payments are due within 30 days of the date of Pegasystems' invoice.

Once due, all fees are non-cancelable and non-refundable, except to the extent expressly provided in this Agreement or such Schedule or under applicable law. License fees, maintenance fees and PegaCloud and PegaCloud Hosting subscription fees for future years may be increased by Pegasystems no more than once per year in an amount up to the corresponding increase in the U.S. Consumer Price Index (All Urban Consumers), or 3%, whichever is lower.

7. Taxes. Customer represents that it is not subject to any tax obligations subject to tax id #400027.

8. Representations and Warranties.

- (a) Each party represents and warrants that entering into and carrying out the terms and conditions of this Agreement will not violate any obligation binding upon it; that each party will comply with all applicable laws in connection with its performance under this Agreement; and that the executing persons have the authority to bind their respective parties.
- (b) Pegasystems warrants that for a period of 270 days from the initial delivery of the Software:
- (i) The Software will operate substantially in accordance with its Documentation; and
  - (ii) No disruptive or corrupting software that would damage, disable or compromise the security of an Application will be introduced into the Software by Pegasystems or its employees. Customer will conduct virus-checking procedures before allowing installation or using the Software, and for each new version, upgrade or service pack.

Pegasystems will, at its election, promptly repair the Software to resolve any failure of these warranties, which can be replicated or verified, or replace the Software with alternative software that provides substantially the same functionality. These remedies will be Customer's exclusive remedy for any failures of these warranties. In order for Customer to invoke these remedies, Customer must provide written notice to Pegasystems within the warranty period, expressly outlining the nature of the alleged failure or breach.

- (c) The foregoing warranties will be void to the extent that any failure of such warranties is caused by (i) anyone other than a Pegasystems employee modifying the Software (unless Pegasystems authorizes the specific change in writing), or (ii) non-Pegasystems' software or hardware.
- (d) Pegasystems warrants that all services provided under this Agreement will be performed in a good and workmanlike manner, consistent with industry standards.
- (e) EXCEPT AS EXPRESSLY STATED IN THIS SECTION 8, PEGASYSTEMS MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING FITNESS FOR A PARTICULAR PURPOSE.

9. Confidentiality.

- (a) "**Confidential Information**" means all properly designated information provided by or on behalf of a party to the other party unique to the disclosing party's business, including but not limited to Pegasystems' Software and Documentation. For the avoidance of doubt, Confidential Information also includes any information that is protected as confidential by applicable law, statute or regulation.
- (b) Each party agrees to receive and hold any Confidential Information supplied by the other party in confidence and agrees:
- a. not to disclose or publish any such Confidential Information to third parties;
  - b. not to use any such Confidential Information except for those purposes specifically authorized by the disclosing party;
  - c. to restrict access to such Confidential Information to those of its officers, directors, agents and employees who have a need to know, have been advised of the confidential nature of the Confidential Information, and who are under obligations of confidentiality to the receiving party; and
  - d. to follow the other party's reasonable on-site security procedures.
- (c) The above confidentiality provisions will not apply to information that:
- a. is in the public domain at the time of its disclosure;
  - b. is disclosed to a third party who is under no obligation to maintain the confidentiality of the information with the prior written consent of the disclosing party;
  - c. becomes known to the receiving party from a source other than the disclosing party, provided such source is legally entitled to have and disclose the information;
  - d. is independently developed by a receiving party without use of the Confidential Information of the disclosing party, as demonstrated by written records of such receiving party; or
  - e. is required to be disclosed by a court or regulatory authority or because of laws, rules or regulations, including N.C. Gen. Stat. §132-9.

- f. Pegasystems will own and be free to incorporate any suggested repairs, fixes, changes or modifications to the Software into its products.



10. Indemnification.

(a) Pegasystems will indemnify Customer from, and defend Customer against, any third party claim that the Software or a Deliverable infringe upon a United States, Australian, Canadian or European Union trademark, copyright, trade secret or patent ("**IPR**"). In the event that the Software or a Deliverable is found to be infringing or if Pegasystems deems it advisable as a result of a claim or threatened claim, Pegasystems will, in its reasonable discretion:

- (i) procure for Customer the right to continue using the Software or applicable Deliverable;
- (ii) replace or modify the Software or applicable Deliverable so that it becomes non-infringing; or
- (iii) in the event that Pegasystems cannot reasonably do either of the foregoing in its discretion, terminate the particular Schedule to which the IPR infringement claim relates and refund the Software license fees associated with such Schedule, depreciated on a straight-line five year basis.

These remedies will be Customer's sole remedy for any IPR infringement claims.

- (b) Pegasystems will not indemnify Customer when the alleged infringement results from (i) content provided by Customer or developed for Customer as a Deliverable pursuant to written specifications or instructions provided by Customer; (ii) modifications to the Software or applicable Deliverable by Customer or a third party; or (iii) RuleSets created by Customer or a third party.
- (c) Pegasystems shall indemnify Customer and defend Customer against any third party claim to the extent that it is attributable to bodily injury or to death of any person or to damage to or destruction of any property, resulting from the willful or negligent acts of Pegasystems, its agents or employees.
- (d) In asserting any claim for indemnification, the relevant party must provide prompt written notice describing the claim, and cooperate fully with the indemnifying party. The indemnifying party will reasonably be entitled to control any proceedings or litigation for which it is indemnifying the other party, except that the indemnifying party will not, without the other party's prior written consent (not to be unreasonably withheld), enter into any settlement that would require the other party to take any action, or refrain from taking any action, other than permitting the indemnifying party to pay money damages on its behalf.

11. Limitation of Liability. (RESERVED)



MASTER SOFTWARE LICENSE,  
MAINTENANCE & PROFESSIONAL SERVICES AGREEMENT

Pega CR-



- 12. Outsourcing. Customer will be permitted to allow a third party service provider to use the Software as part of a technology outsourcing arrangement or to assist Customer in the development of an application, provided that:
  - a. such use is solely for the benefit of Customer and subject to the terms and conditions of this Agreement; and
  - b. Customer informs Pegasystems in writing and provides reasonable assurances that the requirements of this Section have been satisfied.

- 13. Notices. Any notices under this Agreement will be in writing and sent by certified mail, return receipt requested, or by a nationally or internationally recognized overnight delivery service, to:

*Pegasystems:* Pegasystems Inc.  
 One Rogers Street  
 Cambridge, MA 02142-1590 USA  
 Attention: General Counsel

*Customer.* \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Attention:

- 14. Insurance. During the term of this Agreement and for so long as any Schedule has not been terminated or expired, Pegasystems will maintain insurance coverage with limits no less than those set forth below.

Property/Casualty/Fire Insurance - To cover Lease Requirements & Inventory	Replacement Basis
Commercial General Liability	\$2Million
• Workers Compensation	Statutory
• Employers Liability	\$1 Million
• Automobile Liability	\$1 Million
• Professional Liability (Errors & Omissions)	\$1 Million
• Umbrella/Excess Liability	\$5 Million
• Fidelity Bond	\$1 Million

The insurance companies used must be rated at least A- by A.M. Best's Rating Service or equivalent. Upon written request by the Customer, Pegasystems will provide a Certificate of Insurance evidencing the required insurance or Customer may obtain such certificate directly from:  
[http://www.marsh.com/Ma\\_rs\\_hPorta\\_l/PortalMain?PI D=AppMoi FAQ-Terms&CLI ENT=90011 4580](http://www.marsh.com/Ma_rs_hPorta_l/PortalMain?PI D=AppMoi FAQ-Terms&CLI ENT=90011 4580)

- 15. Additional Terms and Conditions.

- (a) Cooperation. The parties agree that they will cooperate at all times in good faith to comply with the terms and conditions of this agreement. In the event of any dispute, which cannot be readily resolved within 30 days, the parties will each escalate the matter to senior management who will meet in person or by telephone within 15 days of receipt of notice of the dispute, to attempt to resolve the open issues. The preceding provision shall not prohibit either party from pursuing any valid remedy provided by governing law.
- (b) Assignment or Delegation. Neither party may assign or delegate any rights or obligations under this Agreement or any Schedule without the other party's prior written consent, except that, subject to Section 15(c), either party may assign the entirety of its rights and obligations under this Agreement (i) to its parent company or an Affiliate, or (ii) in connection with a merger or sale of a business unit or majority stock ownership provided that the successor party assumes the rights and obligations in writing and has adequate resources to meet its obligations and Customer notifies Pegasystems in writing prior to the assignment. Customer will not assign or delegate any rights or obligations under this Agreement or any Schedule to a Pegasystems competitor, which will be defined as any entity that offers for license or provides as a services access to software that has a primary function of business rules and/or business process management. Any assignment is subject to the terms and conditions of this Agreement.



MASTER SOFTWARE LICENSE,  
MAINTENANCE & PROFESSIONAL SERVICES AGREEMENT

Pega CR-

- (c) Customer Combinations. In the event that Customer should merge with, acquire, or be acquired by another entity (collectively, a "**Combination**"), the resulting combined entity may only use the Software within the scope of the Customer's operations at the time of the Combination. In addition, the parties will negotiate in good faith a proportionate adjustment to the fees due under the applicable Schedule as a result of the Combination.
- (d) Non-Solicitation. Neither party will hire or contract with, either as an employee or an independent contractor (either directly or through a third party), any Covered Personnel of the other party. The term "Covered Personnel" of a party will mean that party's employees or any contractors retained by that party who are professional services personnel or who were involved in the performance of this Agreement within the preceding six-month period, or any person who would *have* been considered Covered Personnel but for having terminated employment or contractual relationship within the past six months. Breach of this Paragraph will constitute a material breach of this Agreement.
- (e) Export Compliance. The export and re-export of the Software and any Pegasystems technology is subject to export controls under the laws and regulations of the United States, Customer agrees, at all times, to comply fully with these controls, laws and regulations.
- (f) U. S. Government Contracts. (RESERVED)
- (g) Cooperation; Usage Validation. Pegasystems and Customer agree that each will execute and deliver documents, including confirmations to Pegasystems auditors, and take such other actions as may reasonably be requested to effect the transactions contemplated by this Agreement. Pegasystems reserves the right, upon reasonable prior notice, to validate Customer's usage of the Software and its compliance under this Agreement. Customer will provide usage logs generated by the Software in connection with this usage validation.
- (h) Force Majeure. (RESERVED)
- (i) No Waiver. Neither a failure of a party to exercise any power or right under this Agreement, nor a custom or practice of the parties with regard to the terms or performance under this Agreement will constitute a waiver of the rights of such party to demand full compliance with the terms of the Agreement.
- (j) Counterparts. This Agreement may be signed in counterparts, including facsimile or PDF counterparts or electronic signatures, each of which will be a legally binding method of execution of the Agreement.
- (k) Entire Understanding. (RESERVED)
- (l) Enforceability. If any portion of this Agreement is declared by a court of competent jurisdiction to be overbroad or unenforceable, the remainder of this Agreement will be valid and enforceable to the fullest extent permitted.
- (m) Governing Law. This Agreement will be governed by the laws of the state of North Carolina.

**Agreed:**

**Pegasystems Inc.**

**Customer**

By: DocuSigned by:  
Shawn Hoyt

Name: 40A45968D01D4AD...  
Shawn Hoyt

Title: Vice President

Date: 10/21/2015

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



MASTER SOFTWARE LICENSE,  
MAINTENANCE & PROFESSIONAL SERVICES AGREEMENT

Pega CR-

Exhibit A

For the purposes of the Agreement and any Schedule, the following definitions will apply, unless otherwise expressly stated:

"Affiliates" are those entities that control, are controlled by, or are under common control with a party to the Agreement. Affiliates may be entitled, subject to the terms of this Agreement and the applicable Schedule, to license Software, use Software licensed by Customer, or purchase maintenance or professional services. For the purpose of any Schedule to which an Affiliate is a party, the Affiliate will be additionally considered the Customer for purposes of the Agreement and such Schedule.

"Application" means a collection of rules and processes that provides specific business functionality and is released to production as a unit. Each Application is documented in the Software by an Application Rule.

"Background Materials" means processes, methods, software (including but not limited to the Software), related documentation, designs and know-how which Pegasystems creates independently of the services for Customer. Background Materials also include all tangible and intangible materials created by Pegasystems that apply to other Pegasystems customers and which do not include any Customer Confidential Information.

"Connector" means an integration facility that permits the Software to call applications for data or processing.

"Deliverable" means RuleSets, documents and other tangible work product that are produced by Pegasystems for Customer during the course of the performance of Services under a Work Order, excluding any Background Materials.

"Documentation" consists of user manuals for the Software, which are provided to Customer in electronic form at the time of delivery of the Software.

An "Invocation" is a call for execution of the Software as a business rules engine to perform an automated decision or calculation. For the avoidance of doubt, multiple processes or queries performed by the Software in completing the call for execution do not result in additional Invocations.

"License Schedule", "Maintenance Schedule" or "Work Order" means, respectively, a signed agreement to license products, purchase maintenance or purchase professional services from Pegasystems. License Schedules, Maintenance Schedules and Work Orders are referred to collectively as "Schedules". Each Schedule will be non-cancelable and non-refundable, except to the extent expressly provided in this Agreement or such Schedule or under applicable law.

A "RuleSet" is a named collection of configuration records created using the Software. For Pegasystems' provided RuleSets, the RuleSet names usually begin with "Pega" or the "&", "@" or ")" symbol.

"Scope of Use" means the licensed purpose, licensed metric and licensed volume of use for the Software specified in the applicable License Schedule.

"Service" means an integration facility that permits applications to call the Software for data or processing.

"Services" means professional services provided by Pegasystems pursuant to a Work Order for consulting, installation support, and access to training courses. Services do not include maintenance.

"Software" will mean the licensed software listed in the applicable License Schedule, including any service packs, upgrades or other releases provided to Customer pursuant to a paid maintenance agreement. The Software includes Pegasystems' provided RuleSets and source code generated by the Software, if any.

"Technology Platform" will mean hardware, operating system, database, web browser, application server or other software on which Customer utilizes the Software.

A "User" is a person who uses the Software in a particular month.

1. A "Sporadic User" is a person that uses the Software during less than 10 hourly periods in a calendar month.
2. An "Occasional User" is a person that uses the Software during between 10 and 50 hourly periods in a calendar month.
3. Any person other than a Sporadic User or Occasional User that uses the Software in a calendar month, or that has the privilege to modify rules or processes, is a "Regular User".

Regular Users, Occasional Users and Sporadic Users will be the unit of measurement for work done by customer staff. The number of Regular Users, Occasional Users and Sporadic Users will be measured each calendar month based on their actual usage of the Software in that month. The Software tracks only actual





MASTER SOFTWARE LICENSE,  
MAINTENANCE & PROFESSIONAL SERVICES AGREEMENT

Pega CR-

use, so a person who has a User ID but does not use the Software in a month will not be counted as a User for that month. Also, for the avoidance of doubt, merely being "logged in" is not counted as actual use during inactive hours.

## Exhibit B

1) **Software, Maintenance, Hosting, Training, Services and Pricing – First Year Costs**

NC DENR is purchasing the following items numbers 1, 2, 3, 4 and 10 from the Pega BAFO at the amounts listed below and subject to the terms below. As noted below, NC DENR has elected to not purchase items 5-9 from the Pega BAFO at this time. Note that Pega Predictive Diagnostic Cloud (PPDC) has been substituted for Autonomic Event Services (AES) in line item #1 below as PPDC is a Pega product which provides all of the functionality of AES, plus additional beneficial features.

#	Item	Cost	In Scope for Project Part of the contract	Comments
1	<p><b>Software:</b> Pega for Government (PFG); Certification and Licensing Framework (CLF), for use with one Application; Pega Predictive Diagnostic Cloud (PPDC), for use with one Application; Business Intelligence Exchange (BIX), for use with one Application; Project Management Framework (PMF), for use with one Application; All currently available Services/Connectors.</p> <p><b>Licensed Purpose:</b> DMF staff and licensed fisherman may use the Software for the North Carolina marine fisheries licensure program to process and issue commercial fishing licenses, provide fishing trip reports, and issue and respond to fishing warnings, violations, and suspensions.</p> <p>“Application” means a collection of rules and processes that provides specific business functionality and is released to production as a unit. Each Application is documented in the Software by an Application Rule.</p> <p>The Software will be accepted upon delivery (“Acceptance”). This Acceptance is not dependent on any remaining services, conditions, or contingencies, and there are no other written or verbal agreements with respect to this acceptance.</p>	\$496,329	YES In scope, part of the contract	One-time perpetual license
2	<p>Hosting Fees DMF desires to host the solution in the Pega Cloud with database of record hosted on State of NC infrastructure.</p>	\$168,000	YES In scope, part of the project	Annual Cost (\$14,000 per month)
3	<p>Software Maintenance for above license for initial year</p> <p>Maintenance fee for future years is at 20% of the software License fee subject to sections 3(a) and 6 of the Pega Agreement</p>	\$99,266	YES In scope, part of the contract	Annual Cost
4	<p>Services</p> <p>Provided for in separate documentation</p>	\$1,016,560	YES In scope, part of the contract	Services to develop and implement full functionality of FIN replacement as per RFP mandatory requirements. Reduction

				in cost per BAFO received from Pegasystems
<b>Matches to BAFO item 4 Page 7</b>		<b>\$1,780,155</b>		
5	OPTIONAL: Internet Application Composer (IAC)	\$83,775	NO Not in scope, Not part of the contract	
6	OPTIONAL: Pega Mobile Client for 84 Regular Users	\$99,266	NO Not in scope, Not part of the contract	
7	OPTIONAL: Pega Mobile Client for 45 Marine Patrol Officers	\$211,950	NO Not in scope, Not part of the contract	
8	OPTIONAL: Internet access for 800 fish dealers to access FIN Pega Mobile Client for 800 Fish Dealers	\$301,440	NO Not in scope, Not part of the contract	
9	Web Interface Fish Dealers to submit trip tickets over the internet	\$18,480	NO Not in scope, Not part of the contract	
10	Training: <b>NOTE:</b> DMF has chosen Virtual training over Self-Study. DMF agrees to training for classroom for DCO essentials	Proposed: Virtual: \$30,375 Classroom: \$4,050 TOTAL from Vendor: \$34,425  \$64,800 estimated cost by DMF	YES In scope, Part of the contract	Expected increase in training costs due to additional team members to be trained as part of the project  7 ea: System Architect Essentials 1 (\$3,375 virtual each) 7 ea: System Architect Essentials 2 (\$3,375 virtual each) 2 ea: Business Analyst for Business Architect Essentials (\$3,375 virtual each) 2 ea: System Administrator (\$3,375 virtual each) 2 ea: DCO Project Essentials (\$2,025 classroom each)
<b>Total Cost</b>		<b>\$1,844,955</b>		

## PREMIUM MAINTENANCE SCHEDULE

This Maintenance Schedule is a binding agreement that is incorporated by reference into, and made a part of, the Master Software License, Maintenance and Professional Services Agreement dated \_\_\_\_\_, 201\_ and all applicable License Schedules between Pegasystems Inc. and [ *Insert Name of Customer* ] (together, the "Agreements"). In the event of a conflict between the terms of the Agreements and the terms of this Maintenance Schedule, the terms of this Maintenance Schedule will control.

Pegasystems will provide Customer maintenance services comprising Problem Resolution, Software Updates, Upgrades and access to the Pega Discovery Network (together, "Support"). Pegasystems will provide Support in accordance with the procedures described in *Support @ Pega*, the Pegasystems customer support handbook, as updated from time to time. Pegasystems may not update the *Support @ Pega* document in a manner that would materially and adversely affect the rights of Customer to Support under this Maintenance Schedule.

### *Problem Resolution*

Pegasystems will repair errors or problems with the Software so that the Software operates in substantial accordance with its Documentation. Problem Resolution includes:

- **Support:** Issues may be reported by Customer's Designated Contacts via Pegasystems' support portal or via telephone. Pegasystems will work with the Customer to provide relief and/or a permanent solution to all Support Requests (SRs).
- **Designated Contacts:** Customer will provide Pegasystems with designated people who may contract Pegasystems' support. Customer may change these contacts upon written notice to Pegasystems, and it is the responsibility of Customer to update the contacts (e.g., if one the designated contacts is no longer employed by Customer or authorized by Customer to contact Pegasystems' support).
- **Access:** Access to Customer's systems shall be controlled at all times by the Customer. Access shall be provided to Pegasystems on an as needed basis, as approved by Customer. Customer agrees to allow Pegasystems to use a software tool to view Customer's desktop environment using a secure, encrypted connection in order to allow Pegasystems to provide real time response, access and resolution of issues or to promptly apply critical Software repairs. During any Support session in which Pegasystems has electronic access to Customer's systems, access to such systems must include persistent connectivity with reasonable throughput and bandwidth available to perform all necessary functions. All changes by Customer to electronic access should be communicated to Pegasystems in a timely manner.

The scope of Problem Resolution is as described in Table A and Table B below:

<b>Support Table A</b>	
Problem Resolution Coverage	Premium
Coverage	<ul style="list-style-type: none"> <li>• For Severity 1 (Down Production Emergencies): 24 X 7</li> <li>• For all other Severity Levels: 9AM – 5PM standard business days, if: in the US, US ET; in Europe, GMT; in Asia Pacific, Australian ET</li> </ul>
Number of Calls	Unlimited
Telephone support within coverage hours	Included
Secure access to Knowledge Base FTP site	Included
Severity 1 Initial Target Response Time	15 minutes **
Severity 2 Initial Target Response Time	1 hour *
Severity 3 Initial Target Response Time	4 hours *
Severity 4 Initial Target Response Time	8 hours *
* Initial response during standard business days	
** Initial response, 24x7	

Support Table B	
Severity Level	Severity Level Description
1	Severity 1 is used in instances in which the Pegasystems production system is down or the Software is otherwise unusable resulting in massive disruption of production use. Pegasystems' goal for providing initial relief (such as an alternative method to restore system operations) for Severity 1 cases is within 4 hours. The timeframe for providing a permanent resolution for Severity 1 issues is dependent upon the specific situation, and is typically jointly determined by Customer and Pegasystems' support manager. Severity 1 cases are eligible for continuous effort by Pegasystems support personnel, provided that Customer's resources are made similarly available, until relief is provided.
2	Severity 2 problems involve disruption of a major feature or function of the Software due to a defect and have a significant impact on production (but do not result in extended downtime), or severely impair development efforts. The time frame for providing a permanent resolution for Severity 2 issues is dependent on the specific situation, and is typically jointly determined by the Customer and Pegasystems' support manager.
3	Severity 3 is Pegasystems' default severity, and is always used for new cases unless otherwise requested by Customer. Severity 3 problems include those that involve the failure of a feature or function which results in the Software not working as described in the Documentation.
4	Severity 4 problems include general questions about Software usage/functionality that do not involve errors. Non-Software issues such as requests for support network web site access, problems using the support network, or other issues that do not impact usability of the Software also fall into this category.

Pegasystems is not responsible for errors caused by (a) non-Pegasystems' software or hardware, (b) unauthorized modifications to the Software, or (c) failure to follow the operating procedures described in the Software documentation, or those errors that Customer cannot reproduce under test conditions.

#### *Software Updates*

Software Updates support the evolution of the Software. They periodically consist of:

- Maintenance Level Updates: sets of modifications for published generally available Software releases primarily designed to address functional defects only.
- Documentation Updates: reflect changes to Software, documentation and help files.

#### *Upgrades*

Upgrades provide new functionality and enhancements to the Software within the functional domain of the licensed components.

Installation of Software Updates and Upgrades will be provided by Pegasystems' personnel.

#### *Pega Discovery Network*

The Pega Discovery Network ("PDN") is the primary technical resource for Customer's Software developers and system administrators. The PDN contains a broad range of technical articles including troubleshooting and "How-To" information, a comprehensive and searchable knowledgebase to help developers speed their application development, and a library of shared component examples, and copies of formal product documentation and PRPC Help systems. The PDN also enables members to access Pegasystems' on-line support resources in order to submit defect reports and enhancement suggestions, and to review all issues associated with the user's PDN account.

#### *Escalation Process*

The Customer may request escalation for a Support Request (SR) when there is a concern about progress, or about the fitness or quality of the response. The details of the escalation process are documented in Support @ Pega, the customer support handbook.