

AGREEMENT MPTS PROPERTY TAX SYSTEM MAINTENANCE

THIS SUPPORT AGREEMENT is for the term beginning July 1, 2026, and terminating June 30, 2031, by and between the COUNTY OF NEVADA, hereinafter referred to as the "County" and MEGABYTE SYSTEMS INC, whose mailing address is 2630 Sunset Blvd, Rocklin, California 95677, hereinafter referred to as the "Contractor".

1. The County hereby engages the services of the Contractor, and the Contractor agrees to serve County in accordance with the terms and conditions set forth herein.
2. Work. Subject to the terms and conditions set forth in this agreement, Contractor shall provide the services described in Exhibit A (the "Support Services"), attached and by this reference incorporated herein.
3. Price. In consideration of Contractor's fulfillment of the promised work, County shall pay Contractor the amount set forth in Exhibit B, attached and by this reference incorporated herein. Support to County in excess of the terms of this agreement, as deemed necessary by County, will be billable to County at Contractor's standard hourly rate subject to advance written approval of County. If on-site support is required, travel time and expenses will be charged in addition to the hourly rate for work on-site.
4. Payments. County shall make payments of compensation hereunder monthly on submittal of an invoice. Contract payments are due and payable to Megabyte Systems, Inc. 2630 Sunset Blvd, Rocklin, California 95677, within 30 working days of receipt of the invoice. Invoices shall be submitted to:

County of Nevada
Information and General Services Department
950 Maidu Avenue
Nevada City, CA 95959
IGSAdmin@nevadacountyca.gov

5. Audit by the California State Auditor. Contractor acknowledges that if the total compensation under this agreement is greater than \$10,000.00, this Agreement is subject to the examination and audit by the California State Auditor for a period of three (3) years, or for any longer period required by law, after final payment under this Agreement, pursuant to California Government Code 8546.7. In order to facilitate these potential examinations and audits, Contractor shall maintain, for a period of at least three (3) years,

or for any longer period required by law, after final payment under the contract, all books, records and documentation necessary to demonstrate performance under this agreement.

6. Changes. Changes and modifications to this Agreement may only be made by prior written change order of County, accepted in writing by the Contractor, specifying such change(s) including adjustment(s) to price and delivery schedule (if any), as are agreed to by the parties hereto. In no case shall County pay for any extra work or material furnished except as previously agreed upon in such a written change order. The Contractor and the County shall determine whether any change or modification will cause a delay in Contractor completing all work and if so, the duration of such delay.
7. County's Responsibility. County shall comply with all requirements that apply to it under applicable laws and regulations, including laws and regulations governing intellectual property and data privacy. County will provide, at its own expense, access to Megabyte via Megabyte's network or via the high-speed Internet.
8. No Waiver by County. Inspection of the work by the County, or the statement by any officer, agent, or employee of the County, prior to written acceptance of the work or any part thereof, indicating that the work or any part thereof complies with the requirements of this Agreement, or the County's payment for the whole or any part of the work, or any combination of these acts, shall not relieve the Contractor of obligation to fulfill this Contract as prescribed. Waiver of any provision of this Agreement by the County in any single instance shall not prejudice County's right to enforcement of all provisions of this Agreement in any other instance.
9. Hold Harmless. Contractor agrees to defend, indemnify, save and hold harmless the County, its officers, agents, and employees, from and against any and all claims and losses whatsoever accruing or resulting to any and all persons, firms or corporations for damage, injury or death as a result of negligence by Contractor in Contractor's performance of this Agreement.
10. Data Protection
 - A. County hereby acknowledges and agrees that in order to provide the Support Services, County may directly or indirectly provide, or Contractor will otherwise have access to and retain, confidential, non-public information (including personally identifiable information), statistics, metrics, and other data concerning County or County's clients or constituents (collectively, "County Data"). As between County and Contractor, County owns County Data and all County Data shall remain the property of County. County hereby grants to Contractor and its affiliates and

subcontractors a right and license to use and process County Data to the extent reasonably necessary to (i) monitor, provide, administer, ensure the proper operation of, develop, improve, and modify the Support Services, (ii) develop and provide new and existing functionality and services to County and other Contractor customers, and (iii) perform Contractor's rights and obligations under this Agreement.

- B. Contractor shall not collect, retain, use, sell, or disclose County Data for any purpose (including for any commercial purpose) other than for the specific purposes set forth in this Agreement, unless otherwise required by law, and shall not use County Data for the purposes of conducting online/targeted behavioral advertising for County or any other third party. Contractor shall, at County's reasonable request, cease any unauthorized processing of County Data and grant County authorization to assess and remediate any such unauthorized processing. Except to the extent otherwise agreed to by Contractor in writing (and a statement of work, order form, or similar documentation are acceptable forms of writing), County shall not provide Contractor with any unencrypted personally identifiable information that is considered sensitive (e.g., a social security number, driver's license number, financial account data, health data) as part of the Support Services or otherwise. Any violation of this clause by County shall be considered a material breach of this Agreement and County hereby releases Contractor from, and shall not hold Contractor liable for, any loss, damages, or harm County incurs as a result of County's violation of this Section 10.
- C. Cooperation; Assistance. Contractor shall provide reasonable assistance to County to enable County to comply with its obligations and responsibilities under any applicable privacy law, including with respect to providing access to, correcting, and deleting County Data. Contractor shall promptly notify County if Contractor receives a correspondence, inquiry, complaint, request, or demand concerning Contractor's use or processing of County Data.

11. Patent or Copyright Infringement.

- A. Contractor represents that the materials and products produced hereunder do not violate others intellectual property rights (which include patent, copyright, trademark, trade secret or other proprietary right.) In the event a claim, cause of action, proceeding or other legal action should arise in which there are claims that the materials and/or products infringe or violate another's intellectual property rights, Contractor shall undertake to protect, defend, settle or resolve the proceeding at no

cost, whatsoever, to County, including, but not by way of limitation, legal fees, disbursements, judgments, or the like. Contractor shall protect, defend and indemnify and hold County harmless, subject only to County giving Contractor prompt written notice of any such third party claim, cause of action or proceedings and rendering to Contractor any reasonable information, assistance or access to documents and materials required in the defense of any such cause of action.

B. Should the materials and/or products in Contractor's opinion, be likely or become the subject of a claim of infringement of a patent, copyright or trademark, Contractor may do any of the following: (1) obtain a legally binding right for County to use, at no cost to County, the material and/or product; (2) replace or modify the material and/or product so that it is non-infringing yet still complies with the RFP and the Contract specifications; (3) repurchase the material and/or product by refunding all moneys paid by County to Contractor for the material and/or product less depreciation and reasonable costs for use and such other amounts as are mutually agreeable to County and Contractor.

12. Title to Work. Upon termination of this agreement for any reason title to, ownership of, and all applicable patents, copyrights and trade secrets in the MPTS 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. However, County shall receive, at no additional cost, a perpetual license to use such products for its own use.

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

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

A. Workers Compensation Insurance as required by the State of California, with statutory limits and Employers Liability Insurance with limit of no less that (\$1,000,000) per accident for bodily injury or disease.

- B. Commercial General Liability Insurance or Comprehensive Liability Insurance (Bodily Injury and Property Damage) of not less than Two Million Dollars (\$2,000,000) combined single limit per occurrence (claim made).
 - C. Comprehensive Automobile Liability Insurance (Bodily Injury and Property Damage) on owned, hired, leased and non owned vehicles used in conjunction with Contractor's business of not less than One Million Dollars (\$1,000,000) combined single limit per occurrence (claim made).
 - D. Cyber Liability Insurance with limit not less that (2,000,000) and Technology Professional Liability Errors and Omissions Insurance: Appropriate to Contractor's profession and work hereunder, with limits not less than \$2,000,000 per occurrence.
15. Proof of Insurance. Simultaneous with the execution of this Agreement, proof of the aforementioned insurance shall be furnished by the Contractor to the County by certificates of insurance. Such certificates shall specify that County must be given written notice 30 days prior to the cancellation or modification of any such insurance.
16. Insurance in Force and Effect During Contract Period. The insurance specified above shall be in a form and placed with an insurance company or companies satisfactory to County, and shall be kept in force and effect until completion to the satisfaction and acceptance by County of all work to be performed by the Contractor under this Agreement.
17. Confidentiality.
- A. Contractor will hold all County Data in trust and confidence, and limit access to such County Data to only those individuals who have a business need for such access and undertake reasonable steps to ensure the reliability of all individuals who have access to such County Data. Contractor shall implement and maintain commercially reasonable technical and organizational security controls to protect and safeguard County Data from unauthorized use or disclosure, which shall include written policies describing its security controls and the relevant procedures and responsibilities of Contractor personnel who have access to County Data. Contractor shall designate a senior employee to be responsible for the overall management of Contractor's information security program. Upon cancellation or expiration of this Agreement, Contractor will return to County all written and descriptive matter which contains any such County Data.
 - B. Contractor shall, where legally required, notify County of any unauthorized access to or use of County Data when Contractor discovers the same. In such circumstances, Contractor shall provide timely information to County relating to such unauthorized access or use and promptly take reasonable steps to contain, investigate, and mitigate the same. Any action or notification taken by Contractor in accordance with

this clause shall not be interpreted or construed, in any manner, as an admission of liability, wrongdoing, or fault. Contractor shall not be liable to County or any third party for damages, losses, or harm arising from any unauthorized access to or use of County Data, provided such damages, losses or harm are caused by an act or omission of County or a third party acting outside the control of Contractor, or by County's breach of this agreement.

18. Independent Contractor. Contractor shall perform this contract as an independent contractor for all purposes. Contractor is not, and shall not be deemed, a County employee for any purpose, including worker's compensation. Contractor shall, at Contractor's own risk and expense, determine the method and manner by which the duties imposed on Contractor by this contract shall be performed; provided that County may monitor the work performed by Contractor; and provided further that Contractor shall observe and comply with all laws and rules, including (but not limited to) Accessibility Laws, applicable to County in performing the work. Contractor, not County, shall be responsible for Contractor's negligence and that of Contractor's agents and employees in performing the work. Contractor shall be entitled to none of the benefits accorded to a County employee. County shall not deduct or withhold any amounts whatsoever from the compensation paid to Contractor, including but not limited to amounts required to be withheld for state and federal taxes. Contractor alone shall be responsible for all such payments. For purposes of this Section 18, the term "Accessibility Laws" means all applicable federal and California accessibility laws, regulations, and implementing guidance, as each may be amended from time to time, including without limitation the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.) and implementing regulations, Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and implementing regulations (to the extent applicable), Section 508 of the Rehabilitation Act of 1973 (29 U.S.C. §794d) and implementing regulations (to the extent applicable), California Government Code section 11135 and implementing regulations, the Unruh Civil Rights Act (California Civil Code § 51 et seq.), and the California Disabled Persons Act (California Civil Code § 54 et seq.).
19. Termination. The County or Contractor may terminate this agreement with 60 days written notice. A material breach, as defined pursuant to the terms of this Contract or otherwise, in addition to any other remedy available at law or otherwise, shall serve as a basis upon which County may elect to immediately suspend payments hereunder, or terminate this Contract, or both, without notice.
20. B. If Contractor fails to timely provide in any manner the services materials and products required under this Contract, or otherwise fails to promptly comply with the terms of this Contract, or violates any ordinance, regulation or other law which applies to its performance herein, County may terminate this Contract by giving five (5) calendar days written notice to Contractor.

21. C. Either Party may terminate this Contract for any reason, or without cause, by giving sixty (60) calendar days written notice to the other, which notice shall be sent by registered mail in conformity with the notice provisions, below. In the event of termination labor disputes or other forces over which Contractor has no control, not the fault of Contractor, Contractor shall be paid for services performed to the date of termination in accordance with the terms of this Contract. Contractor shall be excused for failure to perform services herein if such performance is prevented by acts of God, strikes,

D. Notwithstanding anything to the contrary herein, if state or federal funds that County intended to use for payment under this Contract are canceled, reduced, or otherwise made unavailable, County shall have the right to immediately terminate this Contract upon written notice to Contractor. In such an event, County shall pay Contractor for all services satisfactorily performed up to the date of termination in accordance with the terms of this Contract, and Contractor shall have no further claims against County due to such termination.

In the event this Contract is terminated:

1) Contractor shall deliver copies of all writings prepared by it pursuant to this Contract. The term "writings" shall be construed to mean and include: handwriting, typewriting, printing, photostating, photographing, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof. The term "writings" does not include "Background IP" (as defined below).

2) County shall have full ownership and control of all such writings delivered by Contractor pursuant to this Contract. Notwithstanding the foregoing, Contractor owns and shall retain ownership to all of its preexisting intellectual property, including all rights, title, and interest to inventive intellectual property conceived or acquired by Contractor external to or pre-dating this Agreement consistent with U.S. patent law ("Background IP").

3) County shall pay Contractor the reasonable value of services rendered by Contractor to the date of termination pursuant to this Contract not to exceed the amount documented by Contractor and approved by County as work accomplished to date; provided, however, that in no event shall any payment hereunder exceed the amount of the Contract specified in Exhibit B, and further provided, however, County shall not in any manner be liable for lost profits which might have been made by Contractor had Contractor completed the services required by this Contract. In this regard, Contractor shall furnish to County such financial information as in the judgment of County is necessary to determine the reasonable value of the services rendered by Contractor. The foregoing is cumulative and does not affect any right or remedy, which County may have in law or equity.

22. Notices. All notices provided for by this Agreement shall be in writing and may be delivered by deposit in the First-Class United States mail, by certified, or by registered mail, postage prepaid. All notices appertaining to the provisions of this Agreement, shall be addressed to Contractor's office, located at 2630 Sunset Blvd, Rocklin, California 95677. Notices to the County shall be addressed to the County of Nevada, Information and General Services Director, 950 Maidu Avenue, Nevada City, CA 95959. Effective date of all notices shall permit a minimum of five (5) days for transit in the mail.

23. Dispute Resolution. In the event of any dispute, claim, question, or disagreement arising from or relating to this agreement or breach thereof, the parties shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. If they do not reach such solution within a period of 60 days, then, upon notice by either party to the other, all disputes, claims, questions, or differences shall be finally settled by arbitration.

The arbitration shall be conducted by a neutral arbitrator and in accordance with California law, with the parties sharing equally the costs of arbitration. Judgement on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

24. Subcontractors. County hereby acknowledges and agrees that Contractor may use affiliates and subcontractors to assist with its provision of Support Services to County, provided Contractor executes with any such affiliates and subcontractors a written agreement that contains terms and conditions that are substantially similar to the terms and conditions set forth in this Agreement. Contractor shall undertake all reasonable efforts to ensure that any such affiliates and subcontractors can comply, and are in compliance, with the terms and conditions set forth in this agreement.

25. Feedback. County may voluntarily, but is not required to, provide Contractor and/or Contractor affiliates and subcontractors with ideas, suggestions, requests, recommendations or feedback about the Contractor's business operations, products, and services ("Feedback"). In circumstances where County provides Contractor and/or Contractor affiliates and subcontractors with such Feedback, Contractor shall own all rights, title and interest, including all intellectual property rights, in and to the Feedback, including any configurations and customizations thereof. County hereby represents and warrants to Contractor that it has all rights to provide any and all such Feedback to Contractor.

COUNTY OF NEVADA, a political subdivision of the State of California

By _____
Honorable Lisa Swarouth
Chair, Board of Supervisors

Dated: _____

Attest: _____
Clerk of the Board of
Supervisors or Designee

Approved as to Form:

County Counsel

CONTRACTOR: Megabyte Systems, Inc

By _____
President

Dated: _____

EXHIBIT A

SUPPORT SERVICES

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 high-speed internet connection.

County must grant Contractor full administrator rights (SA).

SQL server database support services

Contractor will provide the following SQL server 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.
- Monitor disk space on Windows 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.

Additional MPTS Modules to be supported

(Additional Fees as specified in Exhibit B will apply)

Assessor/Tax Collector Public Web Access
Assessor/Tax Collector Agency Web Access
Tax Collector – Up to Seven Years Web Bill Print
Assessor – Online Business Property Filing (OBPF)
Tax Collector – Tax Sale Module
Tax Collector – Cashiering with Scanner Module
Tax Collector-MyCountyConnect
County Test Server – Supported by Megabyte
Clerk of the Board / Assessment Appeals

Contractor shall provide technical and operational support for services as described above, weekdays from 7:00am to 6:00pm Pacific Time, and for extended times during peak workloads. Contractor shall provide timely maintenance support services according to the following escalation procedures:

“Level 1 Application Problem” means a critical application subsystem is inoperable ; the County must have immediate assistance, this is a critical and highest priority problem. Megabyte shall return users of the failed application to an operational status within six (6) hours of the initial call for service.

“Level 2 System Problem” means a subsystem is not functioning correctly or its usage is restricted; however the application is operable. The Level 2 System Problem must be resolved as soon as possible; this is a critical but lesser priority problem than a Level 1 Application Problem. Contractor shall commence diagnostic/problem resolution within twenty-four (24) hours of notification. If a Level 2 System Problem remains unresolved for more than three (3) calendar days, it shall be automatically escalated to a level 1 Application Problem status.

Level 3 System Problem” means there is a non-serious problem that does not have a material impact on the system; or the County needs assistance in solving an in-house problem that has a minor effect on the operation of the MPTS system/application. Megabyte will schedule resolution as soon as possible ; this is a non-critical and lower priority problem. Should a Level 3 System Problem remain unresolved for more than fourteen (14) calendar days, it shall be automatically escalated to a Level 2 System Problem status.

Corrections for reported problems or defects due to County’s unauthorized changes to the application or client environment or to portions of the program affected by County-provide software will be the responsibility of the County.

Vendor Contact Information:

Megabyte Help Desk email: MBHelpdesk@megabytesystems.com

Megabyte ticketing system: MBS@Megabytesystems.com

Note: if emailing the ticketing system, they advise us to always CC Help Desk

EXHIBIT B

PAYMENT FOR MAINTENANCE SERVICES

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

Term	Description	Amount
7/1/2026 – 6/30/2027	MPTS Property Tax System Maintenance/Support	\$25,595.24 per month
7/1/2026 – 6/30/2027	MPTS Web Services Assessor/Tax Collector Public Web Access Assessor/Tax Collector Agency Web Access Tax Collector – Web bill print for Current Year/Two Prior Years	\$ 6,584.34 annual charge \$16,607.24 annual charge \$ 2,868.36 annual charge
7/1/2026 – 6/30/2027	Assessor – Online Business Property Filing (OBPF) Maintenance/Support	\$ 4,646.82 annual charge
7/1/2026 – 6/30/2027	Tax Collector-Tax Sale Module Maintenance/Support	\$3,767.69 annual charge
7/1/2026 – 6/30/2027	Tax Collector -Cashiering With Scanner Module Tax Collector - MyCountyConnect	\$7,925.87 annual charge \$11,297 annually(no fee 1st year)
7/1/2026 – 6/30/2027	County Test Server – Supported by Megabyte	No Charge
7/1/2026 – 6/30/2027	Clerk of the Board / Assessment Appeals Licensing & Support	No Charge

Annual Adjustment of Fees.

For FY-2026/27 Megabyte will be increasing maintenance and support costs and fees shall be adjusted annually each Fiscal year in accordance with the percentage increase in the Consumer Price Index for the Pacific Cities and U.S. Cities Average published for the previous December of each year or a max of 5% whichever is the lessor amount.

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: **\$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.
4. The contractual amounts described in this schedule to be paid to Contractor constitute the entire compensation due Contractor and all of County's obligations regardless of the difficulty, materials or equipment required. The contractual amount includes fees, licenses, overhead, profit and all other direct and indirect costs incurred or to be incurred by Contractor.
5. Any cost adjustments to the contract must be agreed upon by the parties by amending this contract. No claim for additional services, not specifically provided herein, will be allowed by County except to the extent provided by a valid amendment to this contract through the Change Request process.
6. Payment will be made by County upon receipt by County of invoices from Contractor. County will be allowed thirty days to process each payment.
7. The payment of an invoice by County will not prejudice County's right to object to or question that or any other invoice or matter in relation thereto. Contractor's invoice will be subject to reduction for amounts included in any invoice or payment made which are determined by County, on the basis of audits conducted in accordance with the terms of this contract, not to constitute allowable costs. Any payment will be reduced for overpayments, or increased for underpayments on subsequent invoices.
8. County reserves the right to deduct from amounts that are or will become due and payable to Contractor under this, or any contract between the parties, any amounts that are or will become due and payable to County by Contractor.
9. Reimbursement for Contractor staff travel and travel related costs associated with on-site work done in performance of this contract will be paid at the GSA Standard rate. Meals will be reimbursed on a per diem basis at the current GSA rate. Contractor will make every reasonable attempt to book air travel in advance to reduce costs. Payment for any travel costs that exceed the travel budget as agreed upon by the parties must be approved by County's Project Manager.

Payment Terms -All payments are due Net 30 Days following County's receipt of an accurate invoice.

EXHIBIT C

Insurance. Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by Contractor, its agents, representatives, or employees. Coverage shall be at least as broad as:

25. **Commercial General Liability CGL:** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
26. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Contractor has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **\$1,000,000** per accident for bodily injury and property damage. The Automobile Liability policy shall be endorsed to include Transportation Pollution Liability insurance MCS-90, covering materials to be transported by Contractor pursuant to the contract.
27. **Workers' Compensation:** Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease
28. **Cyber Liability/Technology Professional Liability Errors and Omissions Insurance:** Appropriate to Contractor's profession and work hereunder, with limits not less than **\$2,000,000** per occurrence. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Contractor in this Contract and shall include, but not be limited to, claims involving invasion of privacy violations, information theft, release of private information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.
 1. The policy shall include or be endorsed to include **property damage liability coverage** for damage to, alteration of, loss of, or destruction of electronic data and/or information "property" of County in the care, custody, or control of Contractor.

If Contractor maintains broader coverage and/or higher limits than the minimums shown above, County requires and shall be entitled to the broader coverage and/or the higher limits maintained by Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to County

Other Insurance Provisions:

The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. **Additional Insured Status: County, its officers, employees, agents, and volunteers are to be covered as additional insureds** on the CGL policy with respect to liability arising out of the work or operations performed by or on behalf of Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to Contractor's insurance (at least as broad as ISO

Form CG 20 10 11 85 or if not available, then through the addition of both CG 20 10, CG 20 25, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions are used.)

2. **Primary Coverage** For any claims related to this contract, **Contractor's insurance shall be primary** insurance primary coverage at least as broad as ISO CG 20 01 04 13 as respects County, its officers, employees, agents, and volunteers. Any insurance or self-insurance maintained by the County, its officers, employees, agents, and volunteers shall be excess of Contractor's insurance and shall not contribute with it.
3. **Umbrella or Excess Policy** The Contractor may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Contractor's primary and excess liability policies are exhausted.
4. **Notice of Cancellation** Contractor shall not make any changes to the limits set forth in this Exhibit C without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to County.
5. **Waiver of Subrogation** Contractor hereby grants to County a waiver of any right to subrogation which any insurer or said Contractor may acquire against County by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.
6. **Sole Proprietors** If Contractor is a Sole Proprietor and has no employees, they are not required to have Workers Compensation coverage. Contractor shall sign a statement attesting to this condition, and shall agree they have no rights, entitlements or claim against County for any type of employment benefits or workers' compensation or other programs afforded to County employees.
7. **Self-Insured Retentions** must be declared to and approved by the County. The County may require the Contractor to provide proof of ability to pay losses and related investigations, claims administration, and defense expenses within the retention. The Policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or County. The CGL and any policies, including Excess liability policies, may not be subject to a self-insured retention (SIR) or deductible that exceeds **\$25,000** unless approved in writing by the County. Any and all deductibles and SIRs shall be the sole responsibility of the Contractor or subcontractor who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. County may deduct from any amounts otherwise due Contractor to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the Named. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. County reserves the right to obtain a copy of any policies and endorsements for verification.
8. **Acceptability of Insurers:** Insurance is to be placed with insurers authorized to conduct business in the State with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to County.
 - a. **Claims Made Policies** if any of the required policies provide coverage on a claims-made basis: The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
 - b. Insurance must be maintained, and evidence of insurance must be provided for at least three (3) years after completion of the contract of work.
 - c. If the coverage is canceled or non-renewed, and not replaced with another **claims-made policy form with a Retroactive Date**, prior to the contract effective date, Contractor must purchase "extended reporting" coverage for a minimum of **three (3)** years after completion of contract work.

9. **Verification of Coverage** Contractor may be requested to furnish County with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and the County reserves the right to request a copy of the Declarations and Endorsement page of the CGL policy listing all policy endorsements to County before work begins. Failure to obtain and provide verification of the requested/required documents prior to the work beginning shall not waive Contractor's obligation to provide them. County reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
10. **Subcontractors** Contractor shall be responsible for all negligent acts and/or omissions of its subcontractors. Contractor shall, for the duration of this Agreement, maintain insurance policies that appropriately address Contractor's reasonably foreseeable liability that may arise pursuant to Contractor's obligations set forth in this Section 10.
11. **Special Risks or Circumstances** County reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
12. **Premium Payments** The insurance companies shall have no recourse against County and funding agencies, its officers, and employees or any of them for payment of any premiums or assessments under any policy issued by a mutual insurance company.
13. **Material Breach** Failure of Contractor to maintain the insurance required by this Contract, or to comply with any of the requirements of this section, shall constitute a material breach of the entire Contract.
14. **Certificate Holder** the Certificate Holder on insurance certificates and related documents should read as follows:

County of Nevada
950 Maidu Ave.
Nevada City, CA 95959

Upon initial award of the Contract to your firm, you may be instructed to send the actual documents to a County contact person for preliminary compliance review.

Certificates which amend or alter the coverage during the term of the Contract, including updated certificates due to policy renewal, should be sent directly to the Chief Information Officer and IGSAAdmin@nevadacountyca.gov.

EXHIBIT D
INFORMATION TECHNOLOGY SECURITY

1. **Notification of Data Security Incident**

Contractor must, to the extent legally required, notify County **in writing as soon as possible and no later than 48 hours after Contractor determines a Data Security Incident has occurred**. Notice should be made to all parties referenced in the "Notices" section of the Agreement. Notice must reference this contract number. Notice under this section must, to the extent known and feasible, include the date of incident, Contractor's systems and/or locations which were affected, and County services or data affected. The duty to notify under this section shall be consistent with, and adhere to, Contractor's obligations to notify state agencies of a Data Security Incident pursuant to Cal. Civ. Code § 1798.82 and Cal. Civ. Code § 1798.29. Failure to notify under this section is a material breach, and County may immediately terminate the Agreement for failure to comply.

2. **Data Location**

Contractor shall not store or transfer non-public County of Nevada data outside the United States. This prohibition includes backup data and Disaster Recovery locations. The Contractor will permit its personnel and contractors to access County of Nevada data remotely only as required to provide technical support. Remote access to data from outside the continental United States is prohibited unless expressly approved in advance and in writing by the County.

The Contractor must notify the County **in writing within 48 hours** of any location changes to Contractor's data center(s) that will process or store County data. Notice should be made to all parties referenced in the "Notices" section of the Agreement. Notwithstanding anything contrary in this Agreement (including this Exhibit D), the County hereby authorizes the Contractor, and its affiliates, subsidiaries, and contractors, to transfer and retain County of Nevada data to and within Canada in order to provide the services.

3. **Data Encryption**

The Contractor shall encrypt all non-public County data in transit regardless of the transit mechanism.

The Contractor shall encrypt all non-public County data at rest.

Encryption algorithms shall be AES-128 or better.

4. **Cybersecurity Awareness and Training**

The County maintains a robust Cybersecurity Awareness and Training program intended to assist employees and contractors with maintaining current knowledge of changing cybersecurity threats and countermeasures. Any contractor that is assigned a County network account will be assigned User Awareness training and must complete it within the time period it is assigned. Training completion progress is monitored by sponsor departments and non-compliant users may have their account suspended or restricted.

The County conducts email Phish testing on a regular basis to expose account holders to the types of potential threats.

Contractor will maintain a Cybersecurity Awareness and Training program for training staff at a minimum of once a year. Contractor will maintain records of the program for review by the County when requested.

5. **Artificial Intelligence Technology (AI Technology)** includes any machine learning, deep learning, or artificial intelligence ("AI") technologies, such as statistical learning algorithms, models (including large language models), neural networks, and other AI tools or methodologies, as well as all software implementations and related hardware or equipment capable of generating content (e.g., text, images, video, audio, or computer code) based on user-supplied prompts.

County Data includes all information, data, materials, text, prompts, images, or other content provided to the Contractor under this Agreement or any other agreements between the Contractor and the County.

6. **Responsibilities and Training:**

Contractor is responsible for all information in the machine learning model, intellectual property rights associated with the information, and software and coded instructions used to generate AI content. County is responsible for the accuracy, utility and formulation of prompts and other inputs used to access the AI services and for decisions made, advice given, actions taken, and failures to take action based on AI content generated from AI services, except for AI content that is generated from erroneous or non-existing information in Contractor's machine learning models or from malfunctioning AI service software.

Contractor shall not use, or permit any third party to use, County Data to train, validate, update, improve, or modify any AI Technology, whether for Contractor's benefit or that of a third party, without the County's prior written authorization, which the County may grant or withhold at its sole discretion.