

# Terms and Conditions

## LAW AND ORDINANCE CODIFICATION, SUPPLEMENTATION SERVICES AND ONLINE CODE HOSTING AND UPDATES

These Terms and Conditions, together with the Proposal (the "Proposal"), constitute a legally binding agreement (this "Agreement") between the MUNICIPALITY/Licensee (the "Municipality") and International Code Council, Inc. and its affiliates (collectively, the "Company").

### **1. Responsibility of The Company.**

The Company shall be responsible for the performance of the services provided for in this Agreement in accordance with the "Performance Schedule." The Company shall be responsible for the correctness and accuracy of its work, based upon the material and information supplied by the Municipality, as reflected in the completed codification, supplementation and online hosted code updates delivered to the Municipality. Regardless of the Municipality's acceptance of completed materials when delivered, the Company shall correct errors found either by the Municipality or the Company. See "Warranties; Limitations" for the Company's liability for all services.

### **2. Responsibility of the Municipality.**

The Municipality shall be responsible for the correctness and accuracy of the information it supplies to the Company ("Municipality Content"). By acquiring an online hosted code, the Municipality hereby requests that Municipality Content be posted online, and the Municipality will be responsible for the presentation, accuracy and completeness of the Municipality Content provided, and the Company will be entitled to post that Municipality Content without review or editing. Further, the Municipality is responsible for providing the Company with timely decisions and answers to questions raised by the Company, for inclusion of sufficient funds in the budget to pay the Company for services, and for the prompt payment of invoices. The Municipality shall also be responsible for completing its work in accordance with the "Performance Schedule."

### **3. Responsibility of the Municipality's Counsel.**

In conjunction with the services rendered by the Company and the work of the Municipality and the Company, any and all questions requiring legal advice or opinion, analysis of legislation for legal sufficiency, interpretation of cases or statute, etc., shall be directed by the Municipality and the Company to the Municipality's counsel. At the request of the Municipality or its counsel, the Company shall make available to the Municipality's counsel information in its possession relating to legal issues or opinions obtained during its work with other municipalities, as well as sample copies of legislation as requested by the Municipality.

### **4. Protection of Confidential Information.**

During the time this Agreement is in effect, both the Municipality and the Company may have access to or receive information that is of a confidential nature. This information may include data relating to client information, products, product development, designs, processes, systems, computer software, computer hardware, methods of production, costs, pricing, finances, sales or marketing plans, customers, business partners, vendors, vendor prospects, employees and municipal records and data. All such information, including any materials embodying such information, whether disclosed orally or otherwise and whether or not marked "Confidential" or "Proprietary," will be considered by officials of the Municipality and by the Company and the Company's employees as proprietary and confidential. Both the Municipality and the Company will use reasonable efforts to protect the confidentiality of the other's Confidential Information but in no case less than the same efforts as it uses to protect its own confidential

information and will not use any Confidential Information of the other for any purpose other than fulfilling its obligations under this Agreement.

#### **5. Indemnification.**

The Municipality hereby agrees to indemnify, defend and hold the Company harmless from and against any and all liability, losses, costs, and expenses (including reasonable attorneys' fees) incurred by the Company in connection with any claim arising out of or relating to:

- A. The Municipality's use of an online code;
- B. The content, the quality, or the performance of Municipality Content;
- C. The Municipality's violation of this Agreement; or
- D. The Municipality's violation of the rights of any other person or entity.

#### **6. Municipality Primary Contact.**

The Municipality shall identify, and name, an appropriate individual, with corresponding contact information, including electronic mail address, as the "Primary Contact" with whom the Company should communicate matters regarding the online code, such as maintenance notifications, and who has the authority to make requests including release of Municipality data, both internally to the Company and to the Municipality, restoration of data, and other configuration changes.

#### **7. System Monitoring.**

The Company will not systematically monitor Municipality Content, but the Company reserves the right to review Municipality Content from time to time at its discretion. The Company reserves the right to (a) disable access to or delete any Municipality Content which it determines in its sole discretion (such discretion to be exercised in good faith) to be illegal, obscene, threatening, defamatory, fraudulent, infringing, harassing, or otherwise offensive, and (b) disable access to or delete any other Municipality Content under justified exigent circumstances, as such circumstances are determined in good faith by the Company.

#### **8. Payment Terms.**

All invoices will be processed in accordance with the Payment Schedule set forth in the Proposal. However, the Municipality may choose to pay in advance of Payment Schedule for products and services provided in this Agreement, if so desired. In such a case, the Company shall hold the funds on account and draw from them in accordance with the Payment Schedule until the Contract is completed, or for up to 12 months, whichever is later. If any funds remain on account after 12 months, or end of Contract, the Company will contact the Municipality regarding disposition of said funds. Unless otherwise specified in the Payment Schedule, all payments shall be made within 30 days of receipt of the invoice/voucher. The Municipality shall not discount nor withhold any portion of the amount for any reason. The Company reserves the right to issue progress billings for services that span several months.

#### **9. Software.**

##### **A. DEFINITIONS**

(i) "Licensed Program" shall mean the Company software product eCode360® and any other software product provided to the Municipality by the Company or its affiliates or licensors pursuant to the Proposal.

(ii) **“Update”** means a new release of the Licensed Software made available by the Company to its customers, containing bug fixes and minor modifications or enhancements, but not a new version containing significant new features, as determined by the Company in its sole discretion.

(iii) **“Use”** shall mean accessing, downloading, copying or duplication of any portion of a Licensed Program from the Internet, storage units or media for processing or the utilization of the Licensed Program for its intended purpose.

## **B. LICENSE GRANT**

The Company hereby grants the Municipality a non-exclusive, non-transferable, non-licensable, nonassignable license to Use the Licensed Program.

## **C. PROPRIETARY RIGHTS; RESTRICTIONS**

The Licensed Program is owned by the Company and/or its affiliates and/or licensors and is copyrighted and proprietary in nature. The Licensed Program is being licensed, not sold, to the Municipality. The Municipality shall respect such proprietary rights and shall not use or assist any third party in using such Licensed Program except as permitted by this Agreement and shall not decompile, disassemble or reverse engineer the Licensed Program, and shall not sublicense, sell, distribute, rent, or disclose the Licensed Program, in whole or in part, in whatever form without the express written permission of the Company. The Municipality will not use the Licensed Program to take any actions that (i) infringe on any third party’s copyright, patent, trademark, trade secret or other proprietary rights or rights of publicity or privacy; (ii) violate any applicable law, statute, ordinance or regulation (including those regarding export control); or (iii) are defamatory, trade libelous, threatening, harassing, or obscene.

## **D. LIMITED WARRANTY; LIMIT OF LIABILITY**

(i) **Limited Warranty.** The Company warrants to the Municipality that the Licensed Program will perform substantially in accordance with the accompanying written materials for a period of one year from the date of receipt. The Company’s entire liability and the Municipality’s exclusive remedy shall be, at the Company’s option, either repair or replacement of the Licensed Program that does meet this Limited Warranty. Claims under this Limited Warranty must be received by the Company during the one year period. Any repaired or replaced Licensed Program shall be warranted for the remainder of the original one year warranty period or 30 days from the date of receipt, whichever is longer. This Limited Warranty applies only to the Municipality and does not apply to failures caused by abuse, misuse or casualty loss, including power outages and surges.

**(II) NO OTHER WARRANTY. THE COMPANY DOES NOT WARRANT THAT THE LICENSED PROGRAM IS FREE FROM ALL BUGS, ERRORS AND OMISSIONS. EXCEPT FOR THE LIMITED WARRANTY SET FORTH IN SUBSECTION D(I) , THE COMPANY MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, OF ANY KIND, INCLUDING, WITHOUT LIMITATION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH REGARD TO ANY LICENSED PROGRAM AND/OR RELATED MATERIALS TO BE FURNISHED BY THE COMPANY.**

(iii) **Limitation of Liability.** In no event shall the Company be liable for any lost profits, revenues, use, opportunities, or data, or any indirect, special, punitive or consequential damages in connection with or arising out of this Agreement or the existence, furnishing, failure to furnish, or use of the Licensed Program and/or related material and/or device. In any case, the Company’s total liability shall be limited to the price paid by the Municipality for the Licensed Program.

## **E. MAINTENANCE OF LICENSED PROGRAM**

**(i) Fees for Maintenance.** Upon termination of the warranty period specified in subsection D(i), The Company will invoice the Municipality for maintenance services for the twelve (12) months following expiration of the warranty period. If the Municipality pays the annual maintenance fee within thirty (30) days after invoice, the Company shall provide such maintenance services for such twelve (12) month period. If the Municipality does not timely pay the annual maintenance fee, then the Company shall have no further obligation to provide maintenance or support of the Licensed Program to the Municipality. If the Municipality pays the first annual maintenance fee, the Company will thereafter invoice Municipality annually for the maintenance fee for so long as the Municipality pays the annual maintenance fee. If the Municipality timely pays the annual maintenance fee, the Company's maintenance services shall continue for that annual period. If the Municipality does not timely pay the annual maintenance fee, then the Company shall have no further obligation to provide maintenance or support to the Municipality, and the Company may terminate this Agreement pursuant to Section 12B. If the Municipality allows the maintenance services to lapse, it may not reinstate maintenance services unless it first pays all maintenance fees for the lapsed period.

**(ii) Updates.** During any annual period for which the Municipality has paid the annual maintenance fee, the Municipality shall be provided with any Updates produced by the Company at no additional charge. Nothing herein shall convey any rights to the Municipality with respect to any new version of the Licensed Program.

## **F. TRANSFER OF LICENSE**

The Municipality agrees that it shall not assign or transfer the license granted herein without the prior written consent of the Company.

## **G. GENERAL**

**(i)** If the Licensed Program is acquired by an agency or other part of the U.S. Government, the Licensed Program and accompanying written materials are provided with Restricted Rights and use, duplication, or disclosure by the Government is subject to restrictions as set forth in Rights in General Data Alternative III at 48 CFR 52.227.14 or in subparagraphs (c) (1) and (2) of the Commercial Computer Program-Restricted Rights clause at 48 C.F.R. 52.227-19, as applicable.

**(ii)** This Section 9 is a license of software and is not a sale of goods. Neither Article 2 of the Uniform Commercial Code or the U.N. Convention on Contracts for the International Sale of Goods shall be applicable to the Licensed Program.

### **10. Delivery of Completed Materials.**

The Company will deliver completed materials via USPS, UPS, motor freight, air freight, FTP or whichever method offers the most efficient delivery at the time. Delivery, handling, packaging, insurance and/or shipping charges will be prepaid by the Company and added to the invoice/voucher for services to be paid by the Municipality.

### **11. Title; Copyright.**

A. Notwithstanding the text of any model code, as referenced below in Section 11(B), the Municipality will retain its rights, including copyrights, and title to the text of its municipal code (the "Code"), but hereby grants to the Company the right and license to use, reproduce, adapt, distribute, display and advertise the Code, and to digitize the Code and to prepare, reproduce, publish and sell, distribute, transmit, perform, display, broadcast, upload, download, communicate to the public, rent, lend or otherwise transfer or make available or store in any medium a copy of the Code, whether or not adapted or abridged, on its own or in combination with any other work by means of or through any electronic medium, including digital, optical and magnetic information storage and retrieval

platforms or systems, on-line, electronic or other reproduction, transmission or publication, or by any other means whether now known or subsequently developed.

- B. All computer software and other intellectual property of the Company used in performing its services shall remain the property of the Company and/or its affiliates and/or licensors. Model building codes and/or other model codes developed by the Company or used by the Company in the Licensed Program or otherwise in performing its services shall remain the property of the Company and/or its affiliates, and no ownership or other proprietary rights in those model codes, or any part thereof, are conveyed to the Municipality.

## **12. Term and Termination.**

- A. Unless otherwise specified in the Proposal, the initial term of this Agreement, unless sooner terminated as hereafter provided, shall be for one year, commencing on the date hereof, and will then be automatically extended for additional successive one-year periods unless either party notifies the other in writing not less than 90 days prior to the end of the initial term or any extension period that this Agreement will not be extended. Services and support provided during any extension period will be provided at the Company's then-current price.
- B. If the Municipality fails to pay any amount payable to the Company under this Agreement, including maintenance fees, when due, the Company may terminate this Agreement upon 30 days prior written notice to the Municipality. Services and support provided during any extension period will be provided at the Company's then-current price.
- C. Either party shall have the right to terminate this Agreement with immediate effect if the other party fails to cure to such party's reasonable satisfaction any material breach or violation of this Agreement within 60 days after such party has given the other written notice thereof.
- D. Upon termination, the Company shall promptly return all materials received from the Municipality, and the Company shall be entitled to receive just and equitable compensation for all services performed prior to the date of termination.
- E. If this Agreement terminates, the Company may, upon ten-days prior notice to the Municipality, cease hosting on the Company's website the Code and other Municipality Content posted by the Municipality.
- F. Section 4, 5, 9C, 9D, 9G, 11, 12, 13 and 15 through 23 shall survive any expiration or termination of this Agreement.

## **13. Warranties; Limitations.**

- A. The Company warrants that the services provided hereunder will be performed by qualified personnel in a good and workmanlike manner and that any deliverables will be free of material defects. The Company's liability and the Municipality's exclusive remedy for failure of any service or deliverable to meet this warranty shall be limited to reperformance, at the Company's cost, of such service or deliverable. The Company's warranty does not extend to failures arising out of (i) incorrect or insufficient data, specifications or instructions provided by the Municipality or (ii) work or services performed by others.
- B. THE COMPANY DOES NOT WARRANT THAT SOFTWARE WILL BE ERROR FREE OR WILL OPERATE UNINTERRUPTED. THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, WHETHER ORAL, WRITTEN, EXPRESS, IMPLIED OR STATUTORY. IMPLIED WARRANTIES OF FITNESS AND MERCHANTABILITY SHALL NOT APPLY. THE COMPANY'S WARRANTY OBLIGATIONS AND THE MUNICIPALITY'S REMEDIES HEREUNDER ARE SOLELY AND EXCLUSIVELY AS STATED HEREIN.**
- C. The limitations and protections against liability afforded the Company, and its licensors herein shall apply to any action or claim in connection with the services, whether based on contract, tort, statute or otherwise (including negligence, warranty and strict liability). The cumulative liability of the Company, and its licensors for all obligations, warranties and guaranties, whether express or implied, with respect to services performed hereunder shall be limited to the amount paid to the Company pursuant to this Agreement. The Company, and its licensors

shall not be liable to the Municipality or any other person or entity for lost profits, revenues, use, opportunities, or data, or any indirect, special, incidental, punitive or consequential damages arising from the performance or nonperformance of services or the use or inability to use any software or product, irrespective of whether the claims or actions for such damages are based upon contract, tort, negligence, strict liability, warranty or otherwise.

D. No action may be maintained or proceeding commenced by the Municipality or others against the Company or its licensors with respect to the Licensed Program or services unless such action or proceeding is commenced within one year after completion by the Company of the particular services to which such action or proceeding relates.

#### **14. Changes.**

The Municipality may at any time request changes in the scope of this Agreement. Moreover, the Company may suggest changes. Where changes are agreed to by the parties, the Company shall issue a Change Order for the Municipality's review and signature describing the changes as well as the adjustments in schedule and fees occasioned by the changes in scope. the Company shall not be required to implement any change until the Municipality has signed and returned the Change Order.

#### **15. Notices.**

All notices and other communications which are required or permitted to be given pursuant to this Agreement shall be in writing and shall be delivered either personally, by facsimile, by reputable overnight courier or by registered or certified mail and shall be deemed effectively received (i) if delivered in person, on the date of such delivery, (ii) if transmitted by facsimile, on the date indicated on the sender's receipt of confirmation, (iii) if delivered by overnight courier, on the next business day following deposit thereof with such overnight courier, or (iv) if sent by mail, upon the third business day following the deposit thereof, postage prepaid.

#### **16. Force Majeure.**

If any performance by any party shall be prevented, hindered or delayed by reason of any cause beyond the reasonable control of such party (such event being hereafter called an "event"), including, without limitation, acts of God, riots, fires, floods, unusually severe weather, curtailment or termination of sources or supplies of energy or power, inability to obtain or delay in obtaining materials or supplies, strikes or other disputes involving such party or its subcontractors or suppliers, acts of war, insurrection, civil unrest, terrorism, elevated risk of terrorism, riot or disorder, acts of governmental authorities, changes in law or regulation, or any other cause beyond the reasonable control of such party, whether similar or dissimilar to those expressed hereinabove, such party shall be excused from performance to the extent that its performance is so prevented, hindered or delayed. Such excuse from performance shall extend so long as the event continues to prevent, hinder or delay the performance by such party. The party whose performance is affected shall give the other parties notice within 15 days of the event specifying the event, the performance affected and the anticipated date, if any, performance can be made.

#### **17. Disclaimer of Association.**

This Agreement shall not be construed as creating a partnership, joint venture, agency or any other association which would impose upon one party liability for the acts or omission of the other, and neither party shall have the right to bind the other.

#### **18. No Waiver.**

Any failure by either party hereto to enforce at any time any term or condition shall not be considered a waiver of that party's right thereafter to enforce each and every term and condition.

**19. Severability of Provisions.**

If any part of this Agreement is found or deemed by a court of competent jurisdiction to be invalid or unenforceable, that part shall be severed from this Agreement and shall be deemed to have never been a part of this Agreement and shall not affect the validity of the remainder of this Agreement.

**20. Entire Agreement.**

This Agreement is the complete and exclusive statement of the mutual understanding of the parties and supersedes and cancels all previous written and oral agreements and communications relating to the subject matter.

**21. Dispute Resolution.**

The parties mutually agree to seek mediation as the preferred alternative of dispute resolution in the event of any disagreement over the terms of this contract.

**22. Governing Law; Jurisdiction.**

This Agreement is governed by the laws of New York, without regard to its conflict of laws doctrine. Each party consents to the exclusive jurisdiction of the courts sitting in Monroe County, State of New York with respect to any disputes arising out of this Agreement. In any action or proceeding arising out of this Agreement, the prevailing party shall be entitled to recover its reasonable legal fees and expenses.

**23. Counterparts; Signatures.**

This Agreement may be executed in two or more counterparts, each of which shall, when executed, be deemed to be an original and all of which shall be deemed to be one and the same instrument. The exchange of copies of this Agreement, including executed signature pages, by electronic transmission (including pdf or any electronic signature complying with the U.S. federal E-SIGN Act of 2000, e.g., [www.docusign.com](http://www.docusign.com)) will constitute effective execution and delivery of this Agreement for all purposes.