9/30/2024

Dear Robert,

Thank you for the opportunity to submit our proposal. We prioritize the privacy and confidentiality of our clients, including the protection of any reference information provided. We prefer not to include their information in documents that may become part of the public record.

However, we are pleased to inform you that we can provide three references from clients larger than Midway City. These clients operate in the environmental, PCB design and production, and manufacturing sectors, each with significant experience working with government entities. To maintain confidentiality, we will share these references directly upon request, ensuring their privacy while fulfilling your verification requirements.

We look forward to the opportunity to collaborate on this project and to provide any additional information you may need.


Best Regards,

Yousef Alinaghian

Vice President
CRC Cloud

Response to Midway City Sanitary District RFP:

REQUEST FOR PROPOSALS FOR INFORMATION TECHNOLOGY MANAGED
SERVICES PROVIDER (MSP) AND CYBERSECURITY SERVICES

Date of Submission: 9/30/2024

# Table of Contents

## Overview

CRC Cloud is bringing the new agreement to Midway City Sanitary District's attention, emphasizing the importance of formalizing the IT services provided. This Managed Services Provider (MSP) Agreement is designed to clearly outline the services offered, as well as the responsibilities and expectations of both CRC Cloud and the client.

| Client Priorities | Model Highlights |
|---|---|
| Increased End User Experience | CRC Cloud's Support model combines a fully staffed remote Service Desk with dedicated onsite field support. This allows for full remote support coverage and consistency among onsite engineers. |
| Cost-Efficient Support Model | CRC Cloud's proven Comprehensive Support Model drives down the cost of support while increasing support coverage. These cost savings are passed to Midway City Sanitary District within this fixed monthly support cost. |
| Leveraging IT for Strategic Value | By leveraging an assigned Technical Account Manager who understands Midway City Sanitary District's business and Subject Matter Experts who understand the technologies available, CRC Cloud will help transform the District's IT infrastructure into a business enabler. |

## CRC Cloud Overview

CRC Cloud is a premier provider of Managed IT Services, dedicated to addressing the technology challenges of businesses with innovative and reliable solutions. Since our founding in 1983, we have consistently been at the forefront of IT innovation and cybersecurity excellence. Our major clients are based in California, but we have expanded our reach to provide services nationally and support users worldwide.

At CRC Cloud, we serve a diverse range of clients, from agile startups to well-established corporations, tailoring our services to meet their unique needs. Our comprehensive service offerings include cybersecurity management, infrastructure management, endpoint management, Software as a Service management, licensing management, disaster recovery management, and strategic IT planning. Our team of certified engineers and IT specialists is committed to delivering proactive and responsive support, ensuring that our clients' IT infrastructure is not only secure but also a strategic asset that drives business success.

We pride ourselves on our client-centric approach, which has fostered long-standing relationships and transformed IT challenges into opportunities for growth. By leveraging our extensive industry experience and cutting-edge technologies, CRC Cloud helps businesses navigate the complex IT landscape with confidence and efficiency.

**Support Model**

CRC Cloud's Managed IT Services are distinguished by our transparent support model which encompasses four distinct teams working closely together to support Midway City Sanitary District's technology needs. The team structure ensures quality control and accountability, translating into increased uptime and an enhanced end-user experience.

- **Support Team:** The primary interface for all service issues, tickets, change management, etc., staffed by Level II & III engineers at CRC Cloud's Service Desk or Onsite Field Services Group.

- **Network Operations Center (NOC) Services:** Focused on proactive support and service automation, including monitoring, alerting, trending, and backups.

- **Integration Services:** Level III engineers and Subject Matter Experts, the highest escalation point for service requests, also focused on technology enhancements.

- **Technical Account Manager (TAM):** Responsible for overall technical success and alignment of IT with business goals, managing root cause analysis for recurring service issues.

# Schedule A - Service Offering

Below are the components of CRC Cloud's support agreement. For detailed listings of the technologies and services covered, refer to Appendix B.

- **Cybersecurity Management:** We provide comprehensive security solutions, including firewall management, IPS/IDS, VPN, antivirus, spam protection, and web filtering, along with advanced services such as real-time security monitoring through SIEM and 24/7 threat detection and response via our SOC, ensuring robust protection against evolving cyber threats.

- **Infrastructure Management:** Our services include 24/7 monitoring and support for servers, storage, LAN/WAN, virtualization platforms, and IP telephony, ensuring maximum uptime and reliability.

- **Disaster Recovery Management:** We offer comprehensive disaster recovery solutions, including backup management and offsite server replication to ensure data protection and swift recovery.

- **End Point Management:** Full support for PCs, laptops, tablets, and smartphones, ensuring all devices are secure and fully operational.

- **Software as a Service Management:** We manage cloud-based applications like Microsoft 365, Azure, Adobe, and RingCentral, ensuring smooth integration and operation.

- **Licensing Management:** Comprehensive management of software licenses, including renewals and compliance for firewalls, antivirus, Microsoft 365, and more.

- **Domain Management:** We manage domain renewals and DNS configuration to ensure a secure and uninterrupted online presence. We also monitor domain status to prevent unauthorized changes or interruptions.

- **Strategic Planning:** We provide capacity planning, IT governance, and emerging technology research to align IT investments with your business goals, including IT budget development and risk management for long-term success.

## Client Responsibilities

To ensure the effective delivery of services, Midway City Sanitary District agrees to:

- Regularly update cybersecurity (with annual IT Assessment report provided by CRC Cloud).

- Maintain genuine, licensed, and vendor-supported software for all servers and computers.

- Ensure secure and encrypted wireless data traffic to protect sensitive information.

- Collaborate with CRC Cloud to maintain and update the Business Continuity Plan.

- Provide timely access to necessary resources and information to facilitate efficient service delivery.

- Communicate promptly about changes in IT infrastructure or business needs to allow for appropriate service adjustments.

## Change Requests

Occasionally, Midway City Sanitary District may require infrastructure changes, which CRC Cloud can efficiently address. A change is defined as an addition, modification, or removal of an existing component or environment. All change requests, regardless of whether they are covered by the monthly contract, require client approval. Minor change requests, which require less than 6 hours of continuous engineering time, are included in this contract. Client approval for all change requests can be obtained via email or written consent. CRC Cloud will document all approvals and maintain records for audit purposes.

Examples of Minor Change Requests:

- Non-major version upgrades to devices under management
- Remote rollout of software or upgrades
- System firmware and print driver updates

## Change Requests (Major)

All change requests, whether covered by the monthly contract or not, require Midway City Sanitary District's approval. Change requests that require more than 6 hours of continuous work are considered Major Change Requests and are out of scope. These requests will be billed based on the resource level required at the rates listed in the next section.

Examples of Major Change Requests:

- Major software version upgrades (e.g., Windows OS upgrades)
- New user onboarding requiring extensive setup (e.g., creating new accounts, configuring devices)
- Implementation of new cloud services or major enhancements
- Installation of new hardware or software systems

## Emergency Support

Midway City Sanitary District may require emergency end-user support outside the normal business hours covered by the CRC Cloud Service Desk. This after-hours emergency support will be redirected to the appropriate resources and handled on a best-effort basis. A CRC Cloud engineer is available 24/7 to respond to emergency systems.

| Resource Level | Standard Rate | Discounted Rate |
|---|---|---|
| Network Support Engineer | $145 | $125 |
| Network Engineer | $165 | $145 |
| Senior Network Engineer | $185 | $165 |
| Enterprise Engineer | $225 | $195 |
| Project Manager | $155 | $135 |

Standard Service Desk hours of operation are 7:00 a.m. to 5:00 p.m. PST, Monday through Friday, excluding holidays. Excluded Services outside the Standard Service Desk Hours are subject to the After-Hours Rate of 1.5x the Discounted Rate.

# Schedule B – Fees

**IT Management Services**

| Description | Rate | QTY | Total |
|---|---|---|---|
| **Cybersecurity Management** | | | |
| Antivirus with EDR | $10 | 24 | $240 |
| Remote User VPN Connection: Sophos | $8 | 7 | $56 |
| MFA for Remote User VPN Connection: Authenticator | $5 | 7 | $35 |
| Email Defense System: Proofpoint | $7 | 28 | $196 |
| Domain Validation: DMRAC, SPF, DKIM records | $0 | 3 | $0 |
| SOC (24/7 Cybersecurity Monitoring & Response) | $7 | 28 | $196 |
| SEIM (Real-Time Security Monitoring) | $7 | 24 | $168 |
| **Total Cybersecurity Management** | | | **$891** |
| | | | |
| **Infrastructure Management** | | | |
| ISP Modem | $15 | 1 | $15 |
| Firewall | $95 | 1 | $95 |
| Network Switch | $10 | 3 | $30 |
| Wireless Access Point | $7 | 4 | $28 |
| Point to Point Wireless Bridge | $42 | 1 | $42 |
| UPS | $8 | 2 | $16 |
| Network Printer | $7 | 12 | $84 |
| Network Copier | $8 | 1 | $8 |
| Scanner | $0 | 6 | $0 |
| NVR | $95 | 1 | $95 |
| IP Cameras | $10 | 5 | $50 |
| Temperature & Humidity Sensor: CRC Cloud equipment | $5 | 1 | $5 |
| Physical Server | $125 | 1 | $125 |
| ESXi 8 for Virtualization | $95 | 1 | $95 |
| Domain Controller on Windows Server 2022 Standard | $125 | 1 | $125 |
| File Server on Windows Server 2022 Standard | $125 | 1 | $125 |
| **Total Infrastructure Management** | | | **$946** |
| | | | |
| **Disaster Recovery Management** | | | |
| Onsite Backup Console | $75 | 1 | $75 |
| Onsite Backup and Replication: Veeam | $90 | 1 | $90 |
| Onsite Backup Storage: NAS | $35 | 1 | $35 |
| Offsite Standby Server Replication | $295 | 1 | $295 |
| Microsoft 365 Backup | $8 | 28 | $224 |
| Site-to-Site VPN for Offsite Datacenter | $0 | 1 | $0 |
| **Total Disaster Recovery Management** | | | **$719** |

| Description | Rate | QTY | Total |
|---|---|---|---|
| **End Point Management** | | | |
| PC | $35 | 12 | $420 |
| Laptop | $25 | 8 | $200 |
| Tablet: iPads | $25 | 8 | $200 |
| Phones: iPhones | $12 | 20 | $240 |
| **Total End Point Management** | | | **$1060** |
| | | | |
| **Software as a Service Management** | | | |
| RingCentral (subscription paid by client) | $7 | 17 | $119 |
| Microsoft 365 (subscription paid by client) | $4 | 28 | $112 |
| Microsoft Intune (subscription paid by client) | $4 | 20 | $80 |
| Microsoft Azure Services (subscription paid by client) | $15 | 1 | $15 |
| Adobe Creative Cloud (subscription paid by client) | $5 | 7 | $35 |
| **Total SaaS Management** | | | **$361** |
| | | | |
| **Domain Management** | | | |
| GoDaddy (.com domain renewal paid by client) | $0 | 2 | $0 |
| .GOV Domain Registrar | $0 | 1 | $0 |
| **Total Domain Management** | | | **$0** |
| | | | |
| **Direct Licensing Management** | | | |
| Antivirus with EDR: Bitdefender | $11 | 24 | $264 |
| Microsoft 365 Backup: Veeam | $3 | 28 | $84 |
| Email Defense System: Proofpoint Advanced+ | $5 | 28 | $140 |
| SOC: ConnectWise | $20 | 28 | $560 |
| SEIM: ConnectWise, 1-Month Retention | $16 | 24 | $384 |
| **Total Direct Licensing Management** | | | **$1432** |
| | | | |
| **New Total Monthly IT Recurring Services** | | | **$5,409** |

**Note:**

Fees cover 1 internet provider, 1 server, 1 backup system, 12 PCs, 8 laptops, 8 iPads, 20 iPhones, 12 network printers, 1 copier, 6 scanners, 3 switches, 4 wireless access points, 2 wireless bridges, 28 users, 5 outdoor IP cameras, and 1 location (see Appendix B for details). Monthly fees include services in Schedule A; additional services are billed separately with prior client approval. Fee increases require 30 days' notice and client approval obtained via email or written consent.

# Appendix A - Service Levels Targets and Escalation Details

The table below outlines the target response and resolution times for each priority level.

| Trouble | Priority | Response Time | Escalation Threshold |
|---|---|---|---|
| Service Not Available (all users and functions unavailable) | 1 | Within 30 min. | 1 hour |
| Significant degradation of service (large number of users or businesses critical functions affected) | 2 | Within 1 hour | 2 hours |
| Limited degradation of service (limited number of users affected, business process can continue) | 3 | Within 2 hours | 4 hours |
| Small service degradation (the business process can continue, 1 user affected) | 4 | Within 4 hours | 8 hours |

| Support Tier | Description |
|---|---|
| Tier 2 Support | For faster and more effective issue resolution, all support incidents are initiated at Tier 2. Here, our experienced engineers handle the creation of the initial trouble ticket and provide complex support for hardware and software issues. |
| Tier 3 Support | If an issue cannot be resolved by Tier 2, it is escalated to Tier 3. Our most qualified and experienced engineers, capable of collaborating with third-party vendor support, tackle the most complex issues at this level. |

# Appendix B - Service Offering Details

## Cybersecurity Management

| Description | Frequency |
|---|---|
| Apply necessary Firewall software and firmware updates | As Needed |
| Check Firewall logs for errors | Daily |
| Adjust Firewall rules | As Needed |
| Monitor IPS/IDS alerts for potential intrusions | Real-time |
| Apply IPS/IDS signature updates | Real-time |
| Review IPS/IDS logs for anomalies | Daily |
| Check Web Filter logs for errors | Daily |
| Apply Web Filter definition updates | Real-time |
| Threat Intelligence Analysis and Reporting | Ongoing |
| Monitor EDR alerts and logs | Real-time |
| Confirm date and success of last virus scan performed | Weekly |
| Alert client to Virus infection/outbreak | Real-time |
| Apply necessary EDR updates and patches | Real-time |
| Respond to EDR detected threats | As Needed |
| Review EDR reports for potential threats | Daily |
| Monitor SIEM for security events and anomalies | Real-time |
| Respond to SOC alerts for detected threats | As Needed |
| Check SPAM logs for errors | Daily |
| Apply necessary SPAM updates | As Needed |
| Apply SPAM definition updates | Real-time |
| Monitor VPN connections for unauthorized access | Real-time |
| Apply VPN software and firmware updates | As Needed |
| Check VPN logs for errors and access issues | Daily |
| Review network for vulnerabilities and abnormal traffic | Ongoing |
| Incident Response Plan Review and Update | As Needed |
| Security Patch Management for all Systems and Applications | As Needed |
| Domain Validation: DMRAC, SPF, DKIM records | Ongoing |

## Infrastructure Management

| Description | Frequency |
|---|---|
| Microsoft Active Directory | Ongoing |
| Perform Active Directory Administrative tasks | As Needed |
| Add/Change/Delete/Unlock Users | As Needed |
| Add/Change/Delete Groups | As Needed |
| Assignment of individual user and group access rights | As Needed |
| Group Policy and Sites & Services administration | As Needed |
| Monitor Azure Connect replication errors to identify potential issues | Real-time |
| Microsoft Email | Ongoing |

| | |
|---|---|
| Review User Inbox size | Monthly |
| Monitor Microsoft Application Event log to identify potential issues | Real-time |
| Monitor Microsoft System Event logs to identify potential issues | Real-time |
| Identify potential hardware/device issues | Ongoing |
| Review disk space status for all drives to identify potential issues | Weekly |
| Monitor disk space usage | Real-time |
| Run defrag on all drives | On-Demand |
| Perform disk cleanup activities (if applicable/approved by client) | On-Demand |
| Potential data corruption | As Needed |
| Monitor CPU percentage utilization to identify potential issues | Real-time |
| Low available memory | Real-time |
| Perform scheduled service during approved service window | Weekly |
| Reboot servers | As Needed |
| Network connectivity errors | Real-time |
| System or Application events that may result in service disruption | Real-time |
| Enhance monitoring for proactive network tracking | Ongoing |
| Update IOS on Cisco LAN/WAN equipment | As Needed |
| Troubleshoot and resolve circuit and non-circuit network outages | As Needed |
| Handle routine network administration and maintenance | As Needed |
| Centralize authentication for password changes and user logins | Ongoing |
| Monitor ESXi Virtualization | Ongoing |
| Monitor Site-to-Site VPN | Ongoing |
| Keep network documentation and schematics up to date | Ongoing |

## Disaster Recovery Management

| Description | Frequency |
|---|---|
| Review of backup logs to identify potential issues | Daily |
| Perform test file data restore from backup | Quarterly |
| System or Application events that may result in service disruption | As Needed |
| Significant inconsistency of backups due to any issue | As Needed |
| Validate offsite replication | Daily |
| Monitor offsite standby server replication | Real-time |
| Review disaster recovery plan and update as necessary | Annually |
| General Backup Failure | As Needed |

## End Point Management

| Description | Frequency |
| --- | --- |
| PC and Laptop software support | As Needed |
| PC & Laptop hardware setup and training | As Needed |
| iPad & iPhone hardware setup and training | As Needed |
| iPad & iPhone software support | As Needed |
| Unlimited help desk calls | As Needed |
| Ticket Reporting | As Needed |
| Alert client to conditions impacting performance | As Needed |
| User in need of training | As Needed |
| Trending of unhealthy PCs | As Needed |
| Triage calls by priority and user | As Needed |
| User Administration - Add/Change/Delete/Unlock or password reset | As Needed |
| Remote User VPN connection | As Needed |
| Report disk space status for all drives | As Needed |
| Defrag and check disks on all drives | As Needed |
| Perform disk cleanup activities (if applicable/approved by client) | As Needed |
| Run system restore point backup | Not Included |
| Reboot systems as needed | As Needed |
| Deploy management agents to new devices identified in LAN scans | As Needed |
| CRC Cloud resolves incidents remotely; we come onsite if needed | As Needed |
| Liaise with hardware manufacturers to apply warranties. | As Needed |

## Software as a Service Management

| Description | Frequency |
| --- | --- |
| Email defense system licensing management and renewal | Ongoing |
| Antivirus licensing management and renewal | Ongoing |
| Firewall licensing management and renewal | Ongoing |
| Microsoft 365 licensing management and renewal | Ongoing |
| Microsoft Azure Services licensing management and renewal | Ongoing |
| Adobe licensing management and renewal | Ongoing |
| RingCentral licensing management and renewal | Ongoing |

## Strategic Planning

| Description | Frequency |
|---|---|
| IT Assessment Report | Annually |
| IT Budget Development | Annually |
| IT Governance Review and Development | Ongoing |
| Business Continuity Plan Testing | Semi-Annually |
| Emerging Technologies Research | Ongoing |
| Presentations for improvements or emerging technology updates | Ongoing |
| Procurement Assistance | As Needed |
| Executive Strategy Meetings | As Needed |
| Executive Reporting | As Needed |
| Participation Regulatory/Compliance Meetings | As Needed |
| Participation in IT Steering Committee Meetings | As Needed |
| CRC Cloud Seminar Series on Cybersecurity | As Needed |

Managed IT Services Agreement

Agreement Number: 001482153

**Service Agreement**

This Managed IT Services Agreement ("Agreement") is entered into on _____, 2024 ("Effective Date"), by and between CRC Cloud, located at 4695 MacArthur Ct, 11th floor, Newport Beach, CA 92660 ("PROVIDER") and Midway City Sanitary District, located at 14451 Cedarwood St, Westminster, CA 92683 ("Client").

**BACKGROUND**

Client and PROVIDER acknowledge the following:

PROVIDER is in the business of providing Managed IT services, such as: cybersecurity management, infrastructure management, endpoint management, Software as a Service management, licensing management, disaster recovery management, and strategic IT planning, as set forth in **Schedule A (Service Offering).**

Client and Provider wish to enter into a relationship under which PROVIDER provides certain ongoing services to Client, which are within its scope of business.

The parties therefore agree as follows:

<div align="center">

**Article One.**
**Engagement of Provider**

</div>

**Section 1.01 Engagement of Provider**

Client engages PROVIDER on a non-**ex**clusive basis to perform certain services as described in **Schedule B (*Fees*).**

PROVIDER accepts this engagement. During the term of engagement, PROVIDER shall devote the necessary time, energy, and abilities to perform the Services in a timely and productive manner. PROVIDER shall cooperate with Client, and Client shall cooperate with PROVIDER, in any reasonable manner in connection with the Services.

Client agrees to timely submit all payments to CRC Cloud at CRC Cloud's billing address, PO Box 311, Lake Forest, CA 92609

**Section 1.02 Compensation**

As full and complete compensation, Client shall pay Provider As full and complete compensation for performance of the Services and in consideration of the covenants and premises set forth in this Agreement, Client shall pay the PROVIDER the amount indicated in **Schedule C (the "Fees").** Such Fees shall be payable in arrears, within thirty (30) days after receipt by Client of PROVIDER'S monthly invoices.

**Section 1.03 Time, Manner, and Means of Work Conduct**

PROVIDER will decide when, where, and the manner and means by which PROVIDER will conduct the activities required to perform the Services. PROVIDER will perform the

Services at such times as are convenient to PROVIDER. PROVIDER must remain reasonably available to render the Services to Client.

Client will provide CRC Cloud with access to Client's facilities, including access to Client's computer systems, according to the Client's procedures provided to CRC Cloud in writing and in advance, and ensure adequate and suitable facilities and space for CRC Cloud's personnel to work at the Client's facility and on such computer systems. If CRC Cloud determines that the services require remote access to Client's computer systems, Client shall provide all the information reasonably requested by CRC Cloud to facilitate this remote access. Client also acknowledges and agrees that the provision of services may sometimes result in the disruption of services at Client's facility or on Client's computer systems, and may cause loss or damage to software or hardware.

## Section 1.04 Indemnification

Client shall defend, indemnify, and hold harmless PROVIDER and its affiliates and their officers, directors, employees, agents, successors and assigns from and against all losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, or expenses of any kind (including reasonable attorneys' fees) arising out of or resulting from:

> bodily injury, death of any person, or damage to real or tangible, personal property resulting from Client's acts or omissions;

> Client's breach of any representation, warranty or obligation under this Agreement;

> any claims made by or on behalf of any of any third party against PROVIDER alleging infringement of any intellectual property, provided by Client, in furtherance of the benefits provided under this agreement.

<div align="center">

**Article Two.**
**Term**

</div>

## Section 2.01 Term of Agreement

The term of this Agreement begins as of the date Client accepts these terms and terminates one (1) year from this date and shall automatically renew for an additional one-year period on each anniversary of this Agreement Date, unless either party provides notice of termination as described in Section 2.02.

## Section 2.02 Termination

PROVIDER may terminate this Agreement under any of the following circumstances:

> Client's breach of this Agreement;

> Client's failure to cure a material breach of this Agreement within 30 days of Client's receipt of written notice of the breach, including any failed payment terms; or

> Client's dissolution or bankruptcy.

Termination will be effective immediately upon Client's receipt of written thirty (30) day notice of termination from PROVIDER.

# Article Three.
# Dispute Resolution

This Article supersedes any rules governing mediation or arbitration under the law of any jurisdiction.

## Section 3.01 Resolving Disputes between Client and PROVIDER

Client and PROVIDER shall use the procedure outlined in this Article to resolve any dispute, contest, or claim that may result among them that may relate to this Agreement. The purpose of the alternative dispute resolution procedures in this Article is to resolve all disputes, contests, and claims without litigation.

## Section 3.02 Notice of Controversy and Designating Authorized Representatives

Any party (*claimant*) who has any dispute relating to this Agreement shall provide written notice to any other person that has an interest in the controversy (*respondents*) describing the general nature of the controversy. The notice must designate an Independent Person as an authorized representative who is empowered to fully settle the controversy on behalf of the claimant. Two or more claimants may designate a common authorized representative.

Each respondent shall also designate an Independent Person as an authorized representative who is empowered to fully settle the controversy on behalf of the respondent. Two or more respondents may designate a common authorized representative.

Written notice of the designation of the authorized representatives must be delivered to each party within 10 business days from the date the respondents receive notice of the controversy.

## Section 3.03 Beginning the Dispute Resolution Procedure

The authorized representatives shall conduct an initial meeting within 30 days from the date the claimant's notice is delivered to the respondents. The authorized representatives are entitled to collect and review all relevant evidence pertaining to the controversy and to negotiate and resolve the controversy. Resolution of any controversy by the authorized representatives is conclusive and binds all parties. If the authorized representatives do not resolve the controversy within 30 days from the date of their initial meeting, they shall discontinue direct negotiations and submit the controversy to mediation.

## Section 3.04 Selecting a Mediator

Within five days of discontinuing direct negotiations, the authorized representatives shall exchange written lists of natural persons whom they consider to be qualified to serve as a mediator. Within 15 days after they exchange these lists, the authorized representatives shall agree upon one mediator to mediate the controversy. If the authorized representatives do not agree on a mediator, the controversy will be submitted to binding arbitration under Section 3.10.

### Section 3.05 Time and Place for Mediation Conference

The authorized representatives shall promptly designate a mutually convenient time and place for the mediation.  If the authorized representatives fail to do so, the controversy will be submitted to binding arbitration under Section 3.10.

### Section 3.06 Discovery and Exchange of Information

The authorized representatives are entitled to fully discover, obtain, and review all information relevant to resolving any controversy.

### Section 3.07 Delivery of Written Summaries; Authority to Obtain Professional Assistance

At least seven days before the first mediation conference, each authorized representative shall deliver to the mediator a concise written summary of fact and law about the issues. The authorized representatives and the mediator may retain legal counsel, accountants, appraisers, and other experts whose opinions may assist the mediator in resolving the controversy.

### Section 3.08 Conducting Mediation

The mediator shall determine the format for mediation conferences, ensuring the authorized representatives have an equal opportunity to review the evidence and any relevant technical and legal presentations.  The mediator shall determine the time schedule for resolving the mediation and shall attempt to facilitate the parties' efforts to achieve final resolution of all disputed issues.  If the mediator is unable to facilitate a final resolution of all issues, the unresolved issues will be submitted to arbitration under Section 3.10.

### Section 3.09 Final Determinations Bind All Parties

Any final determination made by the authorized representatives, mediator, or arbitrator binds each party who receives notice of a controversy, even if the party does not respond or designate a representative or the party's authorized representative fails or refuses to participate in the designation of a mediator.

### Section 3.10 Arbitration

If any controversy is not finally resolved according to the alternative dispute resolution procedures in this Article, the parties to the controversy shall submit to mandatory and binding arbitration.  The controversy will be settled by arbitration according to the Commercial Arbitration Rules of the American Arbitration Association.  The arbitrator's judgment may be entered in any court having competent jurisdiction.  If the arbitrator determines that the evidence produced through the arbitration process is insufficient to support a decision, the arbitrator may conclude the arbitration proceedings without a decision.

### Section 3.11 Settlement during Mediation or Arbitration

At any time before the conclusion of any mediation or arbitration, the authorized representatives may enter an agreement to resolve the controversy. Any settlement agreement will be conclusive and bind all parties.

### Section 3.12 Right to Seek Equitable Relief

If a party materially breaches this Agreement and if the other parties determine in good faith that immediate relief is necessary, the parties alleging the material breach may seek temporary restraining orders, preliminary injunctions, or similar temporary and equitable relief in a court of competent jurisdiction.

### Section 3.13 Prevailing Party Is Entitled to Recover All Reasonable Costs

The prevailing party in any dispute between the parties is entitled to recover from the losing party all reasonable costs incurred, including any attorney's fees and any costs of mediation, arbitration, court fees, appraisals, and expert witnesses.

## Article Four.
## Confidentiality

The parties acknowledge that each may have access to information that is treated as confidential and proprietary by the other including, without limitation the existence and terms of this Agreement, trade secrets, technology, and information pertaining to business operations and strategies, customers, pricing, marketing, finances, sourcing, personnel, in each case whether spoken, written, printed, electronic, or in any other form or medium (collectively, the "Confidential Information"). Any Confidential Information that either party accesses in connection with the Services, including but not limited to any Work Product, shall be subject to the terms and conditions of this clause. The parties agree to treat all Confidential Information as strictly confidential, not to disclose Confidential Information or permit it to be disclosed, in whole or part, to any third party without the prior written consent of the disclosing party in each instance, and not to use any Confidential Information for any purpose except as required within this agreement. The parties shall notify the other party immediately in the event it becomes aware of any loss or disclosure of any Confidential Information.

Confidential Information shall not include information that:
   a) is or becomes generally available to the public other than through breach of this Agreement; or
   b) is communicated to one party by a third party that had no confidentiality obligations with respect to such information.

Nothing in this Agreement shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order. The parties agree to provide written notice of any such order to an

authorized officer of the Provider within 10 calendar days of receiving such order, but in any event sufficiently in advance of making any disclosure to permit the aggrieved party to contest the order or seek confidentiality protections, as determined in the aggrieved party's sole discretion.

## Article Five.
## General Matters

### Section 5.01 Non-Solicitation

You agree that during while this agreement is in effect and for a period of twelve months following the termination or expiration of this Agreement, you will not disrupt or interfere with the business of the Provider by directly or indirectly soliciting, recruiting, attempting to recruit, or raiding the employees of the Provider, or otherwise inducing the termination of employment of any employee of the Provider. You also agree and covenant not to use any of the Provider's trade secrets and/or confidential information to directly or indirectly solicit the employees of the Provider. For the purposes of this clause, a general advertisement or notice of a job listing or opening or other similar general publication of a job search or availability to fill employment positions, including on the internet, shall not be construed as a solicitation or inducement, and the hiring of any such employee who freely responds shall not be a breach of this clause

### Section 5.02 Force Majeure

Neither party shall be liable for delay or failure in the performance of its obligations under this Agreement if such delay or failure is caused by conditions beyond its reasonable control, including but not limited to, fire, flood, inclement weather, accident, earthquakes, telecommunications line failures, electrical outages, network failures, acts of God, terrorism, civil commotion, or labor disputes. Each party shall use reasonable efforts to notify the other party of the occurrence of such an event as soon as reasonably practical. The parties understand and agree that any such delay does not render payment obligations under this agreement unenforceable and all such obligations remain in full force and effect, despite any such event.

### Section 5.03 Disclaimer of Warranty

CRC CLOUD DOES NOT WARRANT THE UNINTERRUPTED OR ERROR-FREE OPERATION OR PROVISION OF SERVICES, THAT THE SERVICES WILL BE FREE FROM INTERRUPTION, THE SERVICES WILL BE SECURE FROM UNAUTHORIZED ACCESS, THAT THE SERVICES WILL DETECT EVERY SECURITY OR OTHER VULNERABILITY OF CLIENT'S COMPUTER SYSTEMS, OR THAT RESULTS GENERATED BY THE SERVICES WILL BE ERROR-FREE, ACCURATE OR COMPLETE. ALL INFORMATION, MATERIALS AND SERVICES ARE PROVIDED TO CLIENT "AS IS". EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, CRC CLOUD HEREBY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

The Services may become unavailable due to any number of factors, including, without limitation, scheduled or unscheduled maintenance, technical failure of the software or hardware utilized, telecommunications infrastructure, or the unavailability or interruption of access to the Internet. The disclaimers set forth in this Section shall apply regardless of whether (i) CRC Cloud determines that Client's computer systems are deemed "secure", (ii) Client performs such modifications to its computer systems as CRC Cloud reasonably suggests in order for Client's computer systems to be deemed "secure", or (iii) otherwise.

### Section 5.04 Limitation of Liability

CRC CLOUD WILL NOT BE LIABLE TO CLIENT OR ANY THIRD PARTY FOR ANY OF THE FOLLOWING ARISING OUT OF THIS AGREEMENT AND/OR THE SERVICES: ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, WHETHER BASED UPON BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT TORT OR ANY OTHER LEGAL THEORY, AND WHETHER OR NOT CRC CLOUD IS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR ANY LOSS OF PROFITS, LOSS OF DATA, EQUIPMENT DOWNTIME, OR LOSS OF GOODWILL. CLIENT ACKNOWLEDGES AND AGREES THAT CRC CLOUD'S AGGREGATE LIABILITY TO CLIENT FOR ANY DAMAGES, LOSSES, FEES, CHARGES, EXPENSES AND/OR LIABILITIES ARISING OUT OF WITH THIS AGREEMENT AND/OR THE SERVICES SHALL NOT EXCEED THE FEES PAID BY CLIENT PURSUANT TO THIS AGREEMENT FOR THE SIX (6) MONTH PERIOD IMMEDIATELY PRIOR TO THE FIRST OCCURRENCE OF THE APPLICABLE DAMAGES, LOSSES, FEES, CHARGES, EXPENSES AND/OR LIABILITIES.

Client acknowledges that the limitations on liability were specifically bargained for and are acceptable to Client. Client's willingness to agree to the limitations of liability set forth in this Section was material to CRC Cloud's decision to enter into this Agreement. The limitations on liability set forth in this Section shall be enforceable to the maximum extent permitted by applicable law.

### Section 5.05 Acceptance

Each party has reviewed this Agreement, accepts all its provisions, and agrees to be bound by all its terms.

### Section 5.06 Successors

Except as otherwise provided in this Agreement, all provisions of this Agreement bind, inure to the benefit of, and are enforceable by and against the respective heirs, executors, administrators, personal representatives, successors, and permitted assigns of any of the parties to this Agreement.

## Section 5.07 No Waiver

Any party's failure to insist upon strict performance of any provision or obligation of this Agreement for any period is not a waiver of that party's right to demand strict compliance in the future. An express or implied consent to or waiver of any breach or default in the performance of any obligations under this Agreement is not a consent to or waiver of any other breach or default in the performance of the same or of any other obligation.

## Section 5.08 Governing Law

This Agreement is governed, construed, and administered according to the laws of California, as from time to time amended, and any applicable federal law. No effect is given to any choice-of-law or conflict-of-law provision or rule (whether of California or any other jurisdiction) that would cause the application of the law of any jurisdiction other than those of California.

## Section 5.09 Venue; Submission to Jurisdiction

A cause of action arising out of this Agreement includes any cause of action seeking to enforce any provision of or based on any matter arising out of or in connection with this Agreement or the transactions contemplated by it. Except as provided in Article Three, the parties agree that any suit, action, or proceeding—whether in contract, tort, or otherwise—arising out of this Agreement must be brought in a state or federal court or courts located in the State of California and in the county of, or nearest to Millennial Marketing's principal office, if one of these courts has subject-matter jurisdiction over the suit, action, or proceeding. Any cause of action arising out of this Agreement is deemed to have arisen from a transaction of business in California.

Each party irrevocably consents to the jurisdiction of these courts (and their respective appellate courts) in any cause of action arising out of this Agreement. Each party irrevocably waives—to the fullest extent permitted by applicable law—any objection that it may have now or later to the venue of any action arising out of this Agreement in any of these courts, including an inconvenient forum petition.

Service of process, summons, notice, or other document by registered mail to the address set forth in Section 5.14 is effective service of process for any suit, action, or other proceeding brought in any court.

## Section 5.10 Waiver of Jury Trial

Each party to this Agreement acknowledges and agrees that any controversy arising out of this Agreement is likely to involve complicated issues. Therefore, each party irrevocably and unconditionally waives any right it may have to a trial by jury for any cause of action arising out of this Agreement.

## Section 5.11 Equitable Remedies

Each party to this Agreement acknowledges that its breach or threatened breach of any of its obligations under this Agreement would give rise to irreparable harm to the other parties and monetary damages would not be an adequate remedy. Therefore, each party to this Agreement agrees that if any party breaches or threatens to breach any of its

obligations, each of the other parties to this Agreement will be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance, and any other equitable relief available from a court of competent jurisdiction (without any requirement to post bond). These equitable remedies are in addition to all other rights and remedies that may be available in respect of the breach.

### Section 5.12 Attorneys' Fees

If any party to this Agreement institutes any legal cause of action—including arbitration—against another party arising out of or relating to this Agreement, the prevailing party will be entitled to the costs incurred in conducting the cause of action, including reasonable attorneys' fees and expenses and court costs.

### Section 5.13 Remedies Cumulative

Except to the extent this Agreement expressly provides otherwise, the rights and remedies under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available at law, in equity, or otherwise.

### Section 5.14 Notices

Unless otherwise stated, all notices, requests, consents, claims, demands, waivers, and other communications called for under this Agreement must be in writing and will be deemed to have been given:

  when delivered by hand (with written confirmation of receipt);

  when received by the addressee if sent by a nationally recognized overnight courier (receipt requested);

  on the date sent by facsimile or email as a PDF document (with confirmation of transmission) if sent during recipient's normal business hours, and on the next business day if sent after normal business hours of the recipient; or

  on the 4 day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid.

If notice is required to be given to a minor or incapacitated individual, notice must be given to the minor or incapacitated individual's parent or Legal Representative.

The written notice must be sent to the respective parties at the party's last known address (or at the address a party has specified in a notice given in accordance with this Section). Notice to Millennial Marketing may be sent to the address listed in this Agreement.

### Section 5.15 Modification for Legal Events

If any court of competent jurisdiction determines that any provision or any part of a provision set forth in this Agreement is unenforceable because of its duration or geographic scope, the court has the power to modify the unenforceable provision instead of severing it from this Agreement in its entirety. The modification may be made by rewriting the offending provision, by deleting all or a portion of the offending provision, by adding additional language to this Agreement, or by making other modifications as it determines necessary to carry out the parties' intent to the maximum extent permitted by

applicable law. The parties expressly agree that this Agreement as modified by the court is binding upon and enforceable against each of them.

## Section 5.16 Severability

The invalidity or unenforceability of any provision of this Agreement does not affect the validity or enforceability of any other provision of this Agreement. If a court of competent jurisdiction determines that any provision is invalid, the remaining provisions of this Agreement are to be construed as if the invalid provision had never been included in this Agreement.

Subject to Section 5.15, upon a determination that any provision is invalid, illegal, or unenforceable, the parties to this Agreement shall negotiate in good faith to modify this Agreement to give effect to the original intent of the parties as closely as possible in a mutually acceptable manner so that the transactions contemplated by this Agreement can be consummated as originally contemplated to the greatest extent possible.

## Section 5.17 Entire Agreement

This Agreement constitutes the sole and entire agreement of its parties with respect to the Agreement's subject matter. This Agreement supersedes all prior and contemporaneous understandings, agreements, representations, and warranties—both written and oral—with respect to the subject matter. As between or among the parties, no oral statements or prior written material not specifically incorporated herein shall be of any force and effect. The parties specifically acknowledge that, in entering into and executing this Agreement, each is relying solely upon the representations and agreements contained in this Agreement and no others.

## Section 5.18 Amendments

No provision of this Agreement may be amended or modified except by a written instrument executed by all parties to this Agreement.

**Article Six.**
**Interpretation**

## Section 6.01 Interpretation

The following general provisions and rules of construction apply to this Agreement.

**(a)** Headings of Articles, Sections, and Subsections

The headings of Articles, Sections, and Subsections used within this Agreement are included solely for the reader's convenience and reference. They have no significance in the interpretation or construction of this Agreement.

**(b)** Days and Business Days

In this Agreement, *days*, without further qualification, means calendar days and *business days* means any day other than a Saturday, Sunday or a day on which national banks are allowed by the Federal Reserve to be closed.

**(c)** Delivery

*Delivery* is taken in its ordinary sense and includes:

personal delivery to a party;

mailing by certified United States mail to the last known address of the party to whom delivery is made, with return receipt requested to the party making delivery;

facsimile transmission to a party when receipt is confirmed in writing or by electronic transmission back to the sending party; or

electronic mail transmission to a party when receipt is confirmed in writing or by electronic mail transmission back to the sending party.

The effective date of delivery is the date of personal delivery or the date of the return receipt, if received by the sending party. If no return receipt is provided, the effective date is the date the transmission would have normally been received by certified mail if there is evidence of mailing.

**(d)** Include, Includes, and Including

In this Agreement, the words *include, includes,* and *including* mean include without limitation, includes without limitation, and including without limitation, respectively. *Include, includes,* and *including* are words of illustration and enlargement, not words of limitation or exclusivity.

**(e)** Words of Obligation and Discretion

Unless otherwise specifically provided in this Agreement or by the context in which used, the word *shall* is used to impose a duty, to command, to direct, or to require. Terms such as *may, is authorized to, is permitted to, is allowed to, has the right to*, or any variation or other words of discretion are used to allow, to permit, or to provide the discretion to choose what should be done in a particular situation, without any other requirement. Unless the decision of another party is expressly required by this Agreement, words of permission give the decision-maker the sole and absolute discretion to make the decision required in the context.

**(f)** No Presumption against Drafting Party

This Agreement is to be construed without giving force to any presumption or rule requiring construction or interpretation against the drafting party.

IN WITNESS WHEREOF, Midway City Sanitary District and CRC Cloud have duly authorized, executed and entered in this Managed IT Services Agreement upon the later of the dates set forth below.


**Client:** Midway City Sanitary District


**Signature:** _____


**Print Name:** Robert Housley


**Title:** General Manager


**Date:** _____


**Address:** 14451 Cedarwood St, Westminster, CA 92683


**Email Address:** rhousley@midwaycitysanitaryca.gov


**PROVIDER:** CRC Cloud


**Signature:** _____


**Print Name:** Yousef Alinaghian


**Title:** Vice President


**Date:** _____


**Address:** 4695 MacArthur Ct, 11th floor, Newport Beach, CA 92660


**Email Address:** yousef@crccloud.com