

KRONOS SALES, SOFTWARE LICENSE AND SERVICES AGREEMENT

Rev KR-022811.1

THIS KRONOS SALES, SOFTWARE LICENSE AND SERVICES AGREEMENT (this "Agreement") is made between the City of Redondo Beach, a Chartered Municipal Corporation ("Customer") and Kronos Incorporated, a Massachusetts Corporation doing business as Kronos Data Systems Incorporated ("Kronos" or "Contractor").

The parties hereby agree that the terms and conditions set forth in this Agreement shall apply to all Kronos Equipment, Software, Professional and Educational Services, Support, and such other Kronos offerings selected with the execution of this Agreement or subsequently ordered. The initial products and services ordered are outline in Appendix A and B of this Agreement.

Kronos and Customer hereby agree that the terms and conditions of this Agreement apply to Order Form executed by Kronos and Customer which expressly references this Agreement and the Order Form incorporated to this Agreement as an Appendix. For the purposes of future order, either party may discontinue use of this Agreement for such future orders upon thirty (30) days prior written notice to the other party, provided however that any Order Form prior to the effective date of such notice shall remain in effect unless otherwise specifically terminated in accordance with the terms of this Agreement. Kronos may require additional terms and conditions for the sale or license of products or services not contemplated by this Agreement (including without limitation those that may be related to international services) provided that no such additional terms and conditions shall be binding upon Customer unless a subsequent amendment is executed by both parties. All orders are subject to the approval of Kronos' corporate office in Chelmsford, Massachusetts. This Agreement and the Order Form shall supersede the pre-printed terms of any Customer purchase order or other Customer ordering document, and no such other Customer or Kronos pre-printed terms shall apply to the items ordered. **In no event shall any Order Form be effective unless incorporated within the Agreement or any subsequent amendment executed by Customer and Kronos.**

1. **PAYMENT AND DELIVERY.** Unless otherwise set forth in this Agreement, payment terms are Net 30 days from the receipt of the invoice unless a longer term is indicated on the Order Form or other contemporaneous ordering document containing product-specific payment terms signed by the parties. Delivery terms are as stated on the Order Form ("Delivery"). Kronos will invoice Customer for products upon Delivery. Customer shall pay annual support charges for the initial term in accordance with the payment terms on the Order Form and for any renewal term upon receipt of invoice. Customer shall pay additional support charges, if any, and time and material charges upon receipt of invoice. The Professional and educational services are invoiced monthly as rendered unless otherwise agreed between the parties. The Cloud Hosting Program are payable and invoiced in accordance with Appendix C.

Customer agrees to pay all applicable taxes levied or based on the products, services or other charges hereunder, including state and local sales and excise taxes, and any taxes or amount in lieu thereof paid or payable by Kronos, exclusive of taxes based on net income. Provided however, if Customer presents to Kronos a validly issued tax-exempt certificate, or other sufficient evidence of tax exemption, Customer shall not be liable for those taxes for which Customer is exempt.

2. **GENERAL LICENSE TERMS**

Kronos owns or has the right to license the Software. The Software and Software documentation are confidential and may not be disclosed to a third party without Kronos' written consent. The Software contains proprietary trade secret technology. Unauthorized use and copying of such Software is prohibited by law, including United States and foreign copyright law. The price Customer pays for a copy of the Software constitutes a license fee that entitles Customer to use the Software as set forth below. Kronos grants to Customer a non-exclusive, nontransferable, perpetual (except as provided herein) license to use the Software.

3. **FEE BASED LIMITATIONS**

Customer recognizes and agrees that the license to use the Software is limited, based upon the amount of the license fee paid by Customer. Limitations, which are set forth on the Order Form, may include the number of employees, simultaneous or active users, Software product modules, Software features, computer model and serial number and partition, and/or the number of telephone lines or terminals to which the Software is permitted to be connected. Customer agrees to: i) use the Software only for the number of employees, simultaneous or active users, computer model, partition and serial number, and/or terminals permitted by the applicable license fee; ii) use only the product modules and/or features permitted by the applicable license fees; and iii) use the Software only in support of Customer's own business. Customer agrees not to



increase the number of employees, simultaneous or active users, partitions, terminals, products modules, features, or to upgrade the model, as applicable, unless and until Customer pays the applicable fee for such increase/upgrade. Customer may not relicense or sublicense the Software to, or otherwise permit use of the Software (including timesharing or networking use) by any third party. Customer may not provide service bureau or other data processing services that make use of the Software without the express prior written consent of Kronos.

4. OBJECT CODE ONLY

Customer may use the computer programs included in the Software (the "Programs") in object code form only, and shall not reverse compile, disassemble or otherwise convert the Programs into uncompiled or unassembled code. The Programs include components owned by third parties. Such third party components are deemed to be Software subject to this Agreement. Customer shall not use any of the Programs (or the data models therein) except solely as part of and in connection with the Software and as described in the published documentation for such Software. Customer shall indemnify and hold harmless Kronos for all damages or liability caused by Customer's failure to comply with the foregoing restriction.

5. PERMITTED COPIES

Customer may copy the Programs as reasonably necessary to load and execute the Programs and for backup and disaster recovery and testing purposes only, except for additional copies of the Teletime Software and the Kronos iSeries (which must be licensed separately). All copies of the Programs or any part thereof, whether in printed or machine readable form and whether on storage media or otherwise, are subject to all the terms of this license, and all copies of the Programs or any part of the Programs shall include the copyright and proprietary rights notices contained in the Programs as delivered to the Customer.

6. UPDATES

In the event that Kronos supplies Service Packs, Point Releases and Major Releases (including legislative updates if available) of the Software (collectively referred to as "Updates"), such Updates shall be part of the Software and the provisions of this license shall apply to such Updates and to the Software as modified thereby.

7. EXPORT

Customer acknowledges that the Equipment and Software may be restricted by the United States Government or by the country in which the Equipment or Software is installed from export to certain countries and certain organizations and individuals, and agrees to comply with such laws. Customer agrees to comply with all applicable laws of all of the countries in which the Equipment and Software may be used by Customer and shall indemnify Kronos for any noncompliance which results in damages or liability for Kronos. Customer's obligations hereunder shall survive the termination or expiration of this Agreement. Customer must obtain Kronos' prior written consent before exporting the Software.

8. FIRMWARE

Customer may not download firmware updates for the Kronos Equipment unless Customer is maintaining such Equipment under a support plan with Kronos. If Customer is not maintaining the Equipment under a support plan with Kronos, Kronos shall have the right to verify Customer's Kronos Equipment to determine if Customer has downloaded any firmware to which Customer is not entitled. If Customer has downloaded firmware for the Kronos Equipment to which Customer is not entitled, Customer shall be responsible to pay Kronos for such updated firmware in accordance with Kronos' then-current support policies.

9. TRAINING POINTS

Training Points which are purchased by Customer may be redeemed for an equivalent value of instructor-led training sessions offered by Kronos. Available instructor-led sessions are listed at <http://customer.Kronos.com> and each session has the Training Points value indicated. Training Points may be redeemed at any time within 12 months of the date of the applicable Order Form, at which time they shall expire. Training Points may not be exchanged for other Kronos products and/or services. Except for training points BAYG, Kronos will invoice Customer for the Training Points identified in the Order Form upon execution of such Order Form with payment terms in accordance with the Order Form.

10. ACCEPTANCE

For Customer's initial purchase of each Equipment and Software product Kronos shall provide an acceptance test period



(the "Test Period") that commences upon Installation. Installation shall be defined as: a.) the Equipment, if any, is mounted; b.) the Software is installed on Customer's server(s); and c.) implementation team training, if any, is complete. During the Test Period, Customer shall determine whether the Equipment and Software meet the Kronos published electronic documentation, ("Specifications"). The Specifications include Kronos trade secrets and shall be treated in accordance with the Section 16 of the Agreement.

The Test Period shall be for 45 days. If Customer has not given Kronos a written deficiency statement specifying how the Equipment or Software fails to meet the Specifications ("Deficiency Statement") within the Test Period, the Equipment and Software shall be deemed accepted. If Customer provides a Deficiency Statement within the Test Period, Kronos shall have 30 days to correct the deficiency, and Customer shall have an additional 45 days to evaluate the Equipment and Software. If the Equipment or Software does not meet the Specifications at the end of the second 45 day period, either Customer or Kronos may terminate this Agreement. Upon any such termination, Customer shall return all Equipment and Software (and related documentation) to Kronos, and Kronos shall refund any monies paid by Customer to Kronos for the returned Equipment and Software. Neither party shall then have any further liability to the other for the products that were the subject of the Acceptance Test.

11. LIMITED WARRANTY

11.1 Kronos warrants and represents either that it is the sole owner of the Software and has the power and authority to grant this license without the consent of any other person, or that it has obtained such consent. Kronos warrants and represents that title to the Software shall at all relevant times remain free of any encumbrance, lien, or security interest

11.2 Kronos warrants that it possesses either good title or has the power to sell all Kronos Equipment and license the Software and the right to transfer the Equipment and Software media to Customer; the Equipment and Software media shall be delivered to the Customer free from any security interest or other lien; The Equipment and Software media shall be free from material defects in materials and workmanship under normal use for a period of ninety (90) day from the Delivery. In the event of a breach of this warranty, Customer's initial remedy shall be that Kronos shall repair or replace the deficient Equipment and/or Software media, at Kronos' reasonable option provided that Customer's use, installation and maintenance thereof have conformed to the Specifications. All repairs during the warranty period shall be promptly performed by Kronos, at Kronos's expense, including shipping. This warranty is extended to Customer only and shall not apply to any Equipment (or parts thereof) or Software media in the event of:

- (a) damage, defects or malfunctions resulting from misuse, accident, neglect, tampering, (including modification or replacement of any Kronos components on any boards supplied with the Equipment) to the extent not caused by Kronos, unusual physical or electrical stress or causes other than normal and intended use;
- (b) failure of Customer to provide and maintain a suitable installation environment, as specified in the Specifications; or
- (c) malfunctions resulting from the use of badges or supplies not approved by Kronos.

When using and applying the information generated by Kronos products, Customer is responsible for ensuring that Customer complies with the applicable requirements of federal and state law. If Customer is licensing Workforce Payroll Software or Workforce Absence Management Software: (i) Customer is solely responsible for the content and accuracy of all reports and documents prepared in whole or in part by using such Software, (ii) using such Software does not release Customer of any professional obligation concerning the preparation and review of such reports and documents, (iii) Customer does not rely upon Kronos, Best Software, Inc. or such Software for any advice or guidance regarding compliance with federal and state laws or the appropriate tax treatment of items reflected on such reports or documents, and (iv) Customer will review any calculations made by using such Software and satisfy itself that those calculations are correct.

11.3 For so long as Customer maintains the Software and Equipment under a support plan with Kronos, Kronos represents and warrants that the Equipment and Software will perform in material conformance with the Specifications. In the event of a breach of this warranty, Customer's exclusive remedy shall be Kronos' repair or replacement of the deficient Equipment and/or Software, as provided in the applicable support plan. In the event that Kronos' repair or replacement of the deficient Equipment or Software does not remedy the breach, Customer shall be entitled to seek actual and direct damages at law and equity consistent with the Agreement.



12. INDEMNIFICATION

Kronos agrees to indemnify Customer, its elected and appointed officials, officers, employees, and volunteers and to hold it harmless from and against any and all claims, costs, fees and expenses (including reasonable legal fees) relating to actual or alleged infringement United States, Canadian or Berne Convention signatory countries' patents, copyrights, trademarks, trade secrets or other intellectual property rights enforceable in the United States asserted against Customer by virtue of Customer's use of the Software as delivered and maintained by Kronos, provided that: i) Kronos is given prompt written notice of any such claim and has the sole control over the investigation, preparation, defense and settlement of such claim (provided that no such settlement shall include an admission of liability or guilt of Customer without Customer's prior written consent); and, ii) Customer reasonably cooperates with Kronos in connection with the foregoing and provides Kronos with all information in Customer's possession related to such claim and any further assistance as reasonably requested by Kronos. Kronos will have no obligation to indemnify Customer to the extent any such claim is based on the use of the Software with software or equipment not supplied or approved by Kronos. Should any or all of the Software as delivered and maintained by Kronos become, or in Kronos reasonable opinion be likely to become, the subject of any such claim, Kronos may at its option: i) procure for Customer the right to continue to use the affected Software as contemplated hereunder; ii) replace or modify the affected Software to make its use non-infringing while substantially maintaining the functionality as provided for in the Specifications; or iii) should such options not be available at reasonable expense, terminate this Agreement with respect to the affected Software upon thirty (30) days prior written notice to Customer. In such event of termination, Customer shall be entitled to a pro-rata refund of all fees paid to Kronos for the affected Software, which refund shall be calculated using a five year straight line depreciation commencing with the date of the relevant Order. Additionally, Kronos agrees to be liable for tangible property damage or personal injury caused solely by the negligence or willful misconduct of its employees.

13. PROFESSIONAL AND EDUCATIONAL SERVICES

(a) TRAVEL EXPENSES

Customer will reimburse Kronos for all reasonable and necessary travel incurred by Kronos in the performance of any professional and/or educational services; provided that the following factors are met.

1. Kronos invoices all requests for reimbursement.
2. Customer authorizes the travel costs in writing.
3. Kronos provides documentation of the actual itemized expenses.

No reimbursement shall be made without Customer's prior authorization or for expenses not actually incurred. Airline fares in excess of coach or economy will not be reimbursed. Notwithstanding the foregoing, no reimbursement shall be paid unless a subsequent written amendment executed by both parties authorizes such reimbursement.

(b) ENGAGEMENTS

(i) Initial Professional Services: Fixed Fee Services

For the services set forth in the in the Statement of Work and Order Form which are incorporated as Appendix A and B of this Agreement, Kronos agrees to complete the services, as described in the SOW for the fixed fee set forth on the Order Form, unless additional hours are required to complete such services due to a material change in the scope of the project, Customer delay in fulfilling its obligations, or as a result of a change in the complexity of the original scope of services based on information unknown at the time the parties entered into this SOW. Any such additional hours and fixed fee amount shall be agreed upon by the parties through the change order process and executed via a written amendment signed by both parties. If Kronos has not invoiced for the entire fixed fee amount as set forth in this SOW (and any amendments, if applicable) upon completion of the services, Kronos will invoice Customer for any remaining fees up to the fixed fee amount and Customer shall pay such fees upon the payment terms agreed upon by the parties. All services shall be invoiced in accordance with the terms of the Agreement.

(ii) Additional Professional Services:

Unless otherwise indicated on the Order Form which amend this Agreement or a formal Amendment, Professional and Educational Services ("Professional Services") shall be provided on a time and material basis at the rates set forth in the Order Form. If a dollar limit is stated in the Order Form or any associated statement of work ("SOW"), the limit shall be deemed an estimate for Customer's budgeting and Kronos' resource scheduling purposes. After the dollar limit is expended, Kronos will continue to provide Professional Services if an amendment for continuation of the Professional



Services is signed by the parties.

(c) WARRANTY

Kronos warrants that all professional and educational services performed under this Agreement shall be performed in a professional and competent manner. In the event that Kronos breaches this warranty, and Customer so notifies Kronos within 30 days of receipt of invoice for the applicable services, the Customer's initial remedy and Kronos initial responsibility shall be to re-perform the services which were deficient in a manner so as to conform to the foregoing warranty, at no additional cost to Customer.

(d) KRONOS PROFESSIONAL/EDUCATIONAL SERVICES POLICIES

Kronos' then-current Professional/Educational Services Policies shall apply to all Professional and/or Educational Services purchased under the applicable SOW and may be accessed at:

<http://www.kronos.com/Support/ProfessionalServicesEngagementPolicies.htm> ("Professional Services Policies"). In the event of a conflict between the Professional Services Policies and this Agreement, the terms of this Agreement shall prevail.

14. SOFTWARE SUPPORT SERVICES

(a) SUPPORT OPTIONS

Customer may select from the following Software support purchase options: Gold (or Gold Plus) and Platinum (or Platinum Plus) support ("Service Type"), each providing different service coverage periods and/or service offerings, as specified herein ("Service Offerings") and in the Kronos Support Service Policies (defined below). Customer must purchase the same Service Type for all of the Software specified on the Order Form, (however, if Customer is purchasing support services for Visionware Software, Customer may only purchase Gold Service Type for the Visionware Software). All Updates shall be provided via remote access. Customer may purchase support services for Equipment in accordance with the terms and conditions of Kronos' standard Equipment Support Services Agreement a copy of which is available upon request and is located at: <http://www.kronos.com/Legal/EquipmentSupportAgr.aspx>.

(b) TERM OF SOFTWARE SUPPORT

Unless otherwise indicated on the Order Form, support service shall commence on the Software Delivery date and shall continue for an initial term of one (1) year. Support service shall renew for additional one year terms on the anniversary date of its commencement date, by mutual written agreement of the parties or by Kronos sending to Customer an invoice for the applicable renewal term and the Customer paying such invoice prior to the commencement of such renewal term. After the one year initial term of this Agreement, the Service Offerings provided and the Service Coverage period are subject to change by Kronos with sixty (60) days advance written notice to Customer, provided however, any material changes that diminishes the Service Offerings or Service Coverage period shall not be effective and enforced against Customer unless and until Customer renews the Support Services for the subsequent support term (i.e., Customer renews support for the subsequent renewal term). For the initial three (3) renewal years the annual support fee, for the same products and service type, will not increase by more than 3% over the prior year's annual support fee.

(c) GOLD SERVICE OFFERINGS

Customer shall be entitled to receive:

- (i) Updates for the Software (not including any Software for which Kronos charges a separate license fee), provided that Customer's operating system and equipment meet minimum system configuration requirements, as reasonably determined by Kronos.
- (ii) Telephone and/or electronic access to the Kronos Global Support Center for the logging of requests for service during the Service Coverage Period. The Service Coverage Period for the Gold Service Offering is 8:00 a.m. to 8:00 p.m., local time, Monday through Friday, excluding Kronos holidays.
- (iii) Web-based support including access to Software documentation, FAQ's, access to Kronos knowledge base, Customer forums, and e-case management. Such offerings are subject to modification by Kronos. Current offerings can be found at <http://www.kronos.com/services/support-services.aspx>.
- (iv) Web-based remote diagnostic technical assistance which may be utilized by Kronos to resolve Software functional problems and user problems during the Service Coverage Period.



- (v) Access to specialized content as and when made available by Kronos such as technical advisories, learning quick tips, brown bag seminars, technical insider tips, SHRM e-Learning, HR Payroll Answerforce and service case studies.

(d) PLATINUM AND PLUS SERVICE OFFERINGS:

Platinum: In addition to the Service Offerings specified for the Gold Service Offering above, the Service Coverage Period for the Platinum Service Offering is 24 hours a day, seven days a week, 365 days a year.

Plus option: In addition to the Service Offerings specified for the Gold Service Offering above, customers purchasing the Plus option shall receive the services of a dedicated, but not exclusive, Kronos Technical Account Manager ("TAM") for one production instance of the Software. Customers purchasing the Gold-Plus option shall designate up to one primary and one secondary backup technical contacts ("Technical Contacts") to be the sole contacts with the TAM, while customers purchasing the Platinum-Plus option shall designate up to two primary and three secondary backup Technical Contacts. Upon request, Customer may designate additional and/or backup Technical Contacts. Customer is required to place all primary Technical Contacts through Kronos product training for the Software covered under this Agreement at Customer's expense.

Customers purchasing the Platinum-Plus option shall also receive a one day per year visit to be performed at the Customer location where the Software is installed. During this onsite visit, Kronos shall work with Customer to identify ways to help Customer increase functionality or maximize utilization of the Software in Customer's specific environment. Customer must be utilizing the then-current version of the Software. Travel and expenses are not included and shall be paid by Customer.

(e) PAYMENT

Customer shall pay annual support charges as set forth in Section 1.

(f) ADDITION OF SOFTWARE

Additional Software purchased by Customer during the initial or any renewal term shall be added to this Agreement at the same support option as the then current Software support coverage in place under these terms. Customer agrees to pay the charges for such addition, and any such addition shall be automatically renewed as provided in these terms. However, no additional software shall be included or compensation be paid unless a subsequent amendment is executed by both parties.

(g) RESPONSIBILITIES OF CUSTOMER

Customer agrees (i) to provide Kronos personnel with full, free and safe access to Software for purposes of support, including use of Kronos' standard remote access technology, if required; (ii) to maintain and operate the Software in an environment and according to procedures which conform to the Specifications; and (iii) not to allow support of the Software by anyone other than Kronos without prior written authorization from Kronos. Failure to utilize Kronos' remote access technology may delay Kronos' response and/or resolution to Customer's reported Software problem. If Customer requires the use of a specific remote access technology not specified by Kronos, then Customer must purchase the Plus option to receive support and provide Kronos personnel with full, free and safe access to the remote access hardware and/or software. Such Plus option may be ordered by entering into an amendment to this Agreement.

(h) DEFAULT

Customer shall have the right to terminate Kronos support services in the event that Kronos is in breach of the support services warranty set forth below and such breach is not cured within fifteen (15) days after written notice specifying the nature of the breach. In the event of such termination, Kronos shall refund to Customer on a pro-rata basis those pre-paid annual support fees associated with the unused portion of the support term. Kronos reserves the right to terminate or suspend support service in the event the Customer is in default under this Agreement with Kronos and such default is not corrected within fifteen (15) days after written notice.

(i) WARRANTY

Kronos warrants that all support services shall be performed in a professional and competent manner.

(j) KRONOS SUPPORT SERVICE POLICIES

Kronos' then-current Support Services Policies shall apply to all Support Services purchased and may be accessed at: <http://www.kronos.com/Support/SupportServicesPolicies.htm> ("Support Policies"). In the event of a conflict between the



Support Policies and this Agreement, the terms of this Agreement shall prevail.

15. KNOWLEDGEPASS EDUCATION SUBSCRIPTION

The KnowledgePass Subscription program is not selected by Customer and an amendment shall be mutually agreed is Customer wishes to subscribe to this program.

16. CONFIDENTIAL INFORMATION "Confidential Information" is defined as information that is: i) disclosed between the parties after the date of this Agreement that is considered confidential or proprietary to the disclosing party; and ii) identified as "confidential" at the time of disclosure, or would be reasonably obvious to the receiving party to constitute confidential information because of legends or other markings, by the circumstances of disclosure or the nature of the information itself. Additionally, the Software (and Software documentation), and the Specifications shall be deemed to be Kronos' Confidential Information. Each party shall protect the Confidential Information of the other party with at least the same degree of care and confidentiality, but not less than a reasonable standard of care, which such party utilizes for its own information of similar character that it does not wish disclosed to the public. Neither party shall disclose to third parties (except the parent company or the wholly owned subsidiaries of the receiving party who have a need to know such as providing services under this Agreement.

Neither party shall disclose to third parties the other party's Confidential Information, or use it for any purpose not explicitly set forth herein, without the prior written consent of the other party. The obligation of confidentiality shall survive for three (3) years after the disclosure of such Confidential Information.

This Agreement imposes no obligation upon either party with respect to the other party's Confidential Information which the receiving party can establish by legally sufficient evidence: (a) was rightfully possessed by the receiving party without an obligation to maintain its confidentiality prior to receipt from the disclosing party, (b) is generally known to the public without violation of this Agreement; (c) is obtained by the receiving party in good faith from a third party having the right to disclose it without an obligation with respect to confidentiality; (d) is independently developed by the receiving party without use of the disclosing party's confidential information, which can be shown by tangible evidence; or (e) was required to be disclosed by applicable law (including without limitation the applicable public records laws) or a court order; provided that the receiving party notifies the disclosing party of such requirement prior to disclosure, and provided further that the receiving party makes diligent efforts to limit disclosure.

17. INSURANCE

Kronos shall comply with the requirements set forth in Appendix D while performing services under this Agreement. Insurance requirements that are waived by the Customer's Risk Manager do not require amendments or revisions to this Agreement.

18. LIMITATION OF LIABILITY

CUSTOMER'S EXCLUSIVE REMEDIES AND KRONOS' SOLE LIABILITY FOR ANY KRONOS BREACH OF THIS AGREEMENT ARE EXPRESSLY STATED HEREIN. EXCEPT AS PROVIDED IN THIS AGREEMENT, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXCLUDED.

EXCEPT FOR KRONOS' INDEMNIFICATION OBLIGATIONS SET FORTH IN THIS AGREEMENT, IN NO EVENT SHALL KRONOS' OR ITS PARENTS', SUBSIDIARIES', AFFILIATES', OR THIRD PARTY LICENSOR'S LIABILITY TO A CUSTOMER, HOWSOEVER CAUSED, EXCEED THE VALUE OF THE ORDER WHICH GIVES RISE TO THE CLAIM, AND IN NO EVENT WILL KRONOS OR ITS PARENTS, SUBSIDIARIES AFFILIATES OR THIRD PARTY LICENSORS BE LIABLE FOR LOST PROFITS, LOST DATA OR ANY OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS AGREEMENT WHETHER SUCH CLAIM IS BASED ON WARRANTY, CONTRACT, TORT OR THE EXISTENCE, FURNISHING, FUNCTIONING OR CUSTOMER'S SPECIFIC USE OF, OR INABILITY TO SO USE, ANY EQUIPMENT, SOFTWARE OR SERVICES PROVIDED FOR IN THIS AGREEMENT.

19. TERMINATION

(a) General Termination. Notwithstanding any provision herein to the contrary, the Customer may, in its sole and absolute discretion and without cause, terminate this Agreement at any time prior to completion by Kronos of the project or services hereunder, with a thirty (30) advance written notice to Kronos. This Agreement may be terminated by Kronos by written notice to Customer upon any material breach of this Agreement by Customer which remains uncured for a period of thirty (30)



days after such written notice from Kronos. Upon such termination of this Agreement by Kronos, Customer will have no further right to use the Software and will return the Software media to Kronos and destroy all copies of the Software (and related documentation) in Customer's possession or control.

In the event of any termination subject to this section, Kronos shall be compensated for: (1) all authorized services performed and products delivered prior to the effective date of termination which are not subject to a good faith dispute; and (2) pay the applicable fees outlined in the event of termination in relation with the cloud terms.

(b) Termination for Breach by Kronos. For any breach of this Agreement by Kronos which cannot be cured by repair, replacement or re-performance, Customer shall have the right to terminate this Agreement upon thirty (30) days prior written notice to Kronos, provided Kronos has not cured such breach during such thirty (30) day period. Upon such termination, Customer shall be entitled to pursue its remedies at law or in equity consistent with the terms of this Agreement

20. GENERAL

(a) Independent Contractor. Kronos acknowledges, represents and warrants that Kronos is not a regular or temporary employee, officer, agent, joint venturer or partner of the Customer, but rather an independent contractor. This Agreement shall not be construed as a contract of employment. Kronos shall have no rights to any benefits which accrue to Customer employees unless otherwise expressly provided in this Agreement. Due to the independent contractor relationship created by this Agreement, the Customer shall not withhold state or federal income taxes, the reporting of which shall be Kronos's sole responsibility.

(b) Brokers. Kronos acknowledges, represents and warrants that Kronos has not hired, retained or agreed to pay any entity or person any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the award or making of this Agreement.

(c) Records. Kronos, including any of its subcontractors, shall maintain full and complete documents and records, including accounting records, and correspondence pertaining to the project or services invoiced. Kronos, including any of its subcontractors, shall make such documents and records available for Customer review or audit upon request and reasonable advance notice, and shall keep such documents and records, for at least four (4) years after Kronos's completion of performance of this Agreement.

(d) Business License. Kronos shall obtain a Redondo Beach Business License before performing any services required under this Agreement. The failure to so obtain such license shall be a material breach of this Agreement and grounds for immediate termination by Customer; provided, however, that Customer may waive the business license requirement in writing under unusual circumstances without necessitating any modification of this Agreement to reflect such waiver.

(e) Non Liability of Officials and Employees of the Customer. No official or employee of the Customer shall be personally liable for any default or liability under this Agreement.

(g) Compliance with Laws. Kronos and Customer shall comply with all applicable federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or tribunals, with respect to this Agreement, including without limitation all applicable environmental laws, employment laws, and non-discrimination laws.

(h) Non Exclusivity. Notwithstanding any provision herein to the contrary, the services provided by Kronos hereunder shall be non exclusive, and Customer reserves the right to employ other service providers in connection with the project subject to the confidentiality and license restrictions set forth in this Agreement.

(i) Third Parties. Nothing herein shall be interpreted as creating any rights or benefits in any third parties. For purposes hereof, transferees or assignees as permitted under this Agreement shall not be considered "third parties."

(k) Claims. Any claim by Kronos against Customer hereunder shall be subject to Government Code §§ 800 et seq.

(l) Interpretation. Each party acknowledges that it has had ample opportunity to seek legal advice with respect to the negotiation of this Agreement. This Agreement shall be interpreted as if drafted by both parties.



(m) Authority. Customer warrants and represents that upon City Council approval, the Mayor of the City of Redondo Beach is duly authorized to enter into and execute this Agreement on behalf of Customer. The party signing on behalf of Kronos warrants and represents that he or she is duly authorized to enter into and execute this Agreement on behalf of Kronos.

(n) Waiver. The waiver by either party of any breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

(o) Governing Law and Venue. This Agreement shall be construed in accordance with the laws of the State of California without regard to principles of conflicts of law. Venue for any litigation or other action arising hereunder shall reside exclusively in the Superior Court of the County of Los Angeles, Southwest Judicial District.

(p) Severance. The invalidity or illegality of any provision of this Agreement shall not affect the validity of any other provision. The parties intend for the remaining unaffected provisions to remain in full force and effect.

(q) Subcontracting and Assignment. Kronos shall not assign or sublet to any other party without the prior written approval of Customer, which approval shall not be unreasonably withheld. In the event that the Customer, in writing, approves any assignment or subletting of this Agreement or the retention of subcontractors by Kronos, Kronos shall provide to the Customer upon request copies of each and every subcontract prior to the execution thereof by Kronos and subcontractor. Any attempt by Kronos to assign any or all of its rights under this Agreement without first obtaining the Customer's prior written consent shall constitute a material default under this Agreement. If there is a transfer of ownership of Kronos or of substantially all the assets of Kronos, Kronos will notify the Customer and Customer may terminate this Agreement immediately by notice for convenience. Customer shall not assign this Agreement or the license to the Software without the prior written consent of Kronos and any purported assignment.

(r) Force Majeure. Neither party shall be liable for failures or delays in performance due to causes beyond its reasonable control, including war, strikes, lockouts, fire, flood, storm or other acts of God. Both parties agree to use their best efforts to minimize the effects of such failures or delays.

(s) Notice. All notices given under this Agreement shall be in writing and sent postage pre-paid, if to Kronos, to the Kronos address on the Order Form, or if to Customer, to the billing address on the Order Form.

(t) Section Heading. The section headings herein are provided for convenience only and have no substantive effect on the construction of this Agreement.

(u) Integration. This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes any previous oral or written agreement. This Agreement may be amended or modified only by a subsequent written amendment instrument executed by authorized representatives of both parties. Customer understands and acknowledges that while Kronos may disclose to customers certain confidential information regarding general product development direction, potential future products and/or product enhancements under consideration, Customer is not entitled to any products or product enhancements other than those contained on Order Form. Customer has not relied on the availability of any future version of the Software or Equipment identified on an Order Form, nor any other future product in executing this Agreement.

(v) Conflicting Provisions. In the event of a conflict between the terms and conditions of this Agreement and those of any exhibit or attachment hereto, this Agreement proper shall prevail.

(w) Exhibits. This Agreement and any information expressly incorporated herein (including information contained in any referenced URL), together with the exhibits hereto are made a part hereof and incorporated herein by reference.

(x) Restriction. Use, duplication, or disclosure by the United States Government is subject to restrictions as set forth in subparagraph (c) (1) (ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013, or subparagraph (c)(1)(2) of the Commercial Computer Software Restricted Rights clause at FAR 52.227-19, as applicable. Manufacturer/distributor is Kronos Incorporated, 297 Billerica Road, Chelmsford, MA.



21. HOSTING TERMS

The parties agree to include the Cloud Hosting Addendum as Appendix C of this Agreement.





Kronos Incorporated
297 Billerica Road
Chelmsford, MA 01824

phone +1 978 250 9800
fax +1 978 367 5900
url www.kronos.com

March 5, 2015

Jesse Reyes
Redondo Beach Police Department
401 Diamond Street
Redondo Beach, CA 90277

Dear Jesse,

Enclosed please find one executed original of the Kronos Sales, Software License and Services Agreement for the City of Redondo Beach.

Please forward a fully executed copy for our files to me at dhenderson@kronos.com.

Regards,

A handwritten signature in cursive script that reads "Debbie Henderson".

Debbie Henderson
Paralegal

Enc.

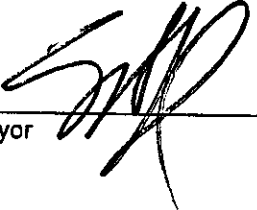
C-1503-033

Kronos Incorporated
297 Billerica Road
Chelmsford, MA 01824
Phone: (978)250-9800

Page: 11 / 21

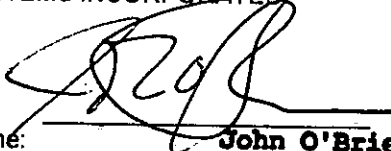
IN WITNESS WHEREOF, the parties have executed this Agreement in Redondo Beach, California, as of this 17th day of March, 2015.

CITY OF REDONDO BEACH



Mayor

KRONOS INCORPORATED, A MASSACHUSETTS
CORPORATION DOING BUSINESS AS KRONOS DATA
SYSTEMS INCORPORATED


By: _____
Name: **John O'Brien**
Title: **Sr. Vice President, Global Sales**

ATTEST:



City Clerk

APPROVED:



Risk Manager

APPROVED AS TO FORM:



City Attorney's Office



APPENDIX A

INITIAL ORDER FORM(S)

See attached other Kronos Order





ORDER FORM

Quote#: 425271 - 1
Expires: 17-MAR-2018
Prepared By: Lyle, Brenda Green

Order Type: Upgrade US
Date: 17-MAR-2015
Page: 1/2

Bill To: CITY OF REDONDO BEACH
415 DIAMOND STREET
REDONDO BEACH
CA 90277
United States

Ship To: Attn:JESSE MARTINEZ
CITY OF REDONDO BEACH
415 DIAMOND STREET
REDONDO BEACH
CA 90277
United States

Solution ID: 6105654

Contact: Jesse Martinez
Email: jesse.martinez@redondo.org

Payment Terms: N30
Currency: USD
Customer PO Number:

FOB: Shipping Point
Ship Method:
Freight Term: Prepay & Add

Order Notes:
REDONDO BEACH POLICE

Customer will continue support on the TeleStaff Web Access v2 - TSG Hosted and TeleStaff Auction V2 products. Customer may renew or terminate the TeleStaff Web Access v2 - TSG Hosted and TeleStaff Auction V2 product's support services in accordance with the terms of the Agreement.

The maintenance fees set forth on this Order Form are incremental to Customer's annual fees and coincide with the additional licensed capacity and/or additional modules being licensed by Customer under this Order Form. Unless expressly indicated as an Extended Warranty, there are no periods of maintenance being provided at no-charge.

The Professional Services contained herein shall be provided on a Fixed Fee basis in accordance with Section 2.3 of the Statement of Work and Section 13 (b) i. of Agreement executed concurrently with this order.

The JBoss® Enterprise Middleware components embedded in the Software are subject to the End User License Agreement found at http://www.redhat.com/licenses/jboss_eula.html. Shipping and handling charges will be reflected on the final invoice.

Your Kronos solution includes:

SOFTWARE

Item	License/Qty	Total Price
WORKFORCE TELESTAFF ENTERPRISE V4	240	
WORKFORCE TELESTAFF GLOBAL ACCESS V4	240	
WORKFORCE TELESTAFF GATEWAY MANAGER V4	1	
WORKFORCE TELESTAFF CONTACT MANAGER V4	240	
	Total Price	\$3,660.00

*Includes applicable software media

SUPPORT SERVICES

Item	Duration	Total Price
PLATINUM SUPPORT SERVICE	1 YR	\$915.00
	Total Price	\$915.00

*Support values listed above are total for all applicable products in each section of this Order Form

Kronos | Time & Attendance • Scheduling • Absence Management • HR & Payroll • Hiring • Labor Analytics

Kronos Incorporated 297 Billerica Road Chelmsford, MA 01824 (800) 225-1561 (978) 250-9800 **C-1503-033** Kronos.com





Quote#: 425271 - 1

Page: 2/2

PROFESSIONAL SERVICES / EDUCATIONAL SERVICES

Item	Quantity	Unit Price	Total Price
PROFESSIONAL SERVICES - ADDON ADVANCED CONFIGURATION TELESTAFF	56 Hours	\$180.00	\$10,080.00
Solution Consultant	56 Hours	\$180.00	
PROFESSIONAL SERVICES - TECHNICAL SERVICES TELESTAFF	20 Hours	\$180.00	\$3,600.00
Technology Consultant	20 Hours	\$180.00	
Total Price			\$13,680.00

QUOTE SUMMARY

Description	Total Price
Subtotal	\$18,255.00
Deposit	(\$0.00)
Tax	\$0.00
Grand Total	\$18,255.00

Kronos | Time & Attendance • Scheduling • Absence Management • HR & Payroll • Hiring • Labor Analytics

Kronos Incorporated 297 Billerica Road Chelmsford, MA 01824 (800) 225-1561 (978) 250-9800 **C-1509-033** www.kronos.com





ORDER FORM

Quote#: 426210 - 1
Expires: 17-MAR-2018
Prepared By: Lyle, Brenda Green

Order Type: Upgrade US
Date: 17-MAR-2015
Page: 1/2

Bill To: CITY OF REDONDO BEACH
415 DIAMOND STREET
REDONDO BEACH
CA 90277
United States

Ship To: Attn: JESSE MARTINEZ
CITY OF REDONDO BEACH
415 DIAMOND STREET
REDONDO BEACH
CA 90277
United States

Solution ID: 6105654

Contact: Jesse Martinez
Email: jesse.martinez@redondo.org

Payment Terms: N30
Currency: USD
Customer PO Number:

FOB: Shipping Point
Ship Method:
Freight Term: Prepay & Add

Order Notes:
REDONDO BEACH POLICE

Notwithstanding the item description stating "PER MONTH" and "PER EMPLOYEE PER MONTH," the actual monthly cloud hosting fees for the license count and service type are as follows:

1. The CLOUD HOSTING WORKFORCE TELESTAFF ENTERPRISE BASE FEE PER MONTH is \$1,250.00 per month
 2. The CLOUD HOSTING WORKFORCE TELESTAFF ENTERPRISE PER EMPLOYEE PER MONTH is \$120.00 per month
- The hosting fees will be invoiced in accordance with the Agreement

Item	Quantity	Total Price
CLOUD HOSTING WORKFORCE TELESTAFF ENTERPRISE BASE FEE PER MONTH	36	\$45,000.00
CLOUD HOSTING WORKFORCE TELESTAFF ENTERPRISE PER EMPLOYEE PER MONTH	36	\$4,320.00
	Total Price	\$49,320.00

QUOTE SUMMARY

Description	Total Price
Subtotal	\$49,320.00
Deposit	(\$0.00)
Tax	\$0.00
Grand Total	\$49,320.00

Kronos | Time & Attendance • Scheduling • Absence Management • HR & Payroll • Hiring • Labor Analytics

Kronos Incorporated 297 Billerica Road Chelmsford, MA 01824 (800) 225-1561 (978) 250-9800 C-1500-033 os.com







ORDER FORM

Quote#: 458493 - 1
Expires: 17-MAR-2018
Prepared By: Lyle, Brenda Green

Order Type: Upgrade US
Date: 17-MAR-2015
Page: 1/2

Bill To: CITY OF REDONDO BEACH
415 DIAMOND STREET
REDONDO BEACH
CA 90277
United States

Ship To: Attn:KEVIN COFFELT
CITY OF REDONDO BEACH
415 DIAMOND STREET
REDONDO BEACH
CA 90277
United States

Solution ID: 6105652

Contact: Kevin Coffelt
Email: kevin.coffelt@redondo.org

Payment Terms: N30
Currency: USD
Customer PO Number:

FOB: Shipping Point
Ship Method:
Freight Term: Prepay & Add

Order Notes:
REDONDO BEACH FIRE

Customer will continue support on TeleStaff Web Access v2 - TSG Hosted product. Customer may renew or terminate the TeleStaff Web Access v2 - TSG Hosted product's support services in accordance with the terms of the Agreement.

The maintenance fees set forth on this Order Form are incremental to Customer's annual fees and coincide with the additional licensed capacity and/or additional modules being licensed by Customer under this Order Form. Unless expressly indicated as an Extended Warranty, there are no periods of maintenance being provided at no-charge.

The Professional Services contained herein shall be provided on a Fixed Fee basis in accordance with Section 2.3 of the Statement of Work and Section 13 (b) i. of Agreement executed concurrently with this order.

The JBoss® Enterprise Middleware components embedded in the Software are subject to the End User License Agreement found at http://www.redhat.com/licenses/jboss_eula.html. Shipping and handling charges will be reflected on the final invoice.

Your Kronos solution includes:

SOFTWARE

Item	License/Qty	Total Price
WORKFORCE TELESTAFF ENTERPRISE V4	100	
WORKFORCE TELESTAFF GLOBAL ACCESS V4	100	
WORKFORCE TELESTAFF GATEWAY MANAGER V4	1	
WORKFORCE TELESTAFF CONTACT MANAGER V4	100	
	Total Price	\$1,525.00

*Includes applicable software media

SUPPORT SERVICES

Item	Duration	Total Price
PLATINUM SUPPORT SERVICE	1 YR	\$381.25
	Total Price	\$381.25

*Support values listed above are total for all applicable products in each section of this Order Form

Kronos | Time & Attendance • Scheduling • Absence Management • HR & Payroll • Hiring • Labor Analytics

Kronos Incorporated 297 Billerica Road Chelmsford, MA 01824 (800) 225-1561 (978) 250-9800 **C-1503-033** www.kronos.com





Quote#: 458493 - 1

Page: 2/2

PROFESSIONAL SERVICES / EDUCATIONAL SERVICES

Item	Quantity	Unit Price	Total Price
PROFESSIONAL SERVICES - BASE DEPLOYMENT TELESTAFF	56 Hours	\$180.00	\$10,080.00
Solution Consultant	56 Hours	\$180.00	
PROFESSIONAL SERVICES - TECHNICAL SERVICES TELESTAFF	24 Hours	\$180.00	\$4,320.00
Technology Consultant	24 Hours	\$180.00	
		Total Price	\$14,400.00

QUOTE SUMMARY

Description	Total Price
Subtotal	\$16,306.25
Deposit	(\$0.00)
Tax	\$0.00
Grand Total	\$16,306.25

Kronos | Time & Attendance • Scheduling • Absence Management • HR & Payroll • Hiring • Labor Analytics

Kronos Incorporated 297 Billerica Road Chelmsford, MA 01824 (800) 225-1561 (978) 250-9800 **C-1503-033** www.kronos.com





ORDER FORM

Quote#: 458494 - 1
Expires: 17-MAR-2018
Prepared By: Lyle, Brenda Green

Order Type: Upgrade US
Date: 17-MAR-2015
Page: 1/2

Bill To: CITY OF REDONDO BEACH
415 DIAMOND STREET
REDONDO BEACH
CA 90277
United States

Ship To: Attn:KEVIN COFFELT
CITY OF REDONDO BEACH
415 DIAMOND STREET
REDONDO BEACH
CA 90277
United States

Solution ID: 6105652

Contact: Kevin Coffelt
Email: kevin.coffelt@redondo.org

Payment Terms: N30
Currency: USD
Customer PO Number:

FOB: Shipping Point
Ship Method:
Freight Term: Prepay & Add

Order Notes:
REDONDO BEACH FIRE

Notwithstanding the item description stating "PER MONTH" and "PER EMPLOYEE PER MONTH," the actual monthly cloud hosting fees for the license count and service type are as follows:

1. The CLOUD HOSTING WORKFORCE TELESTAFF ENTERPRISE BASE FEE PER MONTH is \$1,250.00 per month
 2. The CLOUD HOSTING WORKFORCE TELESTAFF ENTERPRISE PER EMPLOYEE PER MONTH is \$50.00 per month
- The hosting fees will be invoiced in accordance with the Agreement.

Item	Quantity	Total Price
CLOUD HOSTING WORKFORCE TELESTAFF ENTERPRISE BASE FEE PER MONTH	36	\$45,000.00
CLOUD HOSTING WORKFORCE TELESTAFF ENTERPRISE PER EMPLOYEE PER MONTH	36	\$1,800.00
	Total Price	\$46,800.00

QUOTE SUMMARY

Description	Total Price
Subtotal	\$46,800.00
Deposit	(\$0.00)
Tax	\$0.00
Grand Total	\$46,800.00

Kronos | Time & Attendance • Scheduling • Absence Management • HR & Payroll • Hiring • Labor Analytics

Kronos Incorporated 297 Billerica Road Chelmsford, MA 01824 (800) 225-1561 (978) 250-9800 **C-1503-033** www.kronos.com





APPENDIX B

STATEMENT OF WORK

SEE ATTACHED STATEMENT OF WORK.





Services Scope Statement

City of Redondo Beach - 6105654

Police Department

TeleStaff SQL Migration & Host in the Kronos Private Cloud

Sales Executive	Brenda Lyle	Presales Consultant	
Expiration Date	3/17/2018	Service Portfolio Consultant	Howard Stohlman
Customer Name	City of Redondo Beach	File Name Control ID	2014-10513
SSS Create Date	3/17/2015	Revision #	13
Project Type	Upgrade with Add-on	Status	Approved

(c) 2015, Kronos Incorporated. All rights reserved. Information within is subject to change without notice.

CONFIDENTIAL - Not to be disclosed to third parties without specific written consent from Kronos.

C-1503-033



1. PROJECT SCOPE

This Services Scope Statement (also known as the "SSS") documents the agreement between Kronos Incorporated and City of Redondo Beach concerning the services to be performed by Kronos, including the deliverables, the costs of the project, the responsibility of each party and how the project will be managed.

1.1. PROJECT OVERVIEW

This project contains two distinct deliverables:

1. Successful Migration of City of Redondo Beach Police Department's TeleStaff database to MS SQL.
2. Successfully implement and utilize the following products and modules in the Kronos Cloud:
 1. Workforce TeleStaff Enterprise
 2. Workforce TeleStaff Global Access
 3. Workforce TeleStaff Bidding
 4. Workforce TeleStaff Contact Manager
 5. Workforce TeleStaff Gateway Manager

1.2. PRODUCT SUMMARY

The following products are considered in scope for the services and fees defined within this document, unless otherwise noted below. Additional products and/or licenses may incur additional fees.

Product	Implementation Type	Version	Licenses Owned	Licenses Hosted
Workforce TeleStaff Enterprise	New	4.x	240	240
Workforce TeleStaff Global Access	New	4.x	240	240
Workforce TeleStaff Bidding	New	4.x	240	240
Workforce TeleStaff Contact Manager	New	4.x	240	240
Workforce TeleStaff Gateway Manager	New	4.x	1	1

1.3. PROJECT ASSUMPTIONS

1. City of Redondo Beach Police Department will upgrade to v2.9 prior to database migration to MS SQL.
2. City of Redondo Beach Police Department migrates to MS SQL prior to moving to the Kronos Private Cloud.



2. PROJECT GUIDELINES

2.1. CHANGE CONTROL

If the Scope of Services defined in this document changes at any time during the course of this project, Kronos and City of Redondo Beach will review and adjust the scope and budget of services through standard Kronos change control procedures.

Please review the Kronos Change Control Policy:

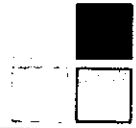
<http://www.kronos.com/professionalservicesengagementpolicies.aspx>

2.2. CUSTOMER APPROVAL OF SERVICE DELIVERABLES

As part of the project, service deliverables may be provided to City of Redondo Beach for approval and/or acceptance. Delays in customer approval/acceptance of deliverables will result in an extension of the project timeline and may result in additional services being required. To avoid project delays and increased costs, City of Redondo Beach should expect to approve/accept deliverables or provide written notification of errors to Kronos within five (5) business days after receipt of the deliverable. Following the receipt of a revised deliverable, City of Redondo Beach will then have an additional ten (10) business days to report that all errors have been resolved and provide deliverable acceptance.

2.3. FIXED FEE GUIDELINES

For the services set forth in this Services Scope Statement (and on the corresponding Order Form for such services), Kronos agrees to complete the services described herein for the fixed fee set forth herein, unless additional hours are required to complete such services due to a material change in the scope of the project, City of Redondo Beach's delay in fulfilling its obligations, or as a result of a change in the complexity of the original scope of services based on information unknown at the time the parties entered into this SSS. Any such additional hours shall be agreed upon by the parties pursuant to the Change Order process described in the SSS and the fixed fee amount described herein shall be amended as provided in such Change Order. If Kronos has not invoiced for the entire fixed fee amount as set forth in this SSS (and any Change Orders, if applicable) upon completion of the services, Kronos will invoice City of Redondo Beach for any remaining fees up to the fixed fee amount and City of Redondo Beach shall pay such fees upon the payment terms agreed upon by the parties.



3. KRONOS UPGRADE PROCESS

3.1. UPGRADE PHASES AND ACTIVITIES

Below is a high-level summary of general upgrade phases and activities, including Kronos and City of Redondo Beach responsibilities. The Kronos and City of Redondo Beach Project Managers will work to coordinate and schedule these and any additional project-specific activities as part of the Plan phase of the project.

Plan Phase Activities	Resources Responsible
Project Initiation Call/ Sales to Service Call	Kronos PM, Cloud Build Manager
Introduction Call with the Customer	Kronos PM, Kronos Lead TC, Customer, Cloud Build Manager
Technical Environment Discover (part of Intro Call)	Kronos PM, Kronos Lead TC, Cloud Build Manager
Provide Technical Readiness Call Agenda and Finalize Date	Kronos PM
Provide Interface Assessment Agenda and Finalize Date	Kronos PM
Provide KnowledgePass™ Upgrade Learning Path	Kronos PM
Engage Education Services for End User Upgrade Education Package	Kronos PM
Review Training Schedule based on Classes outlined in SOW (if applicable)	Kronos PM
Create Initial Project Schedule	Kronos PM
Milestone: Customer Assessment Readiness	

Assess Phase Activities	Resources Responsible
Server environment available and Pre-Requisites have been installed	Cloud Build Manager
Schedule Technical Readiness Call with Lead TC	Kronos PM
Schedule Interface Assessment with Interface AC	Kronos PM
Conduct Technical Readiness Call with Customer <ul style="list-style-type: none"> Discuss Test Upgrade Date Verify Software Downloads Verify Licenses 	Kronos Lead TC, Customer, Cloud Build Manager
Conduct System Check (may be part of TRC)	Lead TC, Customer, Cloud Build Manager

Assess Phase Activities	Resources Responsible
Conduct Interface Assessment	Kronos IC, Customer
Confirm Test Upgrade Date	Kronos PM, Customer PM
Review Project Schedule (and Training Plan, if applicable)	Kronos PM, Customer PM
Enroll Customer in Courses based on agreed-upon Training Plan	Kronos PM
Assessment of New Features (if applicable)	Kronos AC

Solution Build Phase Activities	Resources Responsible
Perform Test Upgrade	Kronos TC
Test Clock Communications	Kronos TC
AC Configuration Test Upgrade <ul style="list-style-type: none"> Implement new features, if applicable Configuration of Clocks and Testing Configuration of Standard Navigators, if applicable Validation of Test Upgrade 	Kronos AC
Interface Test Upgrade <ul style="list-style-type: none"> Upgrade and deploy interfaces 	Kronos IC
Kronos Unit Testing	Kronos Team
Attend Training Courses based on agreed-upon Training Plan	Customer Testing Team
Review Project Schedule	Kronos PM

Test and Certify Phase Activities	Resources Responsible
Test Workshop & System Overview <ul style="list-style-type: none"> Review New Features (ex. Navigator) Review Testing Checklist 	Kronos AC, Customer
Validate Test Clock with Upgraded System	Customer, Kronos AC
Customer Validation	Customer
Interface Testing Workshop	Kronos IC, Customer
Kronos Unit Testing	Kronos Team
Attend Training Courses based on agreed-upon Training Plan	Customer Testing Team
Review Project Schedule	Kronos PM
Milestone: Solution Acceptance	

Deploy and Support Phase Activities	Resources Responsible
Deployment Readiness <ul style="list-style-type: none"> Internal Project Team Go-Live Prep Call Go-Live Readiness Call / Review Deployment Checklist 	Customer, Kronos Team
Perform Production Upgrade	Kronos TC
Post-Upgrade Validation	Kronos AC, Kronos IC
Customer Validation	Customer
Go-Live Support <ul style="list-style-type: none"> Payroll Processing Support 	Kronos Team
Transition / Project Close	Kronos PM, Customer
<i>Milestone: Production</i>	

4. PROJECT SCOPE DETAIL

4.1. APPLICATION BUILDING BLOCKS

Technology Factors	
Total number of environments	2
The database platform will be	SQL Server

Workforce TeleStaff Enterprise	
This product will be implemented in phase	1
Number of Employees within Scope	240

TeleStaff Enterprise Professional Services Scope
<ul style="list-style-type: none"> 1 Database Conversion includes: TeleStaff version upgrade; Database migration/mapping; Post-migration unit testing.

5. CLOUD SERVICES

City of Redondo Beach has selected the Cloud Services identified in this section.

Cloud Customer Contact Information

Contact Name	To Be Determined	
Contact Phone Numbers		
Contact E-Mail		

Total Cloud Hosting Fees

Monthly Service Fees	Part Number	Unit of Measure	Initial Term	Current Monthly Fee	Fees (Added with this SSS)	Total Monthly Fees
CLOUD HOSTING WORKFORCE TELESTAFF ENTERPRISE BASE FEE PER MONTH	HOSTING-117	EA	36	\$0.00	\$1,250.00	\$1,250.00
CLOUD HOSTING WORKFORCE TELESTAFF ENTERPRISE PER EMPLOYEE PER MONTH	HOSTING-118	EA	36	\$0.00	\$120.00	\$120.00
Total Monthly Service Fees:					\$1,370.00	\$1,370.00

5.1. CLOUD HOSTING SERVICES

<i>Datacenter</i>	KPC
<i>Hosted Environments:</i> Standard Production and Development (non-Production) environment	Included
<i>Additional Environments Included</i>	None
<i>Application Connectivity Mode:</i> SSL Firewall / Secure Open Internet	Included
Customer portal is provided and supported by Kronos facilitating secure authenticated access to customer	

applications. Portal access authorization is governed by customer requirements and is implemented by Kronos. Cooperative efforts with customer IT staff may be required to enable access. Kronos will assist with validating site connectivity but assumes no responsibility for customer Internet connection or ISP relationships.	
<i>Backup Services:</i> Customer data is backed up daily. Daily backups are incremental, with one (1) full backup (includes configurations and history) performed every 7 days. All database backups are replicated via encrypted SSL sessions to an offsite Kronos managed hosted environment for storage. Backups are retained for the prior 28 days.	Included
<i>Restore Services:</i> Restoration of Customer's Production database to one non-Production environment shall be performed upon Customer request up to one time per week at no charge. More frequent restores or restores to additional non-Production environments shall require a time and materials fee.	Included
<i>SFTP Accounts</i>	2 Included
<i>Operating System and Database Management:</i> Execution of maintenance scripts, such as updating statistics, free space, indexes and database checks is included. Kronos shall apply all critical security patches, service packs and hot-fixes necessary to maintain the uptime and performance of the servers and applications throughout the life of the hosted solution	Included
<i>Server Maintenance:</i> Repair and replacement of defective or failed hardware and the installation of hardware upgrades.	Included
<i>Kronos Application Upgrade Services:</i> Services to apply Kronos application technical version upgrades, updates, Service Packs, and legislative updates (if applicable).	Included
<i>Languages</i> Note that multi-language support may require additional infrastructure and fees.	English Only

5.2. CLOUD HOSTED TECHNICAL UPGRADE

City of Redondo Beach understands and agrees that they must remain current on Software Support Maintenance for the term of their Hosting Service to allow for Upgrade Services to be delivered. City of Redondo Beach further understands that maintenance fees are not included in hosting Service Fees. The Cloud Hosting Service includes services for Kronos to execute tasks to successfully apply upgrades and updates to City of Redondo Beach's Kronos applications in one (1) Development (non-Prod) and one (1) Production environment. Updates will be applied to existing non-Prod and Prod environments. Services are limited to those tasks which apply Kronos software updates to the applications and to City of Redondo Beach's standard Workforce Integration Manager interfaces. City of Redondo Beach agrees to receive updates automatically as part of the Service. Kronos will work with customer to define a schedule for updates based on Kronos preference or City of Redondo Beach request.

The table below reflects the upgrade tasks.



Project Management	Not Included
Planning Phase	
Define the project scope	Included
Technical readiness & architecture review - Hosted Environment	Included
Assessment Phase	
Interface upgrade assessment	Included
Assessment of Customs and Custom Reports	Not Included
Solution Upgrade / Build Phase	
One (1) restore of Production database to Development environment Additional restores, if requested, shall incur a Time and materials fee.	Included
Upgrade one (1) existing Development (non-Production) and one (1) Production environments to new version	Included
Convert Workforce Integration Manager (WIM) interfaces to new version in one (1) Development and one (1) Production environment. Note that reconfiguration and reprogramming of interfaces is not included. Non-WIM interfaces are not in scope.	Included
Upgrade non_WIM interfaces in Development and Production environments	Not Included
Upgrade of customs and custom reports	Not Included
Configuration of new features or functionality	Not Included
Test & Certify Phase	
System test upgraded environment	Included
User acceptance testing (UAT) of upgraded environments, interfaces, custom reports, new features, etc.	Not included
Sign-off on Upgraded Development and Production Environments	Customer

Note that new feature configuration, Project Management services, Educational Services and Training are not included as part of Upgrade Services, but may be purchased independently, is desired.



6. PROJECT COSTS AND RATE SCHEDULES

Quoted in USD

6.1. PROFESSIONAL SERVICES LISTED HEREIN SHALL BE INVOICED AT EXECUTION OF THIS QUOTE

Role	Quantity	Unit of Measure	Part Number	Rate	Total
Solution Consultant	56	HR	9990059-PRO	\$180.00	\$10,080.00
Technology Consultant	20	HR	9990079-PRO	\$180.00	\$3,600.00
Totals:	76				\$13,680.00

6.2. CLOUD HOSTING MONTHLY SERVICE FEES – INVOICED ANNUALLY

Cloud Hosting Monthly Fees	Part Number	Unit	Initial Term	Amount
CLOUD HOSTING WORKFORCE TELESTAFF ENTERPRISE BASE FEE PER MONTH	HOSTING-117	Month	36	\$1,250.00
CLOUD HOSTING WORKFORCE TELESTAFF ENTERPRISE PER EMPLOYEE PER MONTH	HOSTING-118	Month	36	\$120.00
Total Cloud Monthly Service Fees:				\$1,370.00
Cloud Annual Service Fees:				\$16,440.00



APPENDIX A

1.1. ENGAGEMENT GUIDELINES

Please review the Kronos engagement guidelines:

<http://www.kronos.com/professionalservicesengagementpolicies.aspx>

1.2. HOSTING GUIDELINES AND ASSUMPTIONS

- Estimated availability of Production server hardware is approximately 45 to 60 days after contract signature.
- Customer must remain current on Software and Terminal maintenance for the volume of licenses and/or terminals included within the scope of this Service
- One (1) VPN connection shall be made available at no charge, should VPN connectivity be required for any reason. Additional VPN connections are available, if requested, and shall incur additional fees. No more than 3 VPN connections to the Kronos Private Cloud are permitted.
- Should VPN connectivity be required, the Customer shall supply their own VPN hardware capable of establishing an IPSEC tunnel to the Hosting site over the open Internet. Kronos will work with customer Network Engineers to bring up the VPN connection. The customer is responsible for the management of the VPN device on their side, their local Internet connection, as well as the configuration of the tunnel. It is the customer's responsibility to report tunnel connectivity issues, should they occur. Customer understands that they must have the resource knowledge to install and support the customer side of a VPN tunnel.
- In cases where Network Address Translation is required for terminals, the customer is responsible for applying the translations on their network.
- Kronos related Internet traffic cannot be filtered by proxy or caching devices on the client network. Exclusions must be added for the fully qualified domain names and public IP addresses assigned to the environments.
- Custom Reports for Workforce Central are created using Microsoft Visual Studio. A basic version of Visual Studio is included with your installation and will be made available to the customer in their Development environment.
- Customer reports for Workforce HR and Payroll are created with Crystal Reports designer. Should customer require that Crystal be installed in their Development environment additional fees shall apply.
- Transparent Data Encryption is not supported.
- Modem clocks not supported.
- Retention policies must be configured in the application(s). Setting retention policies will ensure that unnecessary system data (i.e. temp files, deleted records, empty rows, etc) is routinely purged from the system and will help in managing database growth.



- Pricing set forth in this document includes sizing considerations based on a 3 year growth projection of the Production database environment. After 3 years an archiving strategy may be reviewed with the Customer.
- *Workforce Record Manager* (if included) – Hosting of Workforce Record Manager requires that an archiving server is included in Customer's solution. When Workforce Record Manager is hosted it may only be used for archiving purposes. Setup Data Manager only supports import and export of configuration via XML files between production environment and development environment, a direct connection between environments is not supported. Customer should open a ticket with Kronos Global Support to request migrations when necessary. Customer is allowed one ticket per month at no charge to request migration of changes. Additional requests for configuration and/or interface migrations between customer environments shall incur a time and materials fee.
- *Workforce Analytics* (if included) – Customer environment shall be designed to support up to 20% of the total licensed users concurrently. Additional concurrent users may require additional infrastructure and associated fees to support.
- The Cloud environment(s) will be sized based upon Kronos Best Practices and the scope of the project, as defined in the Professional Services Statement of Work or Services Scope Statement. Frequent execution of resource intensive interfaces and/or specialized use cases may require additional infrastructure to support. Kronos will work with the customer to scope the additional requirements. Should additional infrastructure or services be required, incremental fees shall apply. Incremental infrastructure fees will become effective when such changes are available in Customer's Production environment.
- For security purposes, Customers are restricted from accessing the desktop, file systems, databases and operating system of the hosted servers. Additionally, direct database and ODBC connectivity is not permitted.

1.3. APPLICATION SECURITY IN THE HOSTED ENVIRONMENT

Kronos offers a hosting environment that complements and enhances the ability for Kronos to deliver application services in a secure manner capable of achieving a SSAE 16 SOC 1 and AT101 SOC 2 compliance report. Kronos hosting sites have achieved SSAE 16 SOC 1 and AT101 SOC 2 compliance.

Each customer environment is hosted in a segregated VLAN. Traffic to the VLANs is regulated via redundant, next generation firewalls that limit access to authorized management and customer traffic.

Customer Access

Customers will access the Kronos web application via encrypted SSL sessions in the hosted environment. The application provides the customer with the ability to configure application security and logical access per customer's business process. In the event the Customer identifies an issue related to the security, availability or confidentiality of the data or system, the Customer will notify Kronos by contacting the Cloud Customer Manager.

Customer may require file transfers to populate or extract Kronos application data. This shall be accomplished using SFTP to send or retrieve files from the customer's application server. Kronos utilizes a commercial SFTP solution that runs over SSH and that enforces a Public/Private Key Exchange to authenticate the end point and encrypt the data over the wire. In addition, each customer has a unique named user account and associated password. This provides access to allowed endpoints, end point authentication, user authentication, and a private key to encrypt the data. Customer must provide all keys, if keys will be used. SFTP data access cannot be restricted based on IP address.



Kronos Management Access

Management access to the hosted environment is limited to authorized Kronos support staff and customer authorized integrations. The security architecture has been designed to segregate appropriate logical access to the environment to achieve a SOC 2 compliance standard.

A centralized secure file transfer solution facilitates data transfers between the customer and their hosted environment. This solution provides for an encrypted transmission and logging of all files transferred into or out of a customer environment.

Kronos performs continuous monitoring in the hosted environment to achieve the SSAE 16 SOC 1 and AT101 SOC 2 compliance standards. This includes performance, availability and security monitoring.





Services Scope Statement

City of Redondo Beach - 6105652

Fire Department

TeleStaff SQL Migration & Host in the Kronos Private Cloud

Sales Executive	Brenda Lyle	Presales Consultant	
Expiration Date	3/17/2018	Service Portfolio Consultant	Howard Stohlman
Customer Name	City of Redondo Beach	File Name Control ID	2014-10491
SSS Create Date	3/17/2015	Revision #	11
Project Type	Upgrade with Add-on	Status	Approved

(c) 2015, Kronos Incorporated. All rights reserved. Information within is subject to change without notice.

CONFIDENTIAL - Not to be disclosed to third parties without specific written consent from Kronos.

C-1503-033



1. PROJECT SCOPE

This Services Scope Statement (also known as the "SSS") documents the agreement between Kronos Incorporated and City of Redondo Beach concerning the services to be performed by Kronos, including the deliverables, the costs of the project, the responsibility of each party and how the project will be managed.

1.1. PROJECT OVERVIEW

This project contains two distinct deliverables:

1. Successful migration of City of Redondo Beach Fire Department's TeleStaff database to MS SQL.
2. Successfully implement and utilize the following products and modules in the Kronos Cloud:
 1. Workforce TeleStaff Enterprise
 2. Workforce TeleStaff Global Access
 3. Workforce TeleStaff Contact Manager
 3. Workforce TeleStaff Gateway Manager

1.2. PRODUCT SUMMARY

The following products are considered in scope for the services and fees defined within this document, unless otherwise noted below. Additional products and/or licenses may incur additional fees.

Product	Implementation Type	Version	Licenses Owned	Licenses Hosted
Workforce TeleStaff Enterprise	New	4.x	100	100
Workforce TeleStaff Global Access	New	4.x	100	100
Workforce TeleStaff Contact Manager	New	4.x	100	100
Workforce TeleStaff Gateway Manager	New	4.x	1	1

1.3. PROJECT ASSUMPTIONS

1. City of Redondo Beach Fire Department will upgrade to v2.9 prior to database migration to MS SQL.
2. City of Redondo Beach Fire Department migrates to MS SQL prior to moving to the Kronos Private Cloud.



2. PROJECT GUIDELINES

2.1. CHANGE CONTROL

If the Scope of Services defined in this document changes at any time during the course of this project, Kronos and City of Redondo Beach will review and adjust the scope and budget of services through standard Kronos change control procedures.

Please review the Kronos Change Control Policy:

<http://www.kronos.com/professionalservicesengagementpolicies.aspx>

2.2. CUSTOMER APPROVAL OF SERVICE DELIVERABLES

As part of the project, service deliverables may be provided to City of Redondo Beach for approval and/or acceptance. Delays in customer approval/acceptance of deliverables will result in an extension of the project timeline and may result in additional services being required. To avoid project delays and increased costs, City of Redondo Beach should expect to approve/accept deliverables or provide written notification of errors to Kronos within five (5) business days after receipt of the deliverable. Following the receipt of a revised deliverable, City of Redondo Beach will then have an additional ten (10) business days to report that all errors have been resolved and provide deliverable acceptance.

2.3. FIXED FEE GUIDELINES

For the services set forth in this Services Scope Statement (and on the corresponding Order Form for such services), Kronos agrees to complete the services described herein for the fixed fee set forth herein, unless additional hours are required to complete such services due to a material change in the scope of the project, City of Redondo Beach's delay in fulfilling its obligations, or as a result of a change in the complexity of the original scope of services based on information unknown at the time the parties entered into this SSS. Any such additional hours shall be agreed upon by the parties pursuant to the Change Order process described in the SSS and the fixed fee amount described herein shall be amended as provided in such Change Order. If Kronos has not invoiced for the entire fixed fee amount as set forth in this SSS (and any Change Orders, if applicable) upon completion of the services, Kronos will invoice City of Redondo Beach for any remaining fees up to the fixed fee amount and City of Redondo Beach shall pay such fees upon the payment terms agreed upon by the parties.





3. KRONOS UPGRADE PROCESS

3.1. UPGRADE PHASES AND ACTIVITIES

Below is a high-level summary of general upgrade phases and activities, including Kronos and City of Redondo Beach responsibilities. The Kronos and City of Redondo Beach Project Managers will work to coordinate and schedule these and any additional project-specific activities as part of the Plan phase of the project.

Plan Phase Activities	Resources Responsible
Project Initiation Call/ Sales to Service Call	Kronos PM, Cloud Build Manager
Introduction Call with the Customer	Kronos PM, Kronos Lead TC, Customer, Cloud Build Manager
Technical Environment Discover (part of Intro Call)	Kronos PM, Kronos Lead TC, Cloud Build Manager
Provide Technical Readiness Call Agenda and Finalize Date	Kronos PM
Provide Interface Assessment Agenda and Finalize Date	Kronos PM
Provide KnowledgePass™ Upgrade Learning Path	Kronos PM
Engage Education Services for End User Upgrade Education Package	Kronos PM
Review Training Schedule based on Classes outlined in SOW (if applicable)	Kronos PM
Create Initial Project Schedule	Kronos PM
Milestone: Customer Assessment Readiness	

Assess Phase Activities	Resources Responsible
Server environment available and Pre-Requisites have been installed	Cloud Build Manager
Schedule Technical Readiness Call with Lead TC	Kronos PM
Schedule Interface Assessment with Interface AC	Kronos PM
Conduct Technical Readiness Call with Customer <ul style="list-style-type: none"> Discuss Test Upgrade Date Verify Software Downloads Verify Licenses 	Kronos Lead TC, Customer, Cloud Build Manager
Conduct System Check (may be part of TRC)	Lead TC, Customer, Cloud Build Manager

Assess Phase Activities	Resources Responsible
Conduct Interface Assessment	Kronos IC, Customer
Confirm Test Upgrade Date	Kronos PM, Customer PM
Review Project Schedule (and Training Plan, if applicable)	Kronos PM, Customer PM
Enroll Customer in Courses based on agreed-upon Training Plan	Kronos PM
Assessment of New Features (if applicable)	Kronos AC

Solution Build Phase Activities	Resources Responsible
Perform Test Upgrade	Kronos TC
Test Clock Communications	Kronos TC
AC Configuration Test Upgrade <ul style="list-style-type: none"> Implement new features, if applicable Configuration of Clocks and Testing Configuration of Standard Navigators, if applicable Validation of Test Upgrade 	Kronos AC
Interface Test Upgrade <ul style="list-style-type: none"> Upgrade and deploy interfaces 	Kronos IC
Kronos Unit Testing	Kronos Team
Attend Training Courses based on agreed-upon Training Plan	Customer Testing Team
Review Project Schedule	Kronos PM

Test and Certify Phase Activities	Resources Responsible
Test Workshop & System Overview <ul style="list-style-type: none"> Review New Features (ex. Navigator) Review Testing Checklist 	Kronos AC, Customer
Validate Test Clock with Upgraded System	Customer, Kronos AC
Customer Validation	Customer
Interface Testing Workshop	Kronos IC, Customer
Kronos Unit Testing	Kronos Team
Attend Training Courses based on agreed-upon Training Plan	Customer Testing Team
Review Project Schedule	Kronos PM
Milestone: Solution Acceptance	



Deploy and Support Phase Activities	Resources Responsible
Deployment Readiness <ul style="list-style-type: none"> Internal Project Team Go-Live Prep Call Go-Live Readiness Call / Review Deployment Checklist 	Customer, Kronos Team
Perform Production Upgrade	Kronos TC
Post-Upgrade Validation	Kronos AC, Kronos IC
Customer Validation	Customer
Go-Live Support <ul style="list-style-type: none"> Payroll Processing Support 	Kronos Team
Transition / Project Close	Kronos PM, Customer
Milestone: Production	

4. PROJECT SCOPE DETAIL

4.1. APPLICATION BUILDING BLOCKS

Technology Factors	
Total number of environments	2
The database platform will be	SQL Server

Workforce TeleStaff Enterprise	
This product will be implemented in phase	1
Number of Employees within Scope	100

TeleStaff Enterprise Professional Services Scope
• 1 Database Conversion includes: TeleStaff version upgrade; Database migration/mapping; Post-migration unit testing.





5. CLOUD SERVICES

City of Redondo Beach has selected the Cloud Services identified in this section.

Cloud Customer Contact Information

Contact Name	To Be Determined	
Contact Phone Numbers		
Contact E-Mail		

Total Cloud Hosting Fees

Monthly Service Fees	Part Number	Unit of Measure	Initial Term	Current Monthly Fee	Fees (Added with this SSS)	Total Monthly Fees
CLOUD HOSTING WORKFORCE TELESTAFF ENTERPRISE BASE FEE PER MONTH	HOSTING-117	EA	36	\$0.00	\$1,250.00	\$1,250.00
CLOUD HOSTING WORKFORCE TELESTAFF ENTERPRISE PER EMPLOYEE PER MONTH	HOSTING-118	EA	36	\$0.00	\$50.00	\$50.00
Total Monthly Service Fees:					\$1,300.00	\$1,300.00

5.1. CLOUD HOSTING SERVICES

<i>Datacenter</i>	KPC
<i>Hosted Environments:</i> Standard Production and Development (non-Production) environment	Included
<i>Additional Environments Included</i>	None
<i>Application Connectivity Mode:</i> SSL Firewall / Secure Open Internet Customer portal is provided and supported by Kronos facilitating secure authenticated access to customer applications. Portal access authorization is governed by customer requirements and is implemented by Kronos.	Included

Cooperative efforts with customer IT staff may be required to enable access. Kronos will assist with validating site connectivity but assumes no responsibility for customer Internet connection or ISP relationships.	
Backup Services: Customer data is backed up daily. Daily backups are incremental, with one (1) full backup (includes configurations and history) performed every 7 days. All database backups are replicated via encrypted SSL sessions to an offsite Kronos managed hosted environment for storage. Backups are retained for the prior 28 days.	Included
Restore Services: Restoration of Customer's Production database to one non-Production environment shall be performed upon Customer request up to one time per week at no charge. More frequent restores or restores to additional non-Production environments shall require a time and materials fee.	Included
SFTP Accounts	2 Included
Operating System and Database Management: Execution of maintenance scripts, such as updating statistics, free space, indexes and database checks is included. Kronos shall apply all critical security patches, service packs and hot-fixes necessary to maintain the uptime and performance of the servers and applications throughout the life of the hosted solution	Included
Server Maintenance: Repair and replacement of defective or failed hardware and the installation of hardware upgrades.	Included
Kronos Application Upgrade Services: Services to apply Kronos application technical version upgrades, updates, Service Packs, and legislative updates (if applicable).	Included
Languages Note that multi-language support may require additional infrastructure and fees.	English Only

5.2. CLOUD HOSTED TECHNICAL UPGRADE

City of Redondo Beach understands and agrees that they must remain current on Software Support Maintenance for the term of their Hosting Service to allow for Upgrade Services to be delivered. City of Redondo Beach further understands that maintenance fees are not included in hosting Service Fees. The Cloud Hosting Service includes services for Kronos to execute tasks to successfully apply upgrades and updates to City of Redondo Beach's Kronos applications in one (1) Development (non-Prod) and one (1) Production environment. Updates will be applied to existing non-Prod and Prod environments. Services are limited to those tasks which apply Kronos software updates to the applications and to City of Redondo Beach's standard Workforce Integration Manager interfaces. City of Redondo Beach agrees to receive updates automatically as part of the Service. Kronos will work with customer to define a schedule for updates based on Kronos preference or City of Redondo Beach request.

The table below reflects the upgrade tasks.

Project Management	Not Included
Planning Phase	
Define the project scope	Included
Technical readiness & architecture review - Hosted Environment	Included
Assessment Phase	
Interface upgrade assessment	Included
Assessment of Customs and Custom Reports	Not Included
Solution Upgrade / Build Phase	
One (1) restore of Production database to Development environment Additional restores, if requested, shall incur a Time and materials fee.	Included
Upgrade one (1) existing Development (non-Production) and one (1) Production environments to new version	Included
Convert Workforce Integration Manager (WIM) interfaces to new version in one (1) Development and one (1) Production environment. Note that reconfiguration and reprogramming of interfaces is not included. Non-WIM interfaces are not in scope.	Included
Upgrade non_WIM interfaces in Development and Production environments	Not Included
Upgrade of customs and custom reports	Not Included
Configuration of new features or functionality	Not Included
Test & Certify Phase	
System test upgraded environment	Included
User acceptance testing (UAT) of upgraded environments, interfaces, custom reports, new features, etc.	Not included
Sign-off on Upgraded Development and Production Environments	Customer

Note that new feature configuration, Project Management services, Educational Services and Training are not included as part of Upgrade Services, but may be purchased independently, is desired.



6. PROJECT COSTS AND RATE SCHEDULES

Quoted in USD

6.1. PROFESSIONAL SERVICES LISTED HEREIN SHALL BE INVOICED AT EXECUTION OF THIS QUOTE

Role	Quantity	Unit of Measure	Part Number	Rate	Total
Solution Consultant	56	HR	9990059-PRO	\$180.00	\$10,080.00
Technology Consultant	24	HR	9990079-PRO	\$180.00	\$4,320.00
Totals:	80				\$14,400.00

6.2. CLOUD HOSTING MONTHLY SERVICE FEES – INVOICED ANNUALLY

Cloud Hosting Monthly Fees	Part Number	Unit	Initial Term	Amount
CLOUD HOSTING WORKFORCE TELESTAFF ENTERPRISE BASE FEE PER MONTH	HOSTING-117	Month	36	\$1,250.00
CLOUD HOSTING WORKFORCE TELESTAFF ENTERPRISE PER EMPLOYEE PER MONTH	HOSTING-118	Month	36	\$50.00
Total Cloud Monthly Service Fees:				\$1,300.00
Cloud Annual Service Fees:				\$15,600.00





APPENDIX A

1.1. ENGAGEMENT GUIDELINES

Please review the Kronos engagement guidelines:

<http://www.kronos.com/professionalservicesengagementpolicies.aspx>

1.2. HOSTING GUIDELINES AND ASSUMPTIONS

- Estimated availability of Production server hardware is approximately 45 to 60 days after contract signature.
- Customer must remain current on Software and Terminal maintenance for the volume of licenses and/or terminals included within the scope of this Service
- One (1) VPN connection shall be made available at no charge, should VPN connectivity be required for any reason. Additional VPN connections are available, if requested, and shall incur additional fees. No more than 3 VPN connections to the Kronos Private Cloud are permitted.
- Should VPN connectivity be required, the Customer shall supply their own VPN hardware capable of establishing an IPSEC tunnel to the Hosting site over the open Internet. Kronos will work with customer Network Engineers to bring up the VPN connection. The customer is responsible for the management of the VPN device on their side, their local Internet connection, as well as the configuration of the tunnel. It is the customer's responsibility to report tunnel connectivity issues, should they occur. Customer understands that they must have the resource knowledge to install and support the customer side of a VPN tunnel.
- In cases where Network Address Translation is required for terminals, the customer is responsible for applying the translations on their network.
- Kronos related Internet traffic cannot be filtered by proxy or caching devices on the client network. Exclusions must be added for the fully qualified domain names and public IP addresses assigned to the environments.
- Custom Reports for Workforce Central are created using Microsoft Visual Studio. A basic version of Visual Studio is included with your installation and will be made available to the customer in their Development environment.
- Customer reports for Workforce HR and Payroll are created with Crystal Reports designer. Should customer require that Crystal be installed in their Development environment additional fees shall apply.
- Transparent Data Encryption is not supported.
- Modem clocks not supported.
- Retention policies must be configured in the application(s). Setting retention policies will ensure that unnecessary system data (i.e. temp files, deleted records, empty rows, etc.) is routinely purged from the system and will help in managing database growth.





- Pricing set forth in this document includes sizing considerations based on a 3 year growth projection of the Production database environment. After 3 years an archiving strategy may be reviewed with the Customer.
- *Workforce Record Manager* (if included) – Hosting of Workforce Record Manager requires that an archiving server is included in Customer's solution. When Workforce Record Manager is hosted it may only be used for archiving purposes. Setup Data Manager only supports import and export of configuration via XML files between production environment and development environment, a direct connection between environments is not supported. Customer should open a ticket with Kronos Global Support to request migrations when necessary. Customer is allowed one ticket per month at no charge to request migration of changes. Additional requests for configuration and/or interface migrations between customer environments shall incur a time and materials fee.
- *Workforce Analytics* (if included) – Customer environment shall be designed to support up to 20% of the total licensed users concurrently. Additional concurrent users may require additional infrastructure and associated fees to support.
- The Cloud environment(s) will be sized based upon Kronos Best Practices and the scope of the project, as defined in the Professional Services Statement of Work or Services Scope Statement. Frequent execution of resource intensive interfaces and/or specialized use cases may require additional infrastructure to support. Kronos will work with the customer to scope the additional requirements. Should additional infrastructure or services be required, incremental fees shall apply. Incremental infrastructure fees will become effective when such changes are available in Customer's Production environment.
- For security purposes, Customers are restricted from accessing the desktop, file systems, databases and operating system of the hosted servers. Additionally, direct database and ODBC connectivity is not permitted.

1.3. APPLICATION SECURITY IN THE HOSTED ENVIRONMENT

Kronos offers a hosting environment that complements and enhances the ability for Kronos to deliver application services in a secure manner capable of achieving a SSAE 16 SOC 1 and AT101 SOC 2 compliance report. Kronos hosting sites have achieved SSAE 16 SOC 1 and AT101 SOC 2 compliance.

Each customer environment is hosted in a segregated VLAN. Traffic to the VLANs is regulated via redundant, next generation firewalls that limit access to authorized management and customer traffic.

Customer Access

Customers will access the Kronos web application via encrypted SSL sessions in the hosted environment. The application provides the customer with the ability to configure application security and logical access per customer's business process. In the event the Customer identifies an issue related to the security, availability or confidentiality of the data or system, the Customer will notify Kronos by contacting the Cloud Customer Manager.

Customer may require file transfers to populate or extract Kronos application data. This shall be accomplished using SFTP to send or retrieve files from the customer's application server. Kronos utilizes a commercial SFTP solution that runs over SSH and that enforces a Public/Private Key Exchange to authenticate the end point and encrypt the data over the wire. In addition, each customer has a unique named user account and associated password. This provides access to allowed endpoints, end point authentication, user authentication, and a private key to encrypt the data. Customer must provide all keys, if keys will be used. SFTP data access cannot be restricted based on IP address.





Kronos Management Access

Management access to the hosted environment is limited to authorized Kronos support staff and customer authorized integrations. The security architecture has been designed to segregate appropriate logical access to the environment to achieve a SOC 2 compliance standard.

A centralized secure file transfer solution facilitates data transfers between the customer and their hosted environment. This solution provides for an encrypted transmission and logging of all files transferred into or out of a customer environment.

Kronos performs continuous monitoring in the hosted environment to achieve the SSAE 16 SOC 1 and AT101 SOC 2 compliance standards. This includes performance, availability and security monitoring.



APPENDIX C

CLOUD HOSTING ADDENDUM SUPPLEMENTAL TERMS AND CONDITIONS

This Cloud Hosting Addendum of Supplemental Terms and Conditions (the "Addendum") is made as of the Effective Date set forth below by and between Kronos and City of Redondo Beach ("Customer"). Kronos and Customer are collectively referred to herein as the "Parties", and individually as a "Party."

WHEREAS, Customer has entered into a Sales, Software License and Services Agreement, the Kronos Rental Program, a Master Lease Agreement or other license agreement (the "Agreement") to acquire licenses to certain Kronos software applications, as well as related equipment and support services;

WHEREAS, Customer desires to use those Kronos software applications, related hardware and services in a managed hosted environment in accordance with the Agreement and upon the supplemental terms and conditions herein, and Kronos desires to assist Customer in doing so.

NOW, THEREFORE, in consideration of the mutual promises and covenants hereafter set forth, the Parties agree as follows:

1. DEFINITIONS

"Application(s)" means those Kronos software applications set forth in the Services Scope Statement or Statement of Work, which are made accessible for Customer to use under the terms of this Addendum.

"Cloud Hosting Program" or "Program" means (i) accessibility to the Applications by means of access to the password protected customer area of the Kronos hosting environment, and (ii) all Hosting Related Services.

"Content" means all content Customer, or others acting on behalf of or through Customer, posts or otherwise inputs into the Program, including but not limited to information, data (such as payroll data, vacation time, and hours worked), designs, know-how, logos, text, multimedia images (e.g. graphics, audio and video files), compilations, software programs, third party software, applications, or other materials, or any other Customer content shared or processed on equipment under the control of Kronos.

"Hosting Related Services" means certain services set forth in a Services Scope Statement (SSS) or Statement of Work (SOW) containing hosted related services, such as hosting infrastructure, equipment, bandwidth, server monitoring, backup services, reporting services, storage area network (SAN) services, load balancing services, security services, system administration, connectivity services, performance tuning, service pack installation and all professional and/or Cloud Services and maintenance services related to hosting.

"Initial Term" means the initial term of the Program as set forth in the applicable SSS/SOW or Order Form. For the purposes of the initial project, the applicable Initial Term is a 36 months period as set forth in Appendix B.

"Internal Use" means the use of the Program: (i) by Customer's personnel solely for Customer's internal business purposes and (ii) by any authorized employee, agent or contractor of Customer to process information relating to Customer's employees assigned to, or potential employees of, Customer's authorized business unit(s), solely for the internal business purposes of such business unit(s).

"Monthly Service Fee(s)" means the monthly fees described in on the applicable Order Form and described SSS/SOW.

"Order Form" means the order request form supplied by Kronos that lists the fees for the elements of Customer's particular Program. The initial Order Forms are included to this Agreement as an Appendices A and B.

"Personally Identifiable Data" means information concerning individually identifiable employees of Customer that is protected against disclosure under applicable law or regulation.



"Production Environment" means a permanent environment established for the daily use and maintenance of the Applications in a live environment throughout the term of a Program.

"Service Description" means the detailed service description (including any supplementary service terms) specified in the SSS/SOW which sets forth the specific Program to be provided to the Customer.

"SLA(s)" means a service level agreement offered by Kronos for the Production Environment and attached to this Addendum as Exhibit A which contains key service level standards and commitments that apply to the Program as detailed in the Service Description.

"SLA Credit" means the credit calculated in accordance with the SLA and offered by Kronos in the event of outages, interruptions or deficiencies in the delivery of the Program that result in a failure to meet the terms of the applicable SLA.

"Supplier" means any contractor, subcontractor or licensor of Kronos providing software, equipment and/or services to Kronos which are incorporated into or otherwise related to the Program.

"Temporary Environment" means a transient database environment created to serve limited purposes for a limited time period, and identified in the applicable SSS/SOW as a Temporary Environment.

2. CLOUD HOSTING PROGRAM

The description of the particular Program ordered by the Customer, the Program term, the Monthly Service Fee rates, and other fees, if any, applicable to the Program are described in the applicable SSS/SOW and the Order Form. Kronos will not change the Monthly Service Fee rates it charges for Customer's existing Program, or the SLA, during the Initial Term. Kronos may change such Monthly Service Fee rates or the associated SLA for a renewal term of the particular Program by notifying Customer at least sixty (60) days prior to the expiration of the then current term. SLAs are only available in a Production Environment. Unless the SSS/SOW indicates that the Program is to be implemented in a Temporary Environment, the Program will be deemed to be implemented in a Production Environment.

3. AUTHORIZED USE

Customer shall take all reasonable steps to ensure that no unauthorized persons have access to the Program, and to ensure that no persons authorized to have such access shall take any action that would be in violation of this Addendum.

4. MAINTENANCE ACCESS

If Kronos, its Suppliers, or the local access provider, as applicable, requires access to Customer sites in order to maintain or repair the Program, Customer shall cooperate in a timely manner and reasonably provide such access and assistance as necessary. As part of Kronos' support services, Kronos will make updates to the Applications available to Customer at no charge as they are released generally to Kronos' customers. Customer agrees to receive those updates automatically as part of the Program. Customer may be required to purchase additional Hosting Related Services to address infrastructure requirements as released by Kronos for a new version of a particular Application.

5. CUSTOMER REPRESENTATIONS AND WARRANTIES; CUSTOMER OBLIGATIONS

5.1 Customer represents and warrants to Kronos that it has the right to publish and disclose Customer's Content in the Program.

5.2 Customer represents and warrants to Kronos that Customer's Content will not: (a) infringe or violate any third-party right, including (but not limited to) intellectual property, privacy, or publicity rights; (b) be abusive, profane, or offensive to a reasonable person; or (c) be hateful or threatening.

5.3 Customer will, at its own cost and expense, provide all end user equipment, operating systems, and software (including a web browser) not provided by Kronos and needed to access and use the Program. Customer will also provide, at its own cost and expense, all connections from its computer systems to the Program, which shall include all related costs



associated with Customer accessing the Program, unless such connectivity services are purchased from Kronos as indicated on the SSS/SOW and Order Form

5.4 Customer shall not, and shall not permit any person or entity under Customer's direct or indirect control to: (a) recirculate, republish, distribute or otherwise provide access to the Program to any third party; (b) use the Program on a service bureau, time sharing or any similar basis, or for the benefit of any other person or entity; (c) alter, enhance or make derivative works of the Program; (d) reverse engineer, reverse assemble or decompile, or otherwise attempt to derive source code from, the Program or any software components of the Program; (e) use, or allow the use of, the Program in contravention of any applicable law, or rules or regulations of regulatory or administrative organizations; (f) introduce into the Program any virus or other code or routine intended to disrupt or damage the Program, alter, damage, delete, retrieve or record information about the Program or its users; or, (g) otherwise act in a fraudulent, malicious or negligent manner when using the Program.

6. CONNECTIVITY AND ACCESS

6.1 Customer acknowledges that Customer shall (a) be responsible for securing, paying for, and maintaining connectivity to the Services (including any and all related hardware, software, third party services and related equipment and components); and (b) provide Kronos and Kronos' representatives with such physical or remote access to Customer's computer and network environment as Kronos deems reasonably necessary in order for Kronos to perform its obligations under the Agreement. Customer will make all necessary arrangements as may be required to provide access to Customer's computer and network environment if necessary for Kronos to perform its obligations under the Agreement. Customer agrees that Kronos may audit Customer's use of the Services.

7. FEES AND PAYMENT TERMS

7.1 In consideration of the delivery of the Program, Customer shall pay Kronos the Monthly Services Fee as defined in the applicable Order Form. The Monthly Services Fee shall begin to accrue on the date the stated on the Order Form, and shall be invoiced monthly in arrears. Notwithstanding the foregoing, the Monthly Services Fee set forth in Appendices A and B, shall begin to accrue 60 days following the date of signature of this Agreement

7.2 All fees payable hereunder shall be paid in United States Dollars and sent to the attention of Kronos as specified on the invoice. Payment terms shall be net 30 days following receipt of invoice.

7.3 SLA Credits, if any, which are due and owing to a Customer under an SLA for a particular month of the Program shall be paid by Kronos in the month following the month in which the SLA Credits were earned.

8. INDEMNIFICATION

8.1 Customer shall defend Kronos, its Suppliers and their respective directors, officers, employees (collectively, the "**Kronos Indemnified Parties**") harmless, from and against any and all notices, charges, claims, proceedings, actions, causes of action and suits, brought by a third party (each a "**Claim**") alleging that: (a) employment-related claims arising out of Customer's configuration of the Program; (b) Customer's modification or combination of the Program with other services, software or equipment not furnished by Kronos, provided that such Customer modification or combination is the cause of such infringement and was not authorized by Kronos; or, (c) a claim that the Customer Content infringes in any manner any intellectual property right of any third party, or any of the Customer Content contains any material or information that is obscene, defamatory, libelous, or slanderous violates any person's right of publicity, privacy or personality, or has otherwise caused or resulted in any tort, injury, damage or harm to any other person. Customer will have sole control of the defense of any such action and all negotiations for its settlement or compromise. Kronos will cooperate fully at Customer's expense with Customer in the defense, settlement or compromise of any such action. Customer will indemnify and hold harmless the Kronos Indemnified Parties against any liabilities, obligations, costs or expenses (including without limitation reasonable attorneys' fees) actually awarded to a third party as a result of such Claims by a court of applicable jurisdiction or as a result of Customer's settlement of such a Claim. Notwithstanding the foregoing, the Customer shall not be liable in the event any claim arises from Kronos' negligence or willful misconduct.

8.2 The Kronos Indemnified Party(ies) shall provide written notice to the indemnifying party promptly after receiving notice



of such Claim. If the defense of such Claim is materially prejudiced by a delay in providing such notice, the purported indemnifying party shall be relieved from providing such indemnity to the extent of the delay's impact on the defense. The indemnifying party shall have sole control of the defense of any indemnified Claim and all negotiations for its settlement or compromise, provided that such indemnifying party shall not enter into any settlement which imposes any obligations or restrictions on the applicable Indemnified Parties without the prior written consent of the other party. The Indemnified Parties shall cooperate fully, at the indemnifying party's request and expense, with the indemnifying party in the defense, settlement or compromise of any such action. The indemnified party may retain its own counsel at its own expense, subject to the indemnifying party's rights above.

9. SERVICE LEVEL AGREEMENT

CUSTOMER'S SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF ANY SERVICE OUTAGE, INTERRUPTION OR DEFICIENCY OF SERVICE(S) OR FAILURE BY KRONOS TO MEET THE TERMS OF AN APPLICABLE SLA, SHALL BE THE REMEDIES PROVIDED IN THE SLA; PROVIDED THAT ANY REMEDIES OR CREDITS CONTAINED IN THE SLA ARE NOT AVAILABLE FOR OUTAGES, INTERRUPTIONS OR DEFICIENCIES OCCURRING DURING ANY PERIOD IN WHICH CUSTOMER IS IN BREACH OF THIS ADDENDUM OR THE AGREEMENT. KRONOS DISCLAIMS ANY AND ALL OTHER LIABILITIES OR REMEDIES FOR SUCH OUTAGES, INTERRUPTIONS OR DEFICIENCIES OF SERVICES.

10. LIMITATION OF LIABILITY

IN ADDITION TO THE LIMITATIONS SET FORTH IN THE AGREEMENT, EXCEPT WITH RESPECT TO LIABILITY ARISING FROM KRONOS' GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, KRONOS DISCLAIMS ANY AND ALL LIABILITY AND SERVICE CREDITS, INCLUDING SUCH LIABILITY RELATED TO A BREACH OF SECURITY OR DISCLOSURE, RESULTING FROM ANY EXTERNALLY INTRODUCED HARMFUL PROGRAM (INCLUDING VIRUSES, TROJAN HORSES, AND WORMS), CUSTOMER'S CONTENT OR APPLICATIONS, THIRD PARTY UNAUTHORIZED ACCESS OF EQUIPMENT OR SOFTWARE OR SYSTEMS, OR MACHINE ERROR.

11. DATA SECURITY

11.1 As part of the Program, Kronos shall provide those administrative, physical, and technical safeguards for protection of the security, confidentiality and integrity of Customer data as described at: <http://www.kronos.com/products/smb-solutions/workforce-central-saas/security-description.aspx>

Customer acknowledges that such safeguards endeavor to mitigate security incidents, but such incidents may not be mitigated entirely or rendered harmless. Customer should consider any particular Kronos supplied security-related safeguard as just one tool to be used as part of Customer's overall security strategy and not a guarantee of security. Both parties agree to comply with all applicable privacy or data protection statutes, rules, or regulations governing the respective activities of the parties under the Agreement.

11.2 As between Customer and Kronos, all Personally Identifiable Data is Customer's Confidential Information and will remain the property of Customer. Customer represents that to the best of Customer's knowledge such Personally Identifiable Data supplied to Kronos is accurate. Customer hereby consents to the use, processing of Personally Identifiable Data by Kronos and Kronos' Suppliers wherever located only for the purposes described herein and only to the extent such use or processing is necessary for Kronos to carry out Kronos' duties and responsibilities under the Agreement or as required by law.

11.3 Prior to initiation of the Program and on an ongoing basis thereafter, Customer agrees to provide notice to Kronos of any extraordinary privacy or data protection statutes, rules, or regulations which are or become applicable to Customer's industry and which could be imposed on Kronos as a result of provision of the Program. Customer will ensure that: (a) the transfer to Kronos and storage of any Personally Identifiable Data by Kronos or Kronos' Supplier's data center is permitted under applicable data protection laws and regulations; and, (b) Customer will obtain consents from individuals for such transfer and storage to the extent required under applicable laws and regulations.

12. TERM AND TERMINATION

12.1 At the expiration of the Initial Term, the applicable Program shall renew for additional subsequent or additional terms on the anniversary date of its commencement date ("Renewal Date") by mutual written agreement of the parties or automatically month to month unless Customer terminate the Agreement for convenience. Kronos may suspend or terminate the Program upon notice in the event of any breach by Customer of this Addendum if such breach is not cured



within ten (10) days of the date of Kronos' written notice. No Program interruption shall be deemed to have occurred during, and no Program credits shall be owed for, any authorized suspension of the Program.

12.2 Customer may terminate the Program by written notice at any time during the term of the Addendum if Kronos materially breaches any provision of this Addendum, and such default is not cured within thirty (30) days after receipt of written notice from Customer. In the event of such termination by Customer, Customer shall pay Kronos within thirty (60) days all fees then due and owing for the Program prior to the date of termination.

12.3 Customer may terminate the Program for convenience on no less than ninety (90) days prior written notice to Kronos.

12.4 In the event of termination of the Program by Customer for convenience or by Kronos for cause during the Initial Term, Customer will pay to Kronos any out of pocket expenses incurred by Kronos in terminating the Program plus an early termination fee based on the following calculation: one (1) month of the then-current Monthly Services Fees for every twelve (12) month period (or portion thereof) remaining in the Initial Term. By way of example only, if Customer terminates the Program for convenience with fifteen (15) months remaining in the Initial Term, Customer will be responsible to pay Kronos two (2) months of the then-current Monthly Services Fees. Notwithstanding the foregoing, Kronos agrees that during the Initial Term, in the event of a termination 90 days after the Monthly Services Fees billing commencement, the Customer shall not be responsible for an early termination fee.

12.5 At no cost to Customer, Kronos shall upon (i) request by Customer at any time and (ii) the cessation of the Program, promptly return to Customer, in the format and on the media in use as of the date of the request, Customer's Content.



EXHIBIT A
SERVICE LEVEL AGREEMENT (SLA)

Service Level Agreement: The Services, in a production environment and as described in the Statement of Work, are provided with the service levels described herein. SLAs are only applicable to production environments. SLAs will be available upon Customer's signature of Kronos' Go Live Acceptance Form for Customer's production environment.

99.75% Application Availability

Actual Application Availability % = (Monthly Minutes (MM) minus Total Minutes Not Available (TM)) multiplied by 100 and divided by Monthly Minutes (MM), but not including Excluded Events

Service Credit Calculation: An Outage will be deemed to commence when the Applications are unavailable to Customer in Customer's production environment hosted by Kronos and end when Kronos has restored availability of the Services. Failure to meet the 99.75% Application Availability SLA, other than for reasons due to an Excluded Event, will entitle Customer to a credit as follows:

Actual Application Availability % (as measured in a calendar month)	Service Credit to be applied to Customer's monthly invoice for the affected month
<99.75% to 98.75%	10%
<98.75% to 98.25%	15%
<98.25% to 97.75%	25%
<97.75 to 96.75%	35%
<96.75	50%

"Outage" means the accumulated time, measured in minutes, during which Customer is unable to access the Applications for reasons other than an Excluded Event.

"Excluded Event" means any event that results in an Outage and is caused by (a) the acts or omissions of Customer, its employees, customers, contractors or agents; (b) the failure or malfunction of equipment, applications or systems not owned or controlled by Kronos, including without limitation Customer Content, failures or malfunctions resulting from circuits provided by Customer, any inconsistencies or changes in Customer's source environment, including either intentional or accidental connections or disconnections to the environment; (c) Force Majeure events as described in the Agreement; (d) scheduled or emergency maintenance, alteration or implementation provided during the Maintenance Period defined below; (e) any suspension of the Services in accordance with the terms of the Agreement; (f) the unavailability of required Customer personnel, including as a result of failure to provide Kronos with accurate, current contact information; or (g) using an Application in a manner inconsistent with the product documentation for such Application.

"Maintenance Period" means scheduled maintenance periods established by Kronos to maintain and update the Services, when necessary. During these Maintenance Periods, the Services are available to Kronos to perform periodic maintenance services, which include vital software updates. Kronos will use its commercially reasonable efforts during the Maintenance Period to make the Services available to Customer; however, some changes will require downtime. Kronos will provide notice for planned downtime via an email notice to the primary Customer contact at least one day in advance of any known downtime so planning can be facilitated by Customer.

Currently scheduled Maintenance Periods for the Services are:

Monday through Friday 04:00 am – 06:00 am (U.S. eastern time)
Saturday and Sunday 12:00 am – 06:00 am (U.S. eastern time)

Maintenance Periods include those maintenance periods mutually agreed upon by Customer and Kronos.



"Monthly Minutes (MM)" means the total time, measured in minutes, of a calendar month commencing at 12:00 am of the first day of such calendar month and ending at 11:59 pm of the last day of such calendar month.

"Total Minutes Not Available (TM)" means the total number of minutes during the calendar month that the Services are unavailable as the result of an Outage.

Limitations: Service Credits will not be provided if: (a) Customer is in breach or default under the Agreement at the time the Outage occurred; or (b) the Outage results from an Excluded Event. If Kronos does not provide the appropriate Service Credit as due hereunder, Customer must request the Service Credit within sixty (60) calendar days of the conclusion of the month in which the Service Credit accrues. Customer waives any right to Service Credits not requested within this time period. All performance calculations and applicable Service Credits are based on Kronos records and data unless Customer can provide Kronos with clear and convincing evidence to the contrary.

The Service Level Agreements in this Exhibit, and the related Service Credits, apply on a per production environment basis. For the avoidance of doubt, Outages in one production environment may not be added to Outages in any other production environment for purposes of calculating Service Credits.

Customer acknowledges that Kronos manages its network traffic in part on the basis of Customer's utilization of the Services and that changes in such utilization may impact Kronos' ability to manage network traffic. Therefore, notwithstanding anything else to the contrary, if Customer significantly changes its utilization of the Services than what is contracted with Kronos and such change creates a material and adverse impact on the traffic balance of the Kronos network, as reasonably determined by Kronos, the parties agree to co-operate, in good faith, to resolve the issue.



APPENDIX D
KRONOS ACORD CERTIFICATE



ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

9/29/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER HUB International New England 299 Ballardvale St Wilmington, MA 01867 978 657-5100	CONTACT NAME: PHONE (A/C, No, Ext): 978 657-5100 FAX (A/C, No): 978-988-0038 E-MAIL ADDRESS:																					
INSURED Kronos Incorporated 297 Billerica Road Chelmsford, MA 01824	<table border="1"> <thead> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr> </thead> <tbody> <tr> <td>INSURER A:</td><td>Charter Oak Ins. Co.</td><td>25615</td></tr> <tr> <td>INSURER B:</td><td>Travelers Property Casualty Co</td><td>25674</td></tr> <tr> <td>INSURER C:</td><td>Travelers Indemnity Company</td><td>25658</td></tr> <tr> <td>INSURER D:</td><td></td><td></td></tr> <tr> <td>INSURER E:</td><td></td><td></td></tr> <tr> <td>INSURER F:</td><td></td><td></td></tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A:	Charter Oak Ins. Co.	25615	INSURER B:	Travelers Property Casualty Co	25674	INSURER C:	Travelers Indemnity Company	25658	INSURER D:			INSURER E:			INSURER F:		
INSURER(S) AFFORDING COVERAGE		NAIC #																				
INSURER A:	Charter Oak Ins. Co.	25615																				
INSURER B:	Travelers Property Casualty Co	25674																				
INSURER C:	Travelers Indemnity Company	25658																				
INSURER D:																						
INSURER E:																						
INSURER F:																						

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR (WVD)	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC		6300299P992	10/01/2014	10/01/2015	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000
C	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		BA0292P23514	10/01/2014	10/01/2015	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$		CUP0299P992	10/01/2014	10/01/2015	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	UB3C18389714 All other States UB3C18507914 California	10/01/2014	10/01/2015	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER

CANCELLATION

Evidence of Coverage

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/20/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER HUB International New England 299 Ballardvale St Wilmington, MA 01887 978 657-5100	CONTACT NAME: Certificate Department	
	PHONE (A/C, No, Ext): 978 657-5100	FAX (A/C, No): 866 475-7959
E-MAIL ADDRESS: nee.certificates@hubinternational.com		
INSURED Kronos Incorporated 297 Billerica Road Chelmsford, MA 01824	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Charter Oak Fire Ins Co	NAIC #: 25615
	INSURER B: Travelers Property Casualty Co	25674
	INSURER C: Travelers Indemnity Co of Ameri	31194
	INSURER D:	
	INSURER E:	
INSURER F:		

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC		6300F198831	10/01/2014	10/01/2015	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
C	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		BA0F195804	10/01/2014	10/01/2015	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$		CUP0F198831	10/01/2014	10/01/2015	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	UB0F14401714 All Other States UB0F14486514 CA,MN,MO,NY	10/01/2014	10/01/2015	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
B						

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Certificate holder in included as additional insured.

CERTIFICATE HOLDER

CANCELLATION

City of Redondo Beach, its
officers, appointed officials,
employees, volunteers
Att: Jill Buchholz, Risk Manager
415 Diamond St.
Redondo Beach, CA 90277-0000

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

James E. Doe



KRONINC-01

BSOUZA

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

10/22/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 1780862 HUB International New England 300 Ballardvale Street Wilmington, MA 01887	CONTACT NAME:	
	PHONE (A/C, No, Ext): (978) 657-5100	FAX (A/C, No): (978) 988-0038
INSURED Kronos Incorporated 900 Chelmsford Street Lowell, MA 01851	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Charter Oak Fire Insurance Company	NAIC # 25615
	INSURER B: Travelers Property Casualty Company of America	25674
	INSURER C: The Travelers Indemnity Company of America	25666
	INSURER D: Axis Insurance Company	37273
INSURER E:		
INSURER F:		

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD I WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:	X	H6300F198831COF19	10/1/2019	10/1/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY		BA3L05406719I3G	10/1/2019	10/1/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$		CUP5K70498419I3	10/1/2019	10/1/2020	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
C	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	UB0P45470219E	10/1/2019	10/1/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	Tech E & O Cyber		P00100021961901	10/1/2019	10/1/2020	
A	Property		H6300F198831COF19	10/1/2019	10/1/2020	All Risk

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Certificate holder is included as additional insured if required by written contract with named insured prior to loss/claim.

CERTIFICATE HOLDER

CANCELLATION

City of Redondo Beach, its officers, appointed officials, employees, volunteers Attn: Jill Buchholz, Risk Manager 415 Diamond Street Redondo Beach, CA 90277	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE



ADDITIONAL REMARKS SCHEDULE

Page 1 of 1

AGENCY HUB International New England		License # 1780862	NAMED INSURED Kronos Incorporated 900 Chelmsford Street Lowell, MA 01851
POLICY NUMBER SEE PAGE 1			
CARRIER SEE PAGE 1	NAIC CODE SEE P 1	EFFECTIVE DATE: SEE PAGE 1	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance

19-20 WC

19-20 Employers Liability (cont'd):

Travelers Indemnity Company

Policy# UB0P45458A19I3G- All States (except CA, MN, MO, NY and monopolistic)

Effective 10/01/19 to 10/01/20

Limits of Liability:

Bodily Injury by Accident \$1,000,000 each accident
 Bodily Injury by Disease \$1,000,000 policy limit
 Bodily Injury by Disease \$1,000,000 each employee

Travelers Property Casualty Company of America

Policy# UB0P45458A19I3G - CA, MN, MO, NY

Effective 10/01/19 to 10/01/20

Limits of Liability:

Bodily Injury by Accident \$1,000,000 each accident
 Bodily Injury by Disease \$1,000,000 policy limit
 Bodily Injury by Disease \$1,000,000 each employee