SIGMA SOLUTIONS

N5K & N2K Switch Installation

Statement of Work No. SAN-0139a

By and Between

City of Corpus Christi
1201 Leopard St Fl 4th
Corpus Christi, TX, 78401
Attention: John Spiess
johns@cctexas.com

And

Sigma Technology Solutions, Inc.
422 E. Ramsey Road
San Antonio, TX 78216
Phone: 210-348-9876
Fax: 210-348-9124

Submission Date: 10/14/2013

Valid through December 31, 2013

EXECUTIVE SUMMARY

PROJECT OVERVIEW

City of Corpus Christi ("**Customer**") hereby engages Sigma Technology Solutions, Inc. ("**Sigma**") to perform the services specified herein (the "**Services**").

PROJECT GOALS

The customer goals for this project are as follows:

1. Install and configure N5Ks, install N2Ks, and integrate with Customer's existing network infrastructure.

TECHNICAL SUMMARY

The Sigma Engineer will install and configure Nexus 5Ks, install Nexus 2Ks and integrate with the Customer's existing infrastructure.

STATEMENT OF WORK

PROJECT OUTLINE

The project will consist of the following tasks as outlined in the phase below.

    i. **Project Initiation Phase**

        1. Conduct a kick-off meeting with Customer's team to review the Project Plan

        2. Review the SOW, establish mutual expectations for delivery of this service, and agree on roles and responsibilities

        3. Review project methodology, including milestones, communications, risk and issue tracking, action items, and reporting

    ii. **Planning & Design Phase**

        1. Review configuration specifications with Customer

    iii. **Execution Phase**

        1. Rack/cable six Nexus 5Ks and ten Nexus 2Ks across three sites:

            a) Police HQ – (1) NK5 pair, and (4) N2Ks

            b) City Hall – (1) NK5 pair, and (6) N2Ks

            c) ON Stevens – (1) NK5 pair

        2. Configure six Nexus 5Ks

3. Integration - Uplink to core switches

4. Perform basic tests to verify proper installation and configuration

iv. Project Closeout Phase

1. Create As-Built documentation describing the deployment and provide to the Customer

2. Conduct a Knowledge Transfer session (Not to exceed one (1) hour in duration.)

3. Deliver Customer Acknowledgement and obtain signoff

PROJECT EXCLUSIONS / OUT OF SCOPE ACTIVITIES

- Configuration design
- Remediation of existing networking or cabling issues
- Storage configuration
- Extensive documentation such as run books or step by step installation instructions

SUMMARY OF DELIVERABLES PROVIDED

- **Deliverable 1**: As Built Documentation

GENERAL INFORMATION

The Professional Services may be performed on the Customer Equipment located at the Customer sites (the "Customer Site") specified below:

City of Corpus Christi Departments:
- City Hall - 1201 Leopard St, Corpus Christi, TX 78401
- Police Department - 321 John Sartain St, Corpus Christi, TX 78401
- ON Stevens 2726 Holly Rd, Corpus Christi, TX 78415

SCHEDULE

This project will begin on a date that is mutually agreeable to Sigma and the Customer.

ASSUMPTIONS

In order to identify and estimate the required tasks and timing for this engagement, certain assumptions need to be made. Based on our current knowledge, the engagement assumptions are identified in the following sections: **"Project Assumptions"**, **"Technical Assumptions"** and **"Standard Assumptions"**. If an assumption is invalidated at a later date, then the activities and estimates in the engagement plan should be adjusted accordingly.

GENERAL PROJECT ASSUMPTIONS

- Customer will appoint a project sponsor to oversee the direction of this project. The appointed project sponsor will have decision-making authority over all aspects of the project, including facilitating commitment of Customer resources and employees, decisions regarding scope management, and issue or conflict resolution.
- Customer understands the success of this project is dependent on the participation of Customer employees: attending facilitated workshops, sharing information, and collecting data as needed to support project activities. Customer understands the need to review interim and final deliverables and report acceptance or discrepancy to Sigma according to the project schedule set forth at the project kickoff.
- Customer will provide adequate, co-located workspace for the engagement participants (both Sigma and Customer resources) with the appropriate system level access.
- Customer will provide network connectivity and Internet access to Sigma as needed.
- Customer will provide elevated network and system credentials prior to arrival.
- Any service, process, product or procedure that is not explicitly and clearly stated in this "Statement of Work" is outside the scope of work.
- This SOW is based on discussions with the Customer and does not take into account any changes to the environment made by the customer or any third parties since its writing. If a significant change has occurred in this period, a change order may be required to account for these changes.
- If remote access is required for this project, limited access to the Customer's environment (i.e. copilot via remote session) the estimated project hours may increase by approximately 20%.

TECHNICAL ASSUMPTIONS

- Most work will be performed during normal business hours. Integration and testing will be performed after normal business hours.
- All hardware and licenses to complete the services will be received prior to deployment of services on site.
- Customer will be available while the Sigma Engineer is onsite.
- Sigma will provide network configuration only. Storage configuration is out of scope for this project.
- Customer will provide all configuration specifications (IP addressing, VLANS, logging servers, etc.).
- Customer will be responsible for rack space, cooling, and power to be installed and available for new switches according to manufacture guidelines.
- Sigma will deliver a single knowledge transfer session, limited to one (1) hour, to describe the configuration changes. The session will not be a substitute for formal classroom training. The appropriate customer staff will be available for the session, as subsequent knowledge transfer sessions will be billed as a change request.

STANDARD ASSUMPTIONS

Standard Software Assumptions

- Software specifications are not included in this SOW. Unless specifically addressed in this SOW, it is assumed that all software required to complete the Services will be on location prior to the start of Services. Sigma may, at its discretion, provide any additional software not already in use.
- The Sigma representative will have access to all software required to perform the Services specified in this SOW.
- Pursuant to software required for the completion of Services, it is assumed that all original product documentation will be available prior to the start of Services.
- The Sigma representative will have access to the necessary passwords, including root access, to all systems required to successfully complete the Services.
- Unless otherwise specified in this SOW, it is the Customer's responsibility to ensure that complete backups of any data have been made prior to the commencement of Services. Sigma assumes no responsibility for lost data.

Standard Personnel Assumptions

- Any personnel designated for skills transfer will be available on the schedule agreed upon between Customer and Sigma during the engagement.
- The Services shall be performed in a skilled and workmanlike manner. Sigma shall assign only those employees or subcontractors who have the requisite experience, knowledge, training, and capability to provide the Services hereunder. If at any time Customer determines that an assigned individual can no longer contribute toward the successful completion of the Services, Customer may request Sigma to immediately dismiss the individual from performing the Services and to supply a replacement with equal or better credentials within a reasonable time period.
- Continuously, without interruption, while on Customer premises, Sigma and its personnel shall observe Customer rules and regulations with respect to conduct, health and safety and protection of persons and property.

Engagement Prerequisites

Following are the prerequisites that must be performed by Customer to allow Sigma to successfully begin this engagement.

- Sigma is provided with a completed and signed copy of this SOW from Customer.
- Sigma is provided configuration specifications.

FEES AND EXPENSES

ENGAGEMENT PRICING

This SOW is prepared as Fixed Price billing

Fixed Price Billing	
Work Description	**Total**
N5K and N2K Installation	$8,529.00

*Pricing includes travel expenses.

TERMS AND CONDITIONS

1. DEFINITIONS

Whenever used in this Statement of Work, the terms set forth in these Terms and Conditions shall have the following meanings. Additional terms are defined throughout this Statement of Work as they first appear. Sigma and Customer may be jointly referred to as the "Parties" and individually referred to as a "Party."

- "SOW" means this Statement of Work.

- "Deliverables" means the tangible materials that Sigma delivers to the Customer as set forth in this SOW.

- "Developed Work" means any and all Technology that is developed or reduced to practice in the process of developing and delivering the Deliverables.

- "Technology" means algorithms, concepts, data, designs, developments, documentation, discoveries, HTML, XML and other codes, inventions, methods, multimedia files, object code, procedures, scripts, programs, source code, text, documentation, web pages and any other item generally recognized as technology in Sigma's or the Customer's industry.

- "Products" means hardware and/or software products manufactured or licensed by a third party. Products may be incorporated in, or delivered with, any of the Deliverables.

- "Services" means any services performed under this SOW, which may or may not include the delivery of tangible materials (e.g. training).

2. WARRANTY AND DEFECT MAINTENANCE

Sigma warrants that it will perform Services hereunder in good faith and with a level of professional competence usual in the industry. Sigma will provide Defect Maintenance (as defined below) for the Deliverables and the Developed Work for ninety (90) days from the time of final acceptance of the Deliverables at no additional cost to Customer. Thereafter, Sigma will provide support and/or maintenance for the Deliverables and the Developed Work for an additional fee and subject to the terms and conditions of a Maintenance and Support Agreement. Notwithstanding the foregoing, any support and/or maintenance (whether during the initial 90 day period or thereafter) that is necessitated by any change, modification, editing or repairs made to the Deliverables or the Developed Work by Customer or any third party, shall be at an additional cost to Customer. For purposes of this SOW, "Defect Maintenance" shall mean maintenance of the Deliverables and the Developed Work to enable it to work properly in the original environment for which it was designed.

Any Products delivered to Customer by Sigma under this SOW are delivered without warranty of any kind from Sigma. Sigma does not make and expressly disclaims any and all warranties and representations of any kind or nature with respect to any Products. This disclaimer includes any warranties of non-infringement or otherwise. Customer's only warranties for Products are the applicable manufacturer's warranties, if any.

3. ACCEPTANCE OF DELIVERABLES

Sigma shall deliver each Deliverable at the time and in the manner specified under this Paragraph 3 or as otherwise specified in this SOW. Each Deliverable comprised of or containing Developed Work will be subject to acceptance testing by Customer to verify that the Deliverable satisfies the criteria for acceptance mutually agreed to by Customer and Sigma in this SOW. At such time as Sigma first offers the applicable Deliverable to Customer for acceptance, Sigma shall provide written notice of completion to Customer (the "Completion Acknowledgement"). Upon receipt of the Completion Acknowledgement, Customer shall have seven (7) business days to complete such acceptance testing as Customer desires to determine the functionality, performance and conformance of the Deliverable to the specifications contained in this SOW. In the event of any dispute between Customer and Sigma, the failure of Customer to perform such tests shall preclude Customer from raising issues of functionality, performance or nonconformance to the specifications established in this SOW. Within seven (7) business days after receipt of the Completion Acknowledgement, Customer may give Sigma a written letter specifying deficiencies (the "Deficiencies") in the Deliverable. Such letter shall specify the particular requirements of this SOW with which the Deliverable does not comply. In the event of any alleged Deficiencies, Sigma shall proceed in a commercially reasonable manner to correct at its own expense such Deficiencies, if they so exist. After the Deficiencies have been corrected by Sigma and subsequent notice is given to Customer, Customer may again run such acceptance tests as it desires and thereupon deliver to Sigma the Completion Acknowledgement or a list of any additional Deficiencies within seven (7) business days of such subsequent notice. Such process shall continue until the Deliverables or Developed Work have been accepted. Notwithstanding the foregoing, if Customer (a) begins use of the Deliverable before acceptance, or (b) fails to notify Sigma of its acceptance or non-acceptance within seven (7) business days of receipt of the Completion Acknowledgement, Customer shall be deemed to have accepted the Deliverable and shall have no further recourse under this Paragraph 3.

4. PAYMENTS

Billing for all labor will be upon acceptance of the Deliverables pursuant to Paragraph 3, or as otherwise specified in this SOW. If Milestone Billing is specified in this SOW, upon satisfactory completion of each milestone event as set forth in the Milestone Billing Schedule and verification of completion of the milestone by Customer as provided in Paragraph 3, Sigma will bill Customer for the amount set forth in this SOW for that milestone. If Progress Payments are specified in this SOW, Customer will be billed as set forth in the Progress Payment Schedule with the final payment subject to acceptance of the Deliverables as provided in Paragraph 3. Payment terms for all invoices are Net thirty (30) Days. Late charges will be assessed on all undisputed amounts, after thirty (30) days from receipt of invoice, at the lesser of one and one half percent (1.5%) per month or the maximum interest allowed by applicable law. If Sigma is required to retain a collection agency or attorney to collect any undisputed overdue payment, all reasonable collection costs, including attorney fees, will be payable by Customer.

In addition to the fees specified in this SOW, Customer shall also be liable for, and shall reimburse Sigma for, all freight and insurance charges as well as all local, state, federal and non-United States taxes or similar assessments or charges (including any interest and penalties imposed thereon) arising out of, or relating to this SOW, other than taxes based on the net income of Sigma.

5. CHANGE CONTROL

If Customer wishes to make any changes to an executed SOW, Customer shall provide Sigma with a proposed change order specifying the desired changes in the requirements (the "Change Order"). Customer acknowledges that any changes to an SOW may

require increased work by Sigma, necessitating a reasonable adjustment in the payment due Sigma. The Parties shall negotiate such increases in good faith and Customer agrees to accept any delays in the Services or Deliverables caused by such negotiations and/or change in the requirements. Acceptance of the proposed Change Order shall be at Sigma's sole discretion. If Sigma accepts the proposed Change Order and Customer accept the adjustment in the compensation to Sigma and/or the schedule, the Parties shall execute the proposed Change Order, which shall detail the change in the Deliverables or Services, the adjusted compensation and/or the adjusted schedule. When signed by both Parties, the terms of the Change Order shall prevail over the applicable SOW to the extent they are inconsistent. If Sigma does not accept the proposed Change Order and/or Customer does not accept the adjustment in the compensation to Sigma, the proposed Change Order shall be null and void and this SOW shall continue to govern without change.

If the Customer requests changes while the work is in process and if the Parties agree that the changes do not warrant the effort of the change control process described in this Paragraph 5, Sigma will charge for the work on a time and materials basis at Sigma's published rate per hour.

6. CHARGES FOR IDLE TIME

Should Sigma personnel assigned to do the work, need to wait due to Customer or a third party under the direction of Customer not having resources available as outlined in this SOW, Sigma will charge by the hour for that idle time. The charge will be at Sigma's published rate per hour for a maximum of eight hours per occurrence. Once the eight hours have been reached, Sigma personnel will exit the work location and return the next business day. If the resources are still not available after the third business day, Sigma personnel will exit the work location and not return until the project has been rescheduled. If Customer's work location is more than fifty (50) miles from the Sigma office providing the Services, Customer will also be responsible for all direct travel and per diem expenses incurred as a result of the delay.

7. HOUR CATEGORIES

In the case of time and materials work the following definitions are used to apply normal time and overtime rates. Normal business hours are defined as eight hours performed within a single 24 hour period beginning at 7:00AM to 6:00PM Monday through Friday excluding holidays as defined by United States Code Title 5 Section 6103(a). Hours worked beyond the eight hours in a single day or hours worked on weekends or holidays are considered overtime hours.

8. NO SOLICITATION

During the period beginning on the effective date of this SOW and for a period of one (1) year after the date of the Completion Acknowledgement of this SOW neither Customer nor Sigma shall, without the express written consent of the other Party, individually or on behalf of any other person, firm, corporation or other entity, directly or indirectly, solicit or encourage any employee of the other Party, or any subsidiary of the other Party, to terminate his or her employment with that Party. For purposes of this Paragraph, each Party's employees shall include both independent contractors, as well as personnel utilized by such Party, who are employees or contractors of third parties. Both Parties agree that should it hire any of the other Party's personnel, it will pay the damaged Party a nonrefundable hiring fee of thirty percent (30%) of the first year's base compensation for each person hired. The damaged Party will invoice the offending Party upon the start date of hire and such invoice will be paid in full within fifteen (15) days. This provision shall survive the termination of this SOW. This provision shall not restrict in any way the right of either Party to solicit generally in the media for personnel, or restrict in any way the right of either Party to hire

any person as a result of such general solicitation, and shall not restrict employees, contractors, or representatives of either Party from pursuing on their own initiative employment opportunities from or with the other Party, or restrict the other Party from hiring such persons, and shall not restrict either Party from soliciting or hiring any personnel from the other Party who is referred to such Party by search firms, employment agencies, or other similar entities, provided that such entities have not been specifically instructed by such Party to solicit employees of the other Party.

9. CONFIDENTIAL INFORMATION

"Confidential Information" means any information and data, including in tangible, electronic or other form, of Sigma or Customer that is identified as confidential or proprietary at the time of disclosure or which should be understood to be confidential by the nature of the information or the circumstances of the disclosure. Confidential Information shall include without limitation Services, Products, Customer data, business plans, strategies, technology, software, documentation, methodologies, know-how, technical information, financial information, information regarding each Party's operations, business relationships and the terms of this SOW. Confidential Information shall not include any information which: (a) is known to the receiving Party prior to receipt hereunder from a source that, to the receiving Party's knowledge, does not have an obligation of confidentiality to the disclosing Party; (b) becomes lawfully known (independently of disclosure by the disclosing Party) to the receiving Party from a source that, to the receiving Party's knowledge, does not have an obligation of confidentiality to the disclosing Party; (c) becomes publicly known or otherwise ceases to be secret or confidential, except through a breach of this SOW; or (d) is independently developed by the receiving Party without use of the Confidential Information. The receiving Party agrees that it will not use the Confidential Information of the disclosing Party in any way, for its own account or the account of any third party, except for the purpose of performing this SOW, nor will the receiving Party disclose the Confidential Information of the disclosing Party to any third party except as required by law, legal or judicial process or as requested by a regulatory authority. The receiving Party will take commercially reasonable precautions to protect the confidentiality of such Confidential Information. In the event that either Party is required by law, legal or judicial process or as requested by a regulatory authority to make any disclosure of any Confidential Information, by subpoena, judicial or administrative order or otherwise, such Party must first, to the extent permitted by applicable law or regulation and except in connection with an examination by a regulatory authority, give written notice of such requirement to the other Party, and must permit such Party to intervene in any relevant proceedings to protect its interests in the Confidential Information, and provide reasonable cooperation and assistance in seeking to obtain such protection, all at the disclosing Party's cost and expense. The terms and conditions of this SOW shall be considered confidential and proprietary information under this paragraph. If the Parties have previously executed a Non-disclosure Agreement, the terms and provisions of such Non-disclosure Agreement are hereby incorporated herein by this reference. To the extent that there is a conflict between the terms and provisions of this SOW and such Non-disclosure Agreement, the more restrictive terms and provisions shall control.

10. INDEPENDENT CONTRACTOR

Personnel furnished by Sigma to perform the Services and deliver the Deliverables shall under no circumstances be considered Customer employees or agents and shall be in an independent contractor relationship to Customer at all times. Sigma and its personnel will not be entitled to any of the benefits that Customer may make available to its employees, including, but not limited to, group health or life insurance, profit sharing, stock option or retirement benefits.

11. INDEMNIFICATION

11.1 Intellectual Property

Sigma shall indemnify and hold harmless the Customer against any losses, claims, damages, liabilities, penalties, actions, proceedings or judgments (collectively, **"Loss"**) to which the Customer may become subject, related to or arising out of an allegation that any Deliverable or Developed Work provided under this SOW, when used as contemplated by the SOW, infringes any third party's copyright or trade secrets. If a court or settlement enjoins the use of any Deliverable or Developed Work, or if in Sigma's reasonable opinion, any Deliverable or Developed Work is likely to become the subject of a Loss, Sigma shall have the option to modify such Deliverable or Developed Work so that it becomes non-infringing, or to substitute a substantially equivalent non-infringing Deliverable or Developed Work, or to obtain for the Customer a license to continue to use the Deliverable or Developed Work. Sigma shall have no obligation under this Paragraph for any Loss if Sigma has offered such modified or replacement Deliverable or Developed Work and the Loss results from Customer's failure to use the modified or replacement Deliverable or Developed Work. Notwithstanding the foregoing, Sigma shall have no obligation under this Paragraph for any Loss that results from (a) use of any Deliverable or Developed Work in combination with materials, services or products not supplied by Sigma, other than as reasonably contemplated by this SOW or if Sigma instructs or advises Customer to use a Deliverable or Developed Work in combination with such items, if such Deliverable or Developed Work would not have infringed the copyright or trade secret of the Party bringing the claim absent such combination, or (b) modifications to the Deliverable or Developed Work by any party other than Sigma, other than as reasonably contemplated by this SOW or if Sigma instructs or advises Customer to make such modifications, if such Deliverable or Developed Work would not have infringed the copyright or trade secret of the party bringing the claim absent such modifications. An **"Indemnified Customer Party"** shall include all individuals or entities controlling, controlled by or under common control with Customer (each, a **"Customer Affiliate"**), and the officers, directors, attorneys and employees of Customer and each Customer Affiliate. Sigma shall reimburse an Indemnified Customer Party for all legal and other expenses, including, without limitation, reasonable attorneys' fees incurred by such Indemnified Customer Party in connection with investigating, defending or settling any Loss.

Any Products delivered to Customer by Sigma under this SOW are delivered without indemnification of any kind from Sigma. Sigma does not make and expressly disclaims any and all indemnification of any kind or nature with respect to any Products. Customer's only protection for claims related to intellectual property infringement for Products delivered pursuant to this SOW is the indemnification provided by the manufacturer, if any.

11.2 Bodily Injury, Death and Property Damage

To the fullest extent permitted by law, Sigma and Customer at their own expense, agree to indemnify, defend and hold the other, its shareholders, owners, officers, directors, agents, and employees harmless from and against all third party Claims (as defined below) from any cause arising out of or relating (directly or indirectly) to a breach of the provisions of this SOW by such Party, except for Claims arising out of or relating to the willful or intentional misconduct or gross negligence of the indemnified Party. For purposes of this SOW, **"Claims"** means any and all claims, causes of action (whether based on tort or contract law principles, law or equity, or otherwise), charges, assessments, fines, and penalties of any kind (including consultant and expert expenses, court costs, and reasonable attorneys' fees). This indemnification extends to and includes but is not limited to Claims for: (i) injury to any person (including death at

any time resulting from that injury); and (ii) loss of, injury or damage to, or destruction of real or personal property (including all loss of use resulting from that loss, injury, damage, or destruction of premises). This indemnification may not be construed or interpreted as in any way restricting, limiting, or modifying either Party's insurance or other obligations under this SOW and is independent of the insurance obligations of either Party. The provisions of this paragraph shall survive the expiration or earlier termination of any SOW being provided under this SOW until all Claims involving any of the indemnified matters are fully, finally, and absolutely barred by the applicable statutes of limitation. Notwithstanding the foregoing, in no event shall either Party's liability for indemnification under this Paragraph exceed the amount of one million dollars ($1,000,000).

Each Party's indemnification obligations hereunder shall be subject to (i) receiving prompt written notice of the existence of any action (provided that failure to provide such notice shall only excuse the other Party to the extent that it is prejudiced thereby); (ii) being able to, at its option, control the defense of those portions of such action for which indemnification is sought; (iii) permitting the indemnified Party, at its own expense, to participate in the defense of those portions of such action for which indemnification is sought; and (iv) receiving reasonable cooperation of the indemnified Party in the defense thereof, all at the indemnifying Party's cost and expense.

12. DISCLAIMER AND LIMITATION OF LIABILITY

Except as expressly provided in this SOW, Sigma does not make and expressly disclaims any and all warranties and representations of any kind or nature with respect to the Services performed or Deliverables delivered under this SOW, expressed or implied, including, without limitation, the implied warranties of title, merchantability and fitness for a particular purpose. Sigma does not warrant (a) that the Deliverables will run properly on all hardware or systems or operate in all combinations which may be selected for use by Customer, or (b) that the operation of the Deliverables will be uninterrupted or error free.

With the exception of claims pursuant to Paragraph 11 , and except in the case of willful or intentional misconduct or gross negligence, it is understood and agreed that either Party's liability to the other Party for damages from any cause whatsoever and regardless of the form of action, whether in contract, tort, strict liability or otherwise, or whether foreseeable or unforeseeable, shall not exceed the total amounts paid or owing by Customer to Sigma for the Deliverables or Services provided under this SOW. In no event shall either Party be liable for any indirect, consequential, incidental, special or punitive damages, including without limitation loss of use, interruption of business, loss of data or loss of profits, arising out of or in any way connected with this SOW, the Deliverables, the Services, or any Sigma supplied software, or third party software, even if such Party has been advised of the possibility of such damages. No action, regardless of form, arising out of the Deliverables or Services being provided by Sigma hereunder, may be brought by either Party more than four (4) years after the cause of action has occurred, except with respect to claims relating to infringement of intellectual property rights.

13. OWNERSHIP AND LICENSING OF INTELLECTUAL PROPERTY

13.1 Customer's Rights

Prior to Sigma's receipt of full and final payment from Customer for Deliverables delivered or Services rendered hereunder, Sigma shall retain all right, title and interest in and to any Deliverables and/or Developed Work, including without limitation all rights under all copyright, patent, and other intellectual property laws. Upon final payment by Customer of all amounts due under this SOW and provided that Customer is not otherwise in default of its obligations

under this SOW, the tangible items specified as Deliverables or Developed Work under this SOW will become the property of Customer. To the extent that any Sigma Technology is contained in any Deliverables, Sigma grants to Customer, upon full and final payment to Sigma hereunder, a royalty-free, fully paid-up, worldwide, non-exclusive license to use such Sigma Technology in connection with the Deliverables. The foregoing license grant conveys no ownership interest in and to the Sigma Technology and does not grant Customer the right to extract such Sigma Technology from the Deliverables for the purpose of selling, reproducing, distributing, or marketing copies thereof to third parties as a stand-alone product.

Sigma will be free to use its general knowledge, skills and experience, and any ideas, concepts, know-how, methodologies, and techniques within the scope of its consulting practice that are used in the course of providing the Services, including information publicly known or available or that could reasonably be acquired in similar work performed for another customer of Sigma. In addition, in no event will Sigma be precluded from developing for itself, or for others, materials that are competitive with the Deliverables or the Developed Work, irrespective of their similarity to the Deliverables or Developed Work, provided this is done without violation of the foregoing clauses and the confidentiality clauses set forth in Section 9 herein.

13.2 Products
Sigma does not directly grant any license to Customer for any Products delivered hereunder. Sigma shall assist Customer in obtaining from the applicable third party vendor a license to use the Products, subject to such third party vendor's terms and conditions and at Customer's sole expense. This SOW shall specifically describe any Products delivered hereunder and the costs associated therewith.

13.3 License from Customer
During the period of performance of this SOW, Customer hereby grants to Sigma a revocable, nonexclusive, worldwide, personal, royalty-free and nontransferable license to use, solely for the purpose of providing Services under this SOW, any and all Technology owned by Customer, or owned by a third party and licensed to Customer (to the extent permitted by such license), necessary for Sigma to design, develop, test, operate, enhance and maintain the Deliverables and/or provide the Services. The license granted herein shall expire upon acceptance of the Deliverables or completion of the Services and shall under no circumstances give Sigma any right in or claim to such Technology other than as expressly set forth above or alter Customer's ownership of the Deliverables and Developed Work under this SOW as set forth in this SOW.

14. INSURANCE
Sigma agrees to provide and to maintain in effect at all times during the term of this SOW, at its sole expense, the following minimum insurance coverage:

- Workers' Compensation covering its Personnel in accordance with applicable Statutory requirements and Employer's Liability Insurance in an amount of not less than $1,000,000 per accident for bodily injury by accident, $1,000,000 policy limit by disease and $1,000,000 per employee for bodily injury by disease.

- Commercial General Liability Insurance written on an occurrence form including coverage for bodily injury, property damage, products and completed operations, personal injury, advertising injury and contractual liabilities arising out of any and all Services provided under this SOW with minimum limits of $1,000,000 per occurrence and $2,000,000 annual aggregate.

- Professional Liability/Errors and Omissions coverage of not less than $3,000,000 each claim and annual aggregate. If coverage is written on a claims-made basis, coverage with respect to any and all work performed in connection with this SOW shall be maintained for a period of at least three (3) years after the expiration or termination of this SOW.

- Umbrella/Excess Liability with policy limits of not less than $2,000,000 per occurrence and annual aggregate, as excess over general liability, automobile liability and employer's liability.

All insurance policies shall be issued by companies licensed to do business in the states where the Services are delivered and will be rated "A-" or better by A.M. Best. All insurance policies shall apply as primary to and non-contributory with any other insurance afforded to Customer. All insurance policies shall include coverage for defense costs and related expenses.

15. FORCE MAJEURE
If the performance of this SOW or any obligation hereunder (except the payment of monies due hereunder) is prevented, restricted or interfered with by reason of any event or condition beyond the reasonable control of such Party (including, without limitation, acts of State or governmental action, international or domestic terrorism, riots, disturbance, war, strikes, lockouts, slowdowns, prolonged shortage of energy or other supplies, epidemics, fire, explosion, flood, hurricane, typhoon, earthquake or other act of God), the Party so affected shall be excused from such performance, only for so long as and to the extent that such a force prevents, restricts or interferes with such Party's performance and provided that the Party affected gives notice thereof to the other Party and uses diligent efforts to remedy such event or condition.

16. TERMINATION
Either Party may terminate this SOW without cause at any time by providing the other Party with written notice at least thirty (30) days prior to the termination date designated in such notice. If an SOW is terminated, Customer shall pay Sigma for all Deliverables delivered and Services performed under this SOW prior to the effective date of termination, as well as any charges and expenses for the Deliverables in development, if any. Promptly after receiving full payment therefore, Sigma will deliver to Customer any such Deliverables in development on an "as-is" basis and not subject to Customer's Acceptance or to any warranties or indemnification provided herein.

17. CONSENT TO USE SUBCONTRACTORS
From time to time in the performance of this SOW, it may be necessary or desirable for Sigma to engage third parties as subcontractors. Customer consents and agrees that Sigma may engage subcontractors to provide services hereunder, as it deems necessary, but that Sigma shall retain full responsibility for all such services. Within the first twenty-four (24) hours actually worked by any subcontractor, Customer shall review the subcontractor's performance and decide whether such subcontractor's performance is acceptable. If Customer is dissatisfied with the performance of the subcontractor and wishes Sigma to replace such subcontractor, Customer must provide written notification to Sigma within the initial twenty-four (24) hour period, specifying the reasons for its dissatisfaction and requesting the replacement of the subcontractor. Customer shall not be required to pay for the hours worked by that subcontractor during the initial twenty-four (24) hour period, provided its reasons for requesting the replacement are not unlawful and are bona fide in Sigma's reasonable judgment. If Customer becomes dissatisfied with the performance of a subcontractor after the initial twenty-four (24) hour period, Customer may still request that Sigma replace the subcontractor, but Customer shall pay for all hours worked by the terminated subcontractor from the first hour of

work up to and including the date of termination. Sigma shall use commercially reasonable efforts to replace a subcontractor removed for performance reasons, within 5 business days of the date of removal. Sigma reserves the right to adjust the delivery schedule in the event a subcontractor is removed pursuant to this Paragraph 17.

18. EXTENT OF SOW

THIS SOW, INCLUDING ANY CHANGE AUTHORIZATIONS, APPENDICES, ADDENDUMS OR ATTACHMENTS, CONSTITUTES THE FINAL AND COMPLETE EXPRESSION OF ALL TERMS OF THE AGREEMENT BETWEEN THE PARTIES. IT SUPERSEDES ALL PROPOSALS, UNDERSTANDINGS, AND NEGOTIATIONS CONCERNING THE MATTERS THAT IT COVERS. ANY REPRESENTATIONS, ORAL STATEMENTS, OR WARRANTIES MADE BY EITHER PARTY THAT DIFFER IN ANY WAY FROM THE TERMS OF THIS SOW SHALL BE GIVEN NO FORCE OR EFFECT. NO ADDITIONS TO OR MODIFICATIONS OF ANY PROVISIONS OF THIS SOW SHALL BE BINDING UPON EITHER PARTY UNLESS MADE IN WRITING AND SIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF THE PARTIES TO BE BOUND. CUSTOMER ACKNOWLEDGES THAT ANY ADDITIONAL OR CONFLICTING TERMS AND CONDITIONS CONTAINED IN CUSTOMER'S PURCHASE ORDER SHALL NOT BE APPLICABLE TO THE SERVICES TO BE PROVIDED HEREUNDER, EVEN IF SIGMA RELIES ON SUCH PURCHASE ORDER FOR INVOICING PURPOSES.

19. WRITTEN COMMUNICATIONS

For the purposes of this SOW, written communication shall be defined to include facsimile transmissions and electronic mail.

20. COUNTERPARTS

This SOW may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed original and such counterparts together shall constitute but one and the same instrument. The Parties further agree that executed documents under this SOW may be sent via facsimile or scanned and sent via electronic mail.

21. GOVERNING LAW

This SOW shall be governed by and construed in accordance with the laws of the State of Texas excluding its choice of law rules. Exclusive and mandatory venue shall be in San Antonio, Bexar County, Texas. In the event any dispute, claim, question or difference shall arise out of or relating to the SOW or the breach, termination or invalidity hereof (a "Dispute"), the Parties hereto shall attempt in good faith to resolve such Dispute by negotiation between executives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this SOW. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. If within fourteen (14) days after a Dispute arises a mutual agreement is not reached through negotiation, such Dispute shall be resolved by final, non-appealable and binding arbitration in accordance with the then current Commercial Arbitration Rules of the American Arbitration Association before one (1) arbitrator experienced in the subject matter of this SOW. The arbitration shall be held in San Antonio, Bexar County, Texas. If a legal proceeding is commenced to enforce or obtain a declaration of rights under this SOW, the prevailing Party in such proceeding shall be entitled to recover its reasonable attorneys' fees and expenses of litigation incurred in the proceeding from the non-prevailing Party, as well as any reasonable attorneys' fees and costs that the prevailing Party incurred prior to commencing the proceeding.

AUTHORIZATION AND ACCEPTANCE

By signing below, both Sigma and the Customer agree to the Terms and Conditions of this SOW.

Sigma Technology Solutions, Inc.

Signature: *Cynthia D Nygren*

Name: *Cynthia D Nygren*

Title: *SOW Analyst*

Date: *October 22, 2013*

City of Corpus Christi

Signature: _____

Name: _____

Title: _____

Date: _____

Upon execution, please submit signed document to ps_operations@sigmasolinc.com.