

**COUNTY OF MONTEREY STANDARD AGREEMENT  
(MORE THAN \$100,000)**

This **Agreement** is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter "County") and:

Digital Scepter Corporation,  
(hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

**1.0 GENERAL DESCRIPTION.**

- 1.01 The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The goods and/or services are generally described as follows:

**Provide** Palo Alto Network licensing, hardware, upgrades, training, implementation and maintenance services.

**2.0 PAYMENT PROVISIONS.**

- 2.01 County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of \$ 810,000.

**3.0 TERM OF AGREEMENT.**

- 3.01 The term of this Agreement is from June 1, 2018 to May 31, 2021, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and **CONTRACTOR may not commence work before County signs this Agreement.**
- 3.02 The County reserves the right to cancel this Agreement, or any extension of this Agreement, without cause, with a thirty day (30) written notice, or with cause immediately.

**4.0 SCOPE OF SERVICES AND ADDITIONAL PROVISIONS.**

- 4.01 The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

**Exhibit A** Scope of Services/Payment Provisions

**Exhibit B** Non-Disclosure Agreement

**Addendum No. 1**

## 5.0 PERFORMANCE STANDARDS.

- 5.01 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the County, or immediate family of an employee of the County.
- 5.02 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
- 5.03 CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

## 6.0 PAYMENT CONDITIONS.

- 6.01 Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provided in this paragraph. The County does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.
- 6.02 Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County and the CONTRACTOR.
- 6.03 Invoice amounts shall be billed directly to the ordering department.
- 6.04 CONTRACTOR shall submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. The County shall certify the invoice, either in the requested amount or in such other amount as the County approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

## 7.0 TERMINATION.

- 7.01 During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

- 7.02 The County may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner, which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.
- 7.03 The County's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for the County's purchase of the indicated quantity of services, then the County may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

## 8.0 INDEMNIFICATION.

- 8.01 CONTRACTOR shall indemnify, defend, and hold harmless the County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

## 9.0 INSURANCE REQUIREMENTS.

### 9.01 Evidence of Coverage:

Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and the County has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

### 9.02 Qualifying Insurers:

All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to

the current Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Manager.

- 9.03 **Insurance Coverage Requirements:** Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

**Commercial General Liability Insurance,** including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

*(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)*

**Business Automobile Liability Insurance,** covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

*(Note: any proposed modifications to these auto insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)*

**Workers' Compensation Insurance,** if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

*(Note: any proposed modifications to these workers' compensation insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)*

**Professional Liability Insurance,** if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

*(Note: any proposed modifications to these auto insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)*

#### 9.04 Other Requirements:

All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

**Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds** with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, **and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance.** The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance with the County's contract administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

## 10.0 RECORDS AND CONFIDENTIALITY.

- 10.01 Confidentiality. CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.
- 10.02 County Records. When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this Agreement.
- 10.03 Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.
- 10.04 Access to and Audit of Records. The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.
- 10.05 Royalties and Inventions. County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of County.

## 11.0 NON-DISCRIMINATION.

- 11.01 During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal,

state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

## 12.0 COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANTS.

- 12.01 If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

## 13.0 INDEPENDENT CONTRACTOR.

- 13.01 In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability which County may incur because of CONTRACTOR's failure to pay such taxes.

## 14.0 NOTICES.

- 14.01 Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the County and CONTRACTOR'S contract administrators at the addresses listed below:

FOR COUNTY:	FOR CONTRACTOR:
Mike Perez, IT Project Manager	Jon Robinson
Name and Title	Name and Title
Information Technology Department 1590 Moffett Street Salinas, CA 93905	Digital Scepter Corporation 18100 Von Karman Avenue, Suite 850 Irvine, CA 92612
Address	Address
(831) 759-6900	(951) 461-7868
Phone	Phone

## 15.0 MISCELLANEOUS PROVISIONS.

- 15.01 Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the services required to be rendered under this Agreement.
- 15.02 Amendment. This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.
- 15.03 Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.
- 15.04 Contractor. The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.
- 15.05 Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.
- 15.06 Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.
- 15.07 Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.
- 15.08 Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 15.09 Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 15.10 Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.
- 15.11 Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.
- 15.12 Non-exclusive Agreement. This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.



- 15.13 Construction of Agreement. The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
- 15.14 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.
- 15.15 Authority. Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.
- 15.16 Integration. This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.
- 15.17 Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

-----*This section left blank intentionally*-----

## 16.0 SIGNATURE PAGE.

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

### COUNTY OF MONTEREY

### CONTRACTOR

By: \_\_\_\_\_  
Contracts/Purchasing Officer

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Department Head (if applicable)

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Board of Supervisors (if applicable)

Date: \_\_\_\_\_

Approved as to Form<sup>1</sup>

By: \_\_\_\_\_  
County Counsel

Date: \_\_\_\_\_

Approved as to Fiscal Provisions<sup>2</sup>

By: \_\_\_\_\_  
Auditor/Controller

Date: \_\_\_\_\_

Approved as to Liability Provisions<sup>3</sup>

By: \_\_\_\_\_  
Risk Management

Date: \_\_\_\_\_

\_\_\_\_\_  
Digital Scepter Corporation

\_\_\_\_\_  
Contractor's Business Name\*

By: \_\_\_\_\_  
(Signature of Chair, President, or  
Vice-President)\*

\_\_\_\_\_  
Jon Robinson, President  
Name and Title

Date: \_\_\_\_\_  
4/30/18

By: \_\_\_\_\_  
(Signature of Secretary, Asst. Secretary, CFO,  
Treasurer or Asst. Treasurer)\*

\_\_\_\_\_  
Jaynee Robinson CFO  
Name and Title

Date: \_\_\_\_\_  
4.30.2018

County Board of Supervisors' Agreement Number: \_\_\_\_\_, approved on (date): \_\_\_\_\_

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

<sup>1</sup>Approval by County Counsel is required

<sup>2</sup>Approval by Auditor-Controller is required

<sup>3</sup>Approval by Risk Management is necessary only if changes are made in paragraphs 8 or 9

## **EXHIBIT-A**

**To Agreement by and between  
County of Monterey, on behalf of its Information Technology Department, hereinafter  
referred to as "County"**

**AND**

**Digital Scepter Corporation, hereinafter referred to as "CONTRACTOR"**

### **Scope of Services / Payment Provisions**

**I. Description of all services to be rendered by CONTRACTOR:**

CONTRACTOR shall provide COUNTY with licensing, hardware, upgrades and training for the implementation and maintenance of the Palo Alto Network – Operating System (Pan-OS) as necessary for enhanced County network systems security.

**II. CONTRACTOR Obligations:**

- A. Procurement of Palo Alto Networks Pan-OS software licensing and hardware:  
County Information Technology Department (County ITD) has implemented multiple Palo Alto firewalls within the County's data network. Each firewall has specific security features sets that are supported through Palo Alto Networks licenses. Through this Agreement, CONTRACTOR will enable County ITD to continue to purchase these firewall security feature sets and to purchase such additional software and hardware as is needed to support and provide for the security of the County's data network. County reserves the right to purchase additional Palo Alto Networks equipment, tools, and licenses, as they are developed and made available by Palo Alto Networks, and as they are deemed suitable to achieving the County's business purposes, to be determined in County's sole discretion.

Upon execution of this Agreement, County will provide CONTRACTOR with a list of its existing licenses for Palo Alto Networks products, including expiration dates. CONTRACTOR shall then procure and manage future renewals of County's existing Palo Alto Networks product licenses so that all licenses expire and are due for renewal at the same time. CONTRACTOR shall procure and manage licenses for such additional Palo Alto Networks products as County purchases in the future so that they expire and are due for renewal at the same time as the renewal dates for existing licenses owned by County. CONTRACTOR shall provide County written notice of the expiration of Palo Alto Networks licenses, and whether such licenses must or should be renewed at least sixty (60) days prior to expiration. If the CONTRACTOR fails to renew a license, with the result that County services are affected, CONTRACTOR will procure the expired license in question, on County's behalf, at its own expense and at no cost to County.

- B. Installation of Palo Alto Networks Pan-OS and related equipment: CONTRACTOR will assist the County with the installation, configuration and setup of such Palo Alto hardware, software and related equipment that County may purchase pursuant to this Agreement. Upon receiving a request from the County, CONTRACTOR will provide to County a high-level design, low level design and Method of Procedure for the implementation of County's installation, configuration and set up of Palo Alto Networks new hardware, software, and related equipment. CONTRACTOR will also provide to County a cost estimate, to be approved by County in writing before work commences.
- C. Maintenance of Palo Alto Networks and related equipment: Upon the COUNTY'S request, CONTRACTOR will assist the COUNTY with hardware maintenance as needed to ensure firewalls are performing adequately. CONTRACTOR'S obligation to assist County with hardware maintenance applies fully to such additional Palo Alto Networks hardware and related equipment as County may purchase pursuant to this Agreement. Before commencing work on a particular hardware maintenance task, CONTRACTOR will provide a scope of work and cost estimate to be approved by County in writing before work commences.
- D. Palo Alto Network Operating System (Pan-OS) updates and upgrades: CONTRACTOR will assist COUNTY with the implementation and configuration of Pan-OS updates and upgrades on the County's Palo Alto firewalls as these updates and upgrades become available from Palo Alto Networks. CONTRACTOR will notify COUNTY of available upgrades and/or updates. CONTRACTOR will ensure that Palo Alto Networks upgrades and/or updates are ready for implementation on the County network. CONTRACTOR will work with COUNTY to test updates or upgrades in the COUNTY ITD laboratory before implementing Palo Alto Networks upgrades and/or updates to production. If upgrades or updates fail, CONTRACTOR will continue to work with COUNTY until upgrades or updates are successfully implemented on the County network. CONTRACTOR'S obligation to assist County with updates and upgrades applies fully to such additional Palo Alto Networks hardware and related equipment as County may purchase pursuant to this Agreement.
- E. Network engineering and design: Upon County request, CONTRACTOR shall demonstrate newly developed or additional Palo Alto Networks security features, tools, and licenses and shall explain to County personnel their benefits, detractions, and other issues as they relate to the County's network. Upon the request of the COUNTY, CONTRACTOR will assist in engineering and design of new Palo Alto Network firewall products, feature sets, security applications, and security protocols. CONTRACTOR will attend meetings, either onsite or remotely, as determined by County. For each adoption of new Palo Alto Networks firewall products, feature sets, security applications, and security protocols, CONTRACTOR will provide County with a detailed scope of work and cost estimate, to be approved by County in writing before work commences. Through each phase of implementation, CONTRACTOR

will provide County with a high-level design, low-level design, and Method of Procedure.

- F. Security architecture design: Upon the request of the COUNTY, CONTRACTOR will assist the COUNTY in designing security architecture that is compliant with industry best practices and procedures. CONTRACTOR will provide support onsite or remotely, in County's discretion. COUNTY will provide CONTRACTOR with a high-level scope of work describing the assistance it requests from CONTRACTOR. CONTRACTOR will provide County with a high-level design, low level design, Method of Procedure, and cost estimate as it relates to provision of the requested security architecture design. CONTRACTOR's cost estimate will be approved by County in writing before work commences.
- G. Security operations management: Upon the request of the COUNTY, CONTRACTOR will assist County with Palo Alto Networks firewall administration, firewall modifications and firewall updates. COUNTY will provide CONTRACTOR with a high-level scope of work describing the assistance it requests. CONTRACTOR will provide a detailed scope of work and cost estimate to be approved by COUNTY in writing before work commences. CONTRACTOR's obligation to assist County with security operations management applies fully to such additional Palo Alto Networks products as County may purchase pursuant to this Agreement.
- H. Consulting and Project Support: Upon the request of the COUNTY, CONTRACTOR will provide subject matter expertise and technical oversight to the COUNTY on projects that are related to Palo Alto Networks firewalls and applications. COUNTY will provide CONTRACTOR with a high-level scope of work describing the assistance it requests. CONTRACTOR will support COUNTY onsite or remotely, as determined by County. CONTRACTOR will provide County with a high-level design, low level design, Method of Procedure, and cost estimate to complete the requested assistance, to be approved by County in writing before work commences.
- I. County staff training: Upon County's request, CONTRACTOR will provide training to COUNTY staff on County-owned Palo Alto hardware, applications and feature sets. The County reserves the right to request training on new products, features sets and applications as they are made available by Palo Alto Networks, and are deemed suitable to achieving the County's business purposes, to be determined in the County's sole discretion. Training may be conducted onsite or remotely, as determined by County. CONTRACTOR will provide a cost estimate for conducting training for County's approval, in writing, before training commences. CONTRACTOR will produce training materials, videos, slides, and similar training aides, as needed. County reserves the right to keep a copy of training materials produced by CONTRACTOR for its records and future reference. County reserves the right to invite outside agencies to participate in trainings provided by CONTRACTOR.

- J. After-hours support: CONTRACTOR will provide after-hours support as needed to support County staff, products, and applications as they relate to the County's data network security and Palo Alto Networks firewalls. After-hours support is defined as support provided between the hours 5:00 p.m. and 8:00 a.m. Pacific Standard Time, Monday through Friday, support provided on Saturdays and Sundays, and support provided on nationally recognized holidays. Scheduled after-hours support requires CONTRACTOR to provide to County a cost estimate for County's approval, in writing, before work commences. No prior written County approval is required for up to five (5) hours of emergency after-hours support; in the event of such emergencies, CONTRACTOR shall exert best efforts to obtain verbal authorization from County. Emergency after-hours support that exceeds five (5) hours requires verbal or written approval from a County ITD Manager before work continues.

## **B. PAYMENT PROVISIONS**

### **B.1 COMPENSATION/ PAYMENT**

County shall pay an amount not to exceed \$810,000, during the three (3) year term of this agreement, for the performance of all work described in the Scope of Work.

#### Invoicing and Hourly Rates:

CONTRACTOR shall invoice the services specified in Part II, subsections A, B, C, D, G, and J monthly, at the following hourly rates:

- Work performed during business hours, as defined by this Scope of Work: \$212 per hour
- Consulting services: \$212 per hour
- Scheduled after-hours support: \$428 per hour
- Emergency after-hours support: \$428 per hour, subject to the five (5) hour limit specified in this Scope of Work, in a total amount not to exceed \$2,140.00 per emergency incident unless authorized by County.

CONTRACTOR shall invoice the services specified in Part II, subsections E, F, H, and I separately. Each of the services specified in Part II, subsections E, F, H, and I shall be considered a sub-project under this Agreement.

- CONTRACTOR shall invoice the services specified in Part II, subsections E, F, H, and I at the hourly rates contained in the cost estimates required by these subsections, if they are submitted to

County in advance and are approved in writing by County before work commences.

- CONTRACTOR shall invoice for the services specified in Part II, subsections E, F, H, and I upon completion of sub-project deliverables as set forth in the sub-project Scope of Work, and after County has accepted sub-project deliverables as satisfactorily completed, in writing.

County will exert its best efforts to pay CONTRACTOR's monthly invoices within forty-five (45) days of receipt.

No travel costs will be reimbursed.

Summary of Agreement Costs
Recurring yearly costs for existing County Palo Alto Networks hardware and licenses: <b>\$172,000 per year</b>
Estimated yearly costs for additional Agreement services on an as-needed basis and at the request of the County of Monterey: <b>\$98,000 per year</b> <b>CONTRACTOR shall not initiate additional services under this Agreement without the prior written authorization from the County of Monterey Information Technology Department. CONTRACTOR shall not be compensated for any additional work done without authorization.</b>

The agreement amount of \$810,000 is an estimated amount. No specific amount is guaranteed to the Contractor.

CONTRACTOR warrants that the cost charged for services under the terms of this Agreement are not more than the costs charged to any other client for the same services performed by the same individuals.

County may, in its sole discretion, terminate the contract or withhold payments claimed by CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by County.

County shall not pay any claims for payment for services submitted more than twelve (12) months after the calendar month in which the services were completed.

DISALLOWED COSTS: CONTRACTOR is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.



EXHIBIT B  
DIGITAL SCEPTER CORPORATION

**VENDOR NON-DISCLOSURE and CONFIDENTIALITY AGREEMENT**

This vendor non-disclosure and confidentiality agreement ("Agreement") is between The County of Monterey (hereinafter referred to as "County"), acting through its Information Technology Department, and **Digital Scepter Corporation** (hereinafter referred to as "Company") a vendor, having a business address at, 18100 Von Karman Avenue, Suite 850, Irvine, Ca 92612.

**I. RECITALS**

Whereas, Company wishes to receive certain confidential and proprietary information technology information (hereinafter collectively "Information") pertaining to the County's data network including the Palo Alto 5050 Firewalls and other associated network hardware.

Whereas the parties agree that this exchange includes all communication of Information between the parties in any form whatsoever, including oral, written, graphical, and machine-readable form, pertaining to the above; and

Whereas, Company wishes to receive the Information for the sole purpose of completing **firewall changes to the County's Palo Alto firewalls**; and

Whereas, County is willing to disclose the Information and Company is willing to receive the Information on the terms and conditions set forth herein.


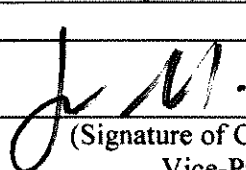
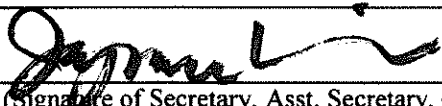
Now, therefore, County and Company agree as follows:

1. That the disclosure of Information by County is in strictest confidence and thus Company shall:
  - a. Protect and preserve the confidential nature of the Information, including taking reasonable physical, technological, and administrative security measures, and
  - b. Not disclose the Information to any party, or person, not a party to this Agreement, except for sub-contractors of Company who have previously agreed to confidentiality agreements no less restrictive than as set forth herein, and whose sub-contracts and confidentiality agreements have been reviewed by County, and
  - c. Exercise at least the same degree of care to maintain the Information as the Company exercises in maintaining as secret and confidential its own intellectual property, confidential, and secret information, but always at least a reasonable degree of care;
  - d. Use the Information only for the above-stated purpose;
  - e. Restrict disclosure of the Information solely to those employees and sub-contractors of Company having a need to know such Information in order to accomplish the purpose stated above;
  - f. Advise each such employee or sub-contractor, before he or she receives access to the Information, of the obligations of Company and sub-contractor under this Agreement, and require each such employee or sub-contractor to maintain those obligations;

- g. Within fifteen (15) days following the request of County, return to County all documentation, copies, notes, diagrams, computer memory media and other materials containing any portion of the Information, or confirm to County, in writing, the destruction of such materials; and,
  - h. Immediately upon sale of Company or merger of Company with a third party, return to County all documentation, copies, notes, diagrams, computer memory media and other materials containing any portion of the Information or, in County's sole option and discretion, confirm to County, in writing, the destruction of such materials.
- 2. The Information shall remain the sole property of County.
- 3. COUNTY DOES NOT MAKE ANY REPRESENTATION WITH RESPECT TO AND DOES NOT WARRANT ANY INFORMATION PROVIDED UNDER THIS AGREEMENT, BUT SHALL FURNISH SUCH IN GOOD FAITH. WITHOUT RESTRICTING THE GENERALITY OF THE FOREGOING, COUNTY DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES, WHETHER WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED WITH RESPECT TO THE INFORMATION WHICH MAY BE PROVIDED HEREUNDER, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE. COUNTY SHALL NOT BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE WHATSOEVER RESULTING FROM RECEIPT OR USE OF THE INFORMATION BY THE COMPANY.
- 4. In the event of a breach or threatened breach or intended breach of this Agreement by Company, County, in addition to any other rights and remedies available to it at law or in equity, may be entitled to preliminary and final injunctions, enjoining and restraining such breach or threatened breach or intended breach without requirement to post a bond.
- 5. The rights and obligations of the parties under this Agreement may not be sold, assigned or otherwise transferred, except to a successor-in-interest in connection with a merger, acquisition, or sale of all or substantially all its assets.
- 6. Company shall indemnify, defend, and hold harmless the County, its officers, agents, and employees from any claim, liability, loss, injury, cost, expense, penalty or damage, including the County's reasonable cost of providing notification of and of mitigating any acquisition, access, use or disclosure of Information in a manner not permitted by this Agreement, arising out of, or in connection with, performance of this Agreement by Company and/or its agents, members, employees, or sub-contractors, excepting only loss, injury, cost, expense, penalty or damage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this Agreement to provide the broadest possible indemnification for the County. Company shall reimburse the County for all costs, attorneys' fees, expenses, and liabilities incurred by the County with respect to any investigation, enforcement proceeding or litigation in which Company is obligated to indemnify, defend, and hold harmless the County under this Agreement. This provision is in addition to and independent of any indemnification provision in any related or other agreement between the County and Company.
- 7. For purposes of this Agreement, the following are designated as the parties' respective contacts and principal agents. Each party reserves the right to designate a different contact/agent upon giving written notice to the other party.

COUNTY	COMPANY
Alex Zheng, ITYD Division Manager	Jon Robinson, President
Contact Name / Title	Contact Name / Title
1590 Moffett St, Salinas, Ca 93905	18100 Von Karman Ave, Suite 850, Irvine, Ca
Address	Address
831-759-6991	951-461-7868
Telephone	Telephone
Fax	Fax
ZhengA@co.monterey.ca.us	jon@digitalscepter.com
e-mail	e-mail

This Agreement is binding upon County and Company, and upon the directors, officers, employees and agents of each. This Agreement is effective as of the later date of execution and Company's obligations under this Agreement will continue indefinitely.

	<b>COUNTY OF MONTEREY</b>			<b>COMPANY</b>
				Digital Scepter Corporation
By:				
	Contracts/Purchasing Manager			
Date:				Company's Business Name*
By:			By:	
	Department Head (if applicable)			(Signature of Chair, President, or Vice-President) *
Date:	10/21/16			
			Name:	JON ROBINSON
			Title:	PRES
			Date:	9/28/16
By:			By:	
	Information Technology Department Acknowledgement (if applicable)			(Signature of Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer) *
Date:			Name:	Jaymee Robinson
			Title:	CFO
			Date:	9/28/16

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

## **ADDENDUM NO. 1**

### **TO AGREEMENT BY AND BETWEEN DIGITAL SCEPTER CORPORATION AND THE COUNTY OF MONTEREY ON BEHALF OF ITS INFORMATION TECHNOLOGY DEPARTMENT FOR PALO ALTO NETWORK LICENSING, HARDWARE, UPGRADES, TRAINING, IMPLEMENTATION AND MAINTENANCE SERVICES**

This Addendum No. 1 amends, modifies, and supplements the County of Monterey Agreement for Services (hereinafter "Agreement") by and between Digital Scepter Corporation (hereinafter "CONTRACTOR") and the County of Monterey (hereinafter "COUNTY"). This Addendum #1 has the full force and effect as if set forth within the Terms. To the extent that any of the terms or conditions contained in this Addendum #1 may contradict or conflict with any of the terms and conditions of the Agreement, it is expressly understood and agreed that the terms and conditions of this Addendum #1 shall take precedence and supersede the attached Agreement.

NOW, THEREFORE, COUNTY and CONTRACTOR agree that the Agreement terms and conditions shall be amended, modified, and supplemented as follows:

**I. Title of Agreement shall be amended to:**

*"This **Agreement** is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter "County") and Digital Scepter Corporation (hereinafter "CONTRACTOR"). County and CONTRACTOR herein referred to individually as "Party" and collectively as "Parties".*

**II. Agreement paragraph 7.01, shall be amended to:**

*7.01 "During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of the termination. Such notice shall set forth the effective date of the termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination."*

**III. Agreement paragraph 7.02, shall be amended to:**

*"Each Party reserves the right to cancel and terminate this Agreement for good cause effective immediately upon providing written notice. "Good cause" includes the failure of a party to perform any obligation required at the time and in the manner provided under this Agreement. If a Party terminates this Agreement for good cause, the terminating Party may be relieved of further obligations otherwise required of it by the Agreement. If County is the terminating party for good cause, it may, in its sole discretion, contract with another entity to perform the required services."*

**IV. Agreement paragraph 8.01, shall be amended to:**

*"Both Parties shall indemnify, defend, and hold harmless the other Party, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury or death arising out of or connected with the Party's performance of this Agreement, unless such claims, liability, or losses arise out of the sole negligence or willful misconduct of the other Party. "Party's performance" includes said Party's action or inaction and the action or inaction of said Party's officers, employees, agents and subcontractors."*

**V. Agreement paragraph 10.02, "County Records" shall be amended to:**

*"When this Agreement expires, or terminates, CONTRACTOR shall return to County any applicable County records pursuant to the terms of the Non-Disclosure Agreement, attached hereto as Exhibit B."*

**VI. Agreement paragraph 15.18, "Limitation of Liability", shall be added as follows:**

*"CONTRACTOR is not responsible for any indirect, special, punitive, exemplary or consequential damages of any kind. CONTRACTOR's liability to County on account of any acts or omission related to this Agreement shall not exceed the limit of commercial general liability insurance provided by CONTRACTOR under this Agreement."*

**VII. Agreement paragraph 15.19, "Services Warranty", shall be added as follows:**

*"CONTRACTOR" warrants that it will perform the services set forth in this agreement in accordance with the specifications set forth herein. For any breach of the foregoing warranty, CONTRACTOR will exercise commercially reasonable efforts to re-perform any non-conforming services upon receipt of the County's written notice to CONTRACTOR specifying in reasonable detail such non-conformance. To the extent permitted by applicable law, CONTRACTOR disclaims any and all warranties set forth in this instant section.*