

**AGREEMENT
MEGABYTE PROPERTY TAX SYSTEM (MPTS)
MAINTENANCE**

1 THIS SUPPORT AGREEMENT, is for the term beginning July 1st, 2016 and terminating June 30,
2 2017 by and between the COUNTY OF MONTEREY, hereinafter referred to as the "County" and
3 MEGABYTE SYSTEMS INC, whose mailing address is 2630 Sunset Blvd, Suite 100, Rocklin,
4 California 95677, hereinafter referred to as the "Contractor".

- 5 1. The County hereby engages the services of the Contractor, and the Contractor agrees to
6 serve County in accordance with the terms and conditions set forth herein.
- 7 2. Work. Subject to the terms and conditions set forth in this agreement, Contractor shall
8 provide the services described in Exhibit A, attached and by this reference incorporated
9 herein.
- 10 3. Price. In consideration of Contractor's fulfillment of the promised work, County shall pay
11 Contractor the amount set forth in Exhibit B, attached and by this reference incorporated
12 herein. Support to County in excess of the terms of this agreement, as deemed necessary
13 by County, will be billable to County at Contractor's standard hourly rate subject to
14 advance written approval signed by an individual with authority to bind the County. If on-
15 site support is required, travel time and expenses will be charged in accordance with the
16 Monterey County Travel and Business Expense Reimbursement Policy, in addition to the
17 hourly rate for work on-site.
- 18 4. Payments. County shall make payments of compensation hereunder on submittal of an
19 invoice. Contract payments are due and payable to Megabyte Systems, Inc. 2630 Sunset
20 Blvd, Suite 100, Rocklin, California 95677, within 30 working days of receipt of the invoice.
21 Invoices shall be submitted to:

22 Monterey County Auditor-Controller

23 Attn: Auditor Controller

24 P.O. Box 390

25 Salinas, CA 93902-0390

- 26 5. Changes. Changes and modifications to this Agreement may only be made by prior
27 written change order of County, accepted in writing by the Contractor, specifying such
28 change(s) including adjustment(s) to price and delivery schedule (if any), as are agreed to
29 by the parties hereto. In no case shall County pay for any extra work or material furnished
30 except as previously agreed upon in such a written change order. The Contractor and the

31 County shall determine whether any change or modification will cause a delay in
32 Contractor completing all work and if so, the duration of such delay.

33 6. County's Responsibility to Provide. County will provide, at its own expense, access to
34 Megabyte via Megabyte's network or via the Internet as long as it is at acceptable speeds
35 (County minimum of T1 or business DSL speed).

36 7. No Waiver by County. Inspection of the work by the County, or the statement by any
37 officer, agent, or employee of the County, prior to written acceptance of the work or any
38 part thereof, indicating that the work or any part thereof complies with the requirements
39 of this Agreement, or the County's payment for the whole or any part of the work, or any
40 combination of these acts, shall not relieve the Contractor of obligation to fulfill this
41 Contract as prescribed. Waiver of any provision of this Agreement by the County in any
42 single instance shall not prejudice County's right to enforcement of all provisions of this
43 Agreement in any other instance.

44 8. Hold Harmless. Contractor agrees to defend, indemnify, save and hold harmless the
45 County, its officers, agents, and employees, from and against any and all claims and
46 losses whatsoever accruing or resulting to any and all persons, firms or corporations for
47 damage, injury or death as a result of negligence by Contractor in Contractor's
48 performance of this Agreement.

49 9. Patent or Copyright Infringement.

50 A. Contractor represents that the materials and products produced hereunder do not
51 violate others intellectual property rights (which include patent, copyright, trademark,
52 trade secret or other proprietary right.) In the event a claim, cause of action,
53 proceeding or other legal action should arise in which there are claims that the
54 materials and/or products infringe or violate another's intellectual property rights,
55 Contractor shall undertake to protect, defend, settle or resolve the proceeding at no
56 cost, whatsoever, to County, including, but not by way of limitation, legal fees,
57 disbursements, judgments, or the like. Contractor shall protect, defend and
58 indemnify and hold County harmless, subject only to County giving Contractor
59 prompt written notice of any such third party claim, cause of action or proceedings
60 and rendering to Contractor any reasonable information, assistance or access to
61 documents and materials required in the defense of any such cause of action.

62 B. Should the materials and/or products in Contractor's opinion, be likely or become the
63 subject of a claim of infringement of a patent, copyright or trademark, Contractor
64 may do any of the following: (1) obtain a legally binding right for County to use, at

65 no cost to County, the material and/or product; (2) replace or modify the material
66 and/or product so that it is non-infringing yet still complies with the RFP and the
67 Contract specifications; (3) repurchase the material and/or product by refunding all
68 moneys paid by County to Contractor for the material and/or product less
69 depreciation and reasonable costs for use and such other amounts as are mutually
70 agreeable to County and Contractor.

71 10. Title to Work. Upon termination of this agreement for any reason title to, ownership of,
72 and all applicable patents, copyrights and trade secrets in the MPTS software, shall
73 remain with the contractor as owner/holder of such patents, copyrights, and trade
74 secrets, who shall retain complete rights to market such product, and no such rights shall
75 pass to County. However, County shall receive, at no additional cost, a perpetual license
76 to use such products for its own use.

77 11. Source Code. Contractor shall place source code for the licensed software and any
78 changes thereto, into a software escrow account. County shall have access to the source
79 code in the event Contractor fails to fulfill its maintenance and support obligations, or in
80 the event of bankruptcy, dissolution, or appointment of a receiver for Contractor. County
81 shall be able to use the source code according to the terms of this agreement, and must
82 also be permitted to modify the code for its own use consistent with this agreement.

83 12. Insurance. Contractor shall maintain, at Contractor's own expense during the term
84 hereof, insurance with respect to Contractor's performance of this Agreement of the
85 types and in the minimum amounts described generally as follows:

86 A. Full Workmen's Compensation and Employer's Liability Insurance covering all
87 employees of Contractor as required by law in the State of California.

88 B. Comprehensive Public Liability Insurance or Comprehensive Liability Insurance
89 (Bodily Injury and Property Damage) of not less than One Million Dollars
90 (\$1,000,000) combined single limit per occurrence (claim made).

91 C. Comprehensive Automobile Liability Insurance (Bodily Injury and Property Damage)
92 on owned, hired, leased and non owned vehicles used in conjunction with
93 Contractor's business of not less than Three Hundred Thousand (\$300,000)
94 combined single limit per occurrence (claim made).

95 13. Proof of Insurance. Simultaneous with the execution of this Agreement, proof of the
96 aforementioned insurance shall be furnished by the Contractor to the County by

97 certificates of insurance. Such certificates shall specify that County must be given written
98 notice 30 days prior to the cancellation or modification of any such insurance.

99 14. Insurance in Force and Effect During Contract Period. The insurance specified above
100 shall be in a form and placed with an insurance company or companies satisfactory to
101 County, and shall be kept in force and effect until completion to the satisfaction and
102 acceptance by County of all work to be performed by the Contractor under this
103 Agreement.

104 15. Confidentiality. Confidential information is defined as all information disclosed to
105 Contractor which relates to the County's past, present, and future activities, as well as
106 activities under this Contract. Contractor will hold all such information in trust and
107 confidence. Upon cancellation or expiration of this Agreement, Contractor will return to
108 County all written and descriptive matter which contains any such confidential
109 information.

110 16. Independent Contractor. Contractor shall perform this contract as an independent
111 contractor for all purposes. Contractor is not, and shall not be deemed, a County
112 employee for any purpose, including worker's compensation. Contractor shall, at
113 Contractor's own risk and expense, determine the method and manner by which the
114 duties imposed on Contractor by this contract shall be performed; provided that County
115 may monitor the work performed by Contractor; and provided further that Contractor shall
116 observe and comply with all laws and rules applicable to County in performing the work.
117 Contractor, not County, shall be responsible for Contractor's negligence and that of
118 Contractor's agents and employees in performing the work. Contractor shall be entitled
119 to none of the benefits accorded to a County employee. County shall not deduct or
120 withhold any amounts whatsoever from the compensation paid to Contractor, including
121 but not limited to amounts required to be withheld for state and federal taxes. Contractor
122 alone shall be responsible for all such payments.

123 17. Termination. The County or Contractor may terminate this agreement with 60 days
124 written notices.

125 17.01 During the term of this Agreement, the County may terminate the Agreement for
126 any reason by giving written notice of termination to the CONTRACTOR at least
127 thirty (30) days prior to the effective date of termination. Such notice shall set
128 forth the effective date of termination. In the event of such termination, the
129 amount payable under this Agreement shall be reduced in proportion to the
130 services provided prior to the date of termination.
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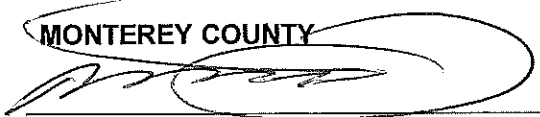
132 17.02 The County may cancel and terminate this Agreement for good cause effective
133 immediately upon written notice to CONTRACTOR. "Good cause" includes the
134 failure of CONTRACTOR to perform the required services at the time and in the
135 manner provided under this Agreement. If County terminates this Agreement for
136 good cause, the County may be relieved of the payment of any consideration to
137 CONTRACTOR, and the County may proceed with the work in any manner, which
138 County deems proper. The cost to the County shall be deducted from any sum
139 due the CONTRACTOR under this Agreement.
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141 17.03 The County's payments to CONTRACTOR under this Agreement are funded by
142 local, state and federal governments. If funds from local, state and federal
143 sources are not obtained and continued at a level sufficient to allow for the
144 County's purchase of the indicated quantity of services, then the County may give
145 written notice of this fact to CONTRACTOR, and the obligations of the parties
146 under this Agreement shall terminate immediately, or on such date thereafter, as
147 the County may specify in its notice, unless in the meanwhile the parties enter into
148 a written amendment modifying this Agreement.
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150 18. Notices. All notices provided for by this Agreement shall be in writing and may be
151 delivered by deposit in the First Class United States mail, by certified, or by registered mail,
152 postage prepaid. All notices appertaining to the provisions of this Agreement, shall be
153 addressed to Contractor's office, located at 2630 Sunset Blvd, Suite 100, Rocklin, California
154 95677. Notices to the County shall be addressed to Monterey County Treasurer-Tax
155 Collector, 168 West Alisal, 1st Floor, Salinas, CA 93901. Effective date of all notices shall
156 permit a minimum of five (5) days for transit in the mails.
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169 IN WITNESS WHEREOF, the parties have executed this AGREEMENT on the day and
170 year written below.
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MONTEREY COUNTY


Contracts/Purchasing Officer

Dated: 7.20.16

Approved as to Fiscal Provisions:


Deputy Auditor/Controller

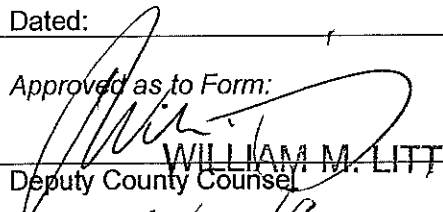
Dated: 7-16

Approved as to Liability Provisions:

Risk Management

Dated: _____

Approved as to Form:


WILLIAM M. LITT
Deputy County Counsel

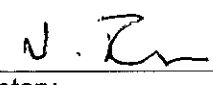
Dated: 6/29/16

**MEGABYTE SYSTEMS, INC.
CONTRACTOR**

By: 
President

SHARON A. ZACHTE, PRESIDENT
Printed Name and Title

Dated: 06.14.16

By: 
Secretary

NICHOLAS BETTS, SECRETARY
Printed Name and Title

Dated: 06.14.16

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177 *INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full
178 legal name of the corporation shall be set forth above together with the signatures of two specified officers. If
179 CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a
180 partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an
181 individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

EXHIBIT A

SCOPE OF SERVICE

MPTS maintenance support services

Contractor will provide the following maintenance support services:

- Hot line phone support for County's Assessor, Tax Collector and Auditor user staff, as required, concerning the operation of the property tax system – MPTS.
- Diagnosis of application problems and suggested solutions.
- Application software corrections as needed by system failure to meet system requirements. This does NOT include any fixes for problems arising through alteration of the database by means other than Contractor personnel.
- New State mandated change to the application of property and tax assessment statutes.
- Enhancements/Upgrades to the application software at the discretion of Contractor.
- Installation/Setup of application stored procedures/triggers/database-scheduled tasks when necessary.
- MPTS application training classes:
 - Web training classes
 - Training materials will be posted on the Contractor website
 - Some sessions may be offered in house for detailed hands-on training at no cost for the session (County will be responsible for travel expenses)
- Roll turnover & roll over support to accommodate County off-hour support if desired:
 - Contractor will optionally offer (based on County needs) roll turnover/rollover of scheduled jobs leaving reports out at the County (balancing/review is the responsibility of County)
 - Contractor will review for consistency and set up – completion of jobs i.e. ascertain correctness of control records, job setup, scheduling, conflicts.
 - Backup: 2nd copy of 601 rolls and tax rolls for 12-year history retention to be held by Contractor if requested by the County. Primary backup of the 601 roll and related system backups are County responsibilities.
 - Assistance with balancing property and tax assessment programs.
 - Assistance with producing fixes (i.e. mass roll changes) to correct erroneous assessment or tax roll results, whether due to County or Contractor actions. However, County is responsible for meeting statutory requirements and proper updating of the Megabyte Systems with all current data, such as tax rates. Assistance to fix problems caused by County failure to update base assessment data will be a billable item to the County.

County will provide, at it's own expense, access to Contractor via Contractor network or via the Internet as long as it is at acceptable speeds (County minimum of T1 or business DSL speed).

County must grant Contractor full administrator rights (SA).

SQL server database support services

Contractor will provide the following SQL sever database services:

- Necessary tuning/routine maintenance/notification of service pack upgrades needed. (These must be ran by County personnel on the physical machine).
- General SQL maintenance.
- Monitoring of SQL logs for errors and corrective action.
- Daily batch job monitoring and fixes/notification of failures.
- Scheduling of overnight jobs.
- Installation upgrades to SQL versions when Contractor upgrades the application software to a new version (Note: this does not include any cost associated with the purchase of SQL Server System Software – this cost is the responsibility of the County. Contractor will install it and do any necessary property system upgrades). Contractor determines the need to upgrade to a newer version of SQL.
- Rebuild database(s) if necessary due solely to SQL Server generated problems. (Exclusion: If the cause is failure by the user to detect operating system errors & take corrective action or notify Contractor, then this activity will be billable to the County).
- SQL Support services are for the primary and inquiry (aka backup server) servers only.

County shall perform the following tasks:

- Ensuring the SQL Executive and SQL Server are running and restart if necessary.
- NT Server printer setup and documentation.
- Monitor disk space on NT Server.
- MPTS system backups.
- Network problems.
- Software/Hardware conflict issues.
- Install SQL Server service packs when notified to do so by Contractor.
- Install MPTS service packs when notified to do so by Contractor.

If on-site support is required travel time and expenses will be billable to County at the standard rate for Contractor.

Online Business Property Filing Maintenance/Support

Contractor shall provide the following MPTS Online Business Property Filing Maintenance & Support to this application as follows:

- Ability for business taxpayers to file their 571L, 571A and 571F personal property forms via the Internet.

Features Include:

- Previous year costs and net change
- View/Print of completed form(s)
- Extraction of data for web access
- Audit reports
- Import/merge of filed data to the personal property system
- Images/PDF retained of the filed statements with access via the personal property subsystem

MPTS Web Enhancements/Services Maintenance

Contractor shall provide the following MPTS Web Services & support as follows:

Public Version for Assessor and Tax Collector Departments:

- Search capabilities limited to Parcel or Assessment numbers.
- Assessor Inquiry – Current Assessment Roll information only.
- Tax Collector – Current Tax Roll information only.
- Cosmetic Customizations only i.e. color schemes, County logos, etc.
- Note: this version does not have any Security features. Name or Address only may be selected to appear (as determined by County), not both.
- Tax Collector Function – Prior year (previous year only) View/Print Taxbill online (additional charge).

Agency Version for Assessor and Tax Collector Departments:

- Assessor Historical search capabilities (dependant on the amount of online history stored the County).
- Tax Collector Historical search capabilities (dependant on the amount of online history stored the County).
- Customization of displayed data.

Grant of License. Contractor hereby grants to County a personal, non-transferable and non-exclusive license to use the Tax Collector Public Version and the Assessor Public and Agency Version of the MPTS Web Services.

The License granted to the County is expressly limited to the executable form of the Software only. The program code and programming language in which Contractor writes the Software (the "Source Code"), as well as any relevant documentation, including the Source Code, and instructions to maintain, duplicate, and compile to Source Code (the "Source Materials"), remain the exclusive property of Contractor.

Term. The license granted shall commence upon the date of installation of the software and shall remain in force for as long as the annual maintenance fee is paid to Contractor by County.

MPTS Transient Occupancy Tax Module (TOT)

The TOT module is designed to provide the County with the ability to manage the different processes involved in collecting TOT as mandated by legislation. The key processes are:

- Registration
- Reporting / Collection
- Audit
- Allocation
- Reporting

Grant of License and Ownership. Contractor hereby grants to County a personal, non-transferable and non-exclusive license to use the MPTS Transient Occupancy Tax Module, hereinafter referred to as TOT.

The License granted to the County is expressly limited to the executable form of the Software only. The program code and programming language in which Contractor writes the Software (the "Source Code"), as well as any relevant documentation, including the Source Code, and instructions to maintain, duplicate, and compile to Source Code (the "Source Materials"), remain the exclusive property of Contractor.

Upon termination of this agreement for any reason title to, ownership of, and all applicable patents, copyrights and trade secrets in the TOT software, shall remain with the contractor as owner/holder of such patents, copyrights, and trade secrets, who shall retain complete rights to market such product, and no such rights shall pass to County.

Term. The license granted shall commence upon the date of installation of the software and shall remain in force for as long as the annual licensing and maintenance fee is paid to Contractor by County.

EXHIBIT B

PAYMENT FOR SERVICES RENDERED

The support cost for services described in Exhibit A – Scope of Service shall be as follows:

FY-2016/2017 Rates	
MPTS Property Tax System Maintenance	\$310,977.75 annual charge
Online Business Property Filing Maintenance/Support	\$3,000.00 annual charge
Public Web – Assessor / Tax Collector Modules Agency Web – Assessor / Tax Collector Modules Tax Collector – Prior Year (previous year only) View/Print Taxbill Online	\$ 5,039.53 annual charge \$12,598.87 annual charge \$ 515.14 annual charge
Transient Occupancy Tax Module (TOT)	\$3,000.00 annual charge

/3 = 103,659.

314

*2 = 2,519.77
2 = 4,299.44*

COMPENSATION FOR EXTRA SERVICES

COUNTY shall compensate CONTRACTOR for requested Extra Services and reimburse CONTRACTOR for expenses incurred in connection with the provision of such Extra Services as follows:

1. Emergency off-site support outside of the hours 8 AM to 5 PM or on weekends or holidays, with a four-hour minimum:
\$150.00 per hour
2. On-site support, with a four-hour minimum, including time in transit.
\$150.00 per hour
3. Travel expenses: At actual cost in accordance with County's current travel expense policy.