



# RESOLUTION No. 02-410

## OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

### (A RESOLUTION AUTHORIZING THE EXECUTION OF A CONTRACT OR AGREEMENT)

BE IT HEREBY RESOLVED by the Board of Supervisors, of the County of Nevada, State of California, that the Chair of the Board of Supervisors be and is hereby authorized to execute, on behalf of the County of Nevada, that certain \_\_\_\_\_

\_\_\_\_\_ agreement

dated the 17th day of July, 20 02, by and between said County and

SunGard Pentamation Inc.

\_\_\_\_\_ pertaining to software license, sale and installation of equipment and support and  
\_\_\_\_\_ maintenance services.

\_\_\_\_\_ The Information Systems Department and the Auditor-Controller's Office to

\_\_\_\_\_ jointly administer the contract.

PASSED AND ADOPTED by the Board of Supervisors of the County of Nevada at a regular meeting of said Board, held on the 23rd day of July, 2002, by the following vote of said Board:

Ayes: Supervisors Peter Van Zant, Sue Horne,  
Bruce Conklin, Elizabeth Martin, Barbara Green.  
Noes: None.

ATTEST:

Absent: None.

CATHY R. THOMPSON  
Clerk of the Board of Supervisors

Abstain: None.

By: \_\_\_\_\_

*Cathy R. Thompson*

\_\_\_\_\_  
*Barbara Green*  
Chair

| DATE    | COPIES SENT TO    |
|---------|-------------------|
| 7-26-02 | I.S. <i>pc</i>    |
|         | SunGard <i>pc</i> |
| 8-13-02 | A-C*              |
|         | General Services* |
|         |                   |
|         |                   |

## SUNGARD PENTAMATION INC.

### AGREEMENT FOR SOFTWARE LICENSE, SALE AND INSTALLATION OF EQUIPMENT AND SUPPORT AND MAINTENANCE SERVICES

July 17, 2002

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|                             |  |  |
|-----------------------------|--|--|
| Name and Address of Client: | Nevada County<br>950 Maidu Avenue<br>Nevada County, CA 95959<br>Telephone: (530) 265-1252<br>Fax: (530) 265-1568 | SunGard Pentamation Inc.<br>225 Marketplace<br>Bethlehem, PA 18018<br>Telephone: 610-691-3616<br>Fax: 610-691-1031 |
|-----------------------------|--|--|

- Software License and Implementation Services. SunGard Pentamation Inc. ("Pentamation"), grants to Client and the Client accepts, a non-transferable and non-exclusive, **perpetual** license to use the computer software programs listed in Appendix 1 of this Agreement on Client's computer system(s) **for a one time cost** as identified on Appendix 1. The licensed software programs and related written materials are hereinafter collectively referred to as the "Licensed Systems." Unless the source code is purchased by Client under the terms of this Agreement, this license is for the use of object code programs only. Pentamation also agrees to provide the computer software implementation services identified on Appendix 2. The terms and conditions under which the software license and implementation services are provided are set forth in Section I below, "Software License Terms."
- Sale and Installation of Equipment. Pentamation hereby agrees to sell to Client and Client agrees to purchase the equipment identified in Appendix 3. The terms and conditions for the sale of the equipment are set forth in Section II below, "Equipment Sale Terms." **In this case all equipment except for Palm Pilots and Cash Drawers will be acquired and maintained by the client.**
- Support and Maintenance Services. Pentamation hereby agrees to provide or cause to be provided to Client and Client hereby agrees to pay for the computer hardware and/or software support and maintenance services which are initiated by Client below. Appendices 4(a) through 4(e) hereto, as applicable, contain a description of the support and maintenance services chosen by Client.
  - Application Software Maintenance Support – 4a
  - Basic Hardware Maintenance - 4b
  - Off-Site Hardware Maintenance - 4c
  - Extended Hardware Maintenance - 4d
  - Operating System or Utility Software Telephone Support Services – 4e
  - Key Ingredients list – 4f**

The terms and conditions for the support and maintenance services are set forth in Section III below, "Hardware and Software Support and Maintenance Services Terms."

4. General Terms and Conditions. Section IV below contains general terms and conditions applicable to all products and services covered by this Agreement.
5. Appendices. The following Appendices are attached hereto and are part of this Agreement.

- Appendix 1 Licensed Computer Software Programs
- Appendix 2 Software Implementation Services
- Appendix 3 Equipment Being Sold
- Appendix 4a Application Software Maintenance and Support
- Appendix 4b Basic Hardware Maintenance Service
- Appendix 4c Off-Site Hardware Maintenance Service
- Appendix 4d Extended Hardware Maintenance Service
- Appendix 4e Operating System or Utility Software Telephone Support Services
- Appendix 4f Key Ingredients List, Pentamation's response to the Land Development RFP Dated 5/3/02 and Pentamation's response to the Functional Requirements Checklist dated 2/7/02**
- Appendix 5 System Administrator Job Responsibilities
- Appendix 6 Custom Programming Services
- Appendix 7 Regulatory Software
- Appendix 8 Payment Schedule**
- Appendix 9 Escrow of Source Code**
- Appendix 10 Cost Summary**
- Appendix 11 Insurance Statement**

IN WITNESS WHEREOF AND INTENDING TO BE LEGALLY BOUND, the parties have caused this Agreement to be signed by its duly authorized officer.

NEVADA COUNTY, CA

SUNGARD PENTAMATION INC.

By: Barbara Green  
(Authorized Signature)

By: Donald V. Appleton  
Donald V. Appleton

Chair, Board of Supervisors  
(Title)

President and Chief Operating Officer  
(Title)

July 23, 2002  
(Date)

July 17, 2002  
(Date)

**SECTION I**  
**SOFTWARE LICENSE TERMS**

1. License of Pentamation Application Programs
  - a. The License granted under this Agreement authorizes Client to possess and use solely for its own use copies of the Licensed Systems on the computer system(s) identified in Appendix 1. This License includes the right to use the related written materials for the licensed software programs such as user manuals, flow charts, logic diagrams and program code. The Licensed Systems may not be used to process data for any person or entity other than Client.
  - b. The functions and features of the software are defined by the Pentamation Application Software Specifications and the Pentamation Application Program User Manuals. If applicable, Pentamation's responses in the Application Software Specifications section of Pentamation's proposal represent its best professional judgment in response to the Client's stated software requirements. However, there is the potential for multiple interpretations of the Client's stated requirements. Pentamation's Specifications and User Manuals contain a detailed description of the features and functions of the software, and therefore, will serve as the sole source of software capabilities and fitness for any particular purpose. **Pentamation's response to Nevada County's Key Ingredients List, Pentamation's response to the Land Development RFP dated 5/3/02 and Pentamation's response to the Functional Requirements Checklist dated 2/7/02 (Appendix 4f) are an integral part of this agreement and will serve as the final definition of application services to be provided with this contract.**
  - c. Pentamation Application Program User Manuals shall be provided to Client on CD-ROM. Client may make unlimited printed copies of such manuals for Client's own internal uses.
  - d. License fees for the Licensed Systems are specified in Appendix 1 of this Agreement and the validity of this license is contingent upon the payment of such fees.
  - e. If Pentamation develops additional releases of the Licensed Systems which incorporate changes and enhancements, it will make such new releases available to Client under the terms of its Application Software Maintenance Support Services as set forth on Appendix 4(a), if chosen by the Client.
  - f. Client recognizes that the Licensed Systems are confidential and trade secret property which is proprietary to Pentamation. Client, its agents, employees and representatives shall not make available or disclose in whole or in part, any Licensed Systems, including flowcharts, logic diagrams and program code, to any third parties. Licensed Systems which are provided by Pentamation may be copied by Client for backup purposes only and Client shall not otherwise print, copy or duplicate the Licensed Systems. Client will take reasonable steps to protect the security of the Licensed Systems and will inform all employees, agents and representatives who utilize the Licensed Systems of this requirement. Client may not assign, timeshare, rent, reverse engineer, disassemble, de-compile, reverse translate, or otherwise decode the licensed systems.
  - g. Within thirty (30) days after the date of discontinuance of the license granted under this Agreement, the Client shall return to Pentamation the original and all copies of the Licensed Systems and the related written materials except that, ~~upon prior written authorization from Pentamation~~; the Client may retain a copy for archival purposes only.

## 2. Application Program Implementation Services

- a. Pentamation shall provide to Client installation services, training of Client's personnel and technical assistance in the operation and use of the Licensed Systems as set forth and for the charges listed on Appendix 2.
- b. Implementation of the Pentamation Application Programs will be deemed completed when the Licensed Systems are operational according to the Pentamation Application Program User Manuals, or when the Client begins processing data using the Application Programs, whichever occurs first. **The acceptance period will begin upon the commencement of training. Client shall be deemed to have accepted the Licensed Systems by December 15, 2002 or ninety (90) days after training begins, whichever date occurs first, unless, during that period, the Licensed Systems fails to perform in accordance with the Documentation in some material respect that precludes acceptance of the Licensed Systems by Client, and by the end of that ninety (90) day period, Client gives written notice of non-acceptance to Pentamation, then:**
  - (1) Pentamation shall investigate the reported failure. Client shall provide to Pentamation reasonably detailed documentation and explanation, together with underlying data, to substantiate the failure and to assist Pentamation in its efforts to diagnose, reproduce and if necessary correct the failure.
  - (2) If there was no material failure to perform or the failure to perform was not attributable to a defect in the Licensed Systems then Pentamation shall give written notice to Client explaining its determination in reasonable detail.
  - (3) If Pentamation is unable or unwilling to remedy the Licensed Systems failure to perform in such material respect, within 180 days, or such longer period as the parties may agree, in writing, signed by County and Pentamation, then County shall return all materials and equipment to Pentamation within 90 days of the expiration of the aforesaid 180 day period, or extension thereto, and Pentamation shall return all monies paid by County to Pentamation under this Agreement, and County shall have no further obligation under this Agreement, including the obligation to pay the Agreement price or any portion thereof.
- c. The timing of the delivery and installation of the Licensed Systems will occur as mutually agreed by Pentamation and Client.
- d. Pentamation will convert Client's files to the new system's files. Client shall provide complete and correct copies of its present system files in ASCII format and on media readable by the new hardware. Client shall also provide current file record descriptions and file layouts to Pentamation. The fee for file conversion services is set forth in Appendix 2.

## 3. Warranty

- a. Pentamation warrants that it is the sole owner of or has full power and authority to grant the License provided for herein and that the use of the licensed programs by Client will not violate or infringe upon any patent, copyright or other proprietary right of any third person. Pentamation will indemnify and hold Client harmless from and against any loss, cost, liability, attorney fees and expense arising out of the breach of the foregoing warranty.

- b. Pentamation warrants that the Licensed Systems will function as described in the then current user manual when shipped to the Client **and as referenced in Section I 1.b.** In the event of a defect in a program, Pentamation's sole responsibility shall be to replace or correct the defective program without additional charge to Client provided there is in effect between Pentamation and Client an agreement for Application Software Maintenance Support Services. No warranty is given and no warranty corrections, replacements or services will be provided if Client has not chosen to be covered by an Application Software Maintenance Support Services Agreement. The foregoing warranty does not apply to defects caused by equipment or programs not supplied by Pentamation, where equipment used by Client has not been approved by Pentamation, where Client has made unauthorized changes to the programs or where Client has given inaccurate information to Pentamation concerning Client's requirements.
- c. THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Client agrees that Pentamation's liability hereunder for damages for failure to replace or correct a defective program, regardless of the form of action, shall not exceed **the total application software value per Appendix 1. the charges paid by the Client for the defective program:**
- d. No action, regardless of form, arising out of the transactions under this Agreement, may be brought by either party more than one year after the cause of action **was discovered**, has occurred; except that, an action for non-payment may be brought within one year after the date of the last payment.

#### 4. Client Responsibility

- a. Client shall be exclusively responsible for the supervision, management, operation and control of its use of the Licensed Systems, including but not limited to: (1) establishing adequate backup plans in the event of computer or Licensed Systems malfunction or disaster, (2) implementing sufficient procedures and checkpoints to satisfy Client's requirements for security and accuracy of input and output data as well as restart and recovery in the event of malfunction or disaster, (3) informed use of output data insofar as technical expertise or professional judgment is required and (4) security, maintenance and distribution of system passwords.
- b. Client shall be responsible for the costs of the computer hardware system necessary for its use and operation of the Licensed Systems, operating system software, **MS SQL Server database licenses**, hardware and operating system software maintenance, reliable access to the CPU(s) via the Internet (Telnet/FTP or CITRIX access to each server), a diagnostic modem meeting Pentamation's specifications, a dedicated telephone line for diagnostic modem, a second telephone line near the CPU(s), sufficient backup media, printer, paper, ribbons and adequate work space for all personnel. If not being supplied by Pentamation, all of the foregoing shall be in place prior to installation of the Licensed Systems.
- c. Client will designate, by name, a limited number of individuals for the purpose of logging calls with Pentamation central support. Client will appoint one of these individuals to serve as central liaison between Pentamation technicians and other named callers or Client end users, **one for Finance and one for Encompass.**
- d. The Client is obligated to fulfill the responsibilities of system administrator as defined in Appendix 5. This may be accomplished as part of the central liaison's job responsibilities or by contracting with Pentamation for Remote System Administration Services.

- e. Client is obligated to provide adequate personnel having sufficient skills and experience to operate and manage the Licensed Systems.
  - f. Client agrees to keep in force hardware and operating system software maintenance contracts or to have such services provided by Pentamation under the terms of this Agreement, so long as the Client and Pentamation have an Application Software Maintenance Agreement in effect.
  - g. Client will contract for maintenance on the 4J's and Cognos software products beginning with the effective date of the licenses.
  - h. Client will be responsible for acquiring any necessary Microsoft client access licenses for its workstations used in conjunction with Pentamation's application software products as listed in Appendix 1.
  - i. Client will be responsible for the costs of travel, lodging and related expenses for training and support provided by Pentamation at Client's location.
5. Term of License. The license is effective from the date on which it is executed by the Client and Pentamation and shall remain in force until terminated by Pentamation upon thirty ~~(30)~~ **ninety (90)** days prior written notice if the Client fails to comply with any of the terms and conditions in the Agreement.

## SECTION II

### EQUIPMENT SALE TERMS

1. **Prices.** The equipment and prices for the equipment sold hereunder are listed and set forth on Appendix 3.
2. **Equipment Installation Services**
  - a. Pentamation shall use its standard system assurance programs to individually test each unit of the equipment according to the manufacturer's specifications, and when practical, integrate each unit for a total system test prior to shipment and installation at the Client's premises.
  - b. If required and by mutual agreement, prior to installation of the equipment, representatives from Pentamation will visit the Client's premises on a mutually agreed date for the purpose of approving the locations for computer systems and principal components of the communications network and establishing plans for the installation of the equipment and communications facilities. Travel costs associated with this visit are the responsibility of the Client.
  - c. Pentamation or its designee shall perform computer installation services on the equipment on the Client's premises. Installation shall be completed on a mutually agreed date, subject to the obligations of Client to provide the operational environment for the equipment as provided below under "Client Responsibilities."
  - d. Pentamation will provide the Client with any manufacturer-provided reference documentation for operation of the equipment by Client's trained personnel.
  - e. **Pentamation will install software and related products on Client server remotely. Cash Drawers and Palm Pilots supplied from Pentamation.**
3. **Client Responsibilities**
  - a. The Client shall provide, at its cost, suitable space and the operating environment necessary for all the equipment, including any special electric power services, air conditioning, humidity controls or other necessary space and environmental modifications.
  - b. The Client is responsible for the cost of all cabling, phone equipment, services and facilities needed to attach servers, workstations, video terminals, terminal printers and the like to the computer equipment. This includes installing the cables and the labor or installation fees associated with the preparation of terminal locations.
  - c. The Client shall provide Pentamation or its designee full and free access to the equipment to provide the installation services. The Client's personnel shall not attempt any repairs or adjustments to the equipment at any time except under direction of Pentamation or its designee.
  - d. The Client shall pay all costs of transportation and in-transit insurance for the equipment to its premises and all other related costs that may include special rigging, storage, packaging and similar charges. Pentamation shall not be responsible for any loss or damage to the equipment caused by the fault or negligence of Client or its agents or employees, by non-Pentamation alterations or servicing, by common carriers, force majeure, fire or other casualty.



4. Warranty. Pentamation warrants that the equipment will be installed in good working order ready for use according to the manufacturer's published specifications. Pentamation will assign to Client all manufacturer's warranties related to the equipment. Pentamation warrants that the equipment will be sold to Client free and clear of all encumbrances and liens. Pentamation warrants that the current versions of the application software programs licensed under this Agreement are compatible with the equipment being sold hereunder. Pentamation makes no other expressed or implied warranties. ALL WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARE EXCLUDED.
5. Other Terms Applicable to Equipment Sales
  - a. Pentamation's installation personnel shall remain on Client's site not more than one day in the event of Client's failure to fulfill its site preparation obligations. Return trips, if necessary, shall be paid for by Client at Pentamation's prevailing per diem rates, plus expenses.
  - b. After installation services are completed, on-going maintenance services to the equipment shall be provided as set forth and for the fees provided in Appendixes 4(b), 4(c) and/or 4(d).

## SECTION III

### **HARDWARE AND SOFTWARE SUPPORT AND MAINTENANCE SERVICES TERMS**

#### 1. Terms

- a. This Agreement for maintenance services shall begin on the date it is signed by Client and Pentamation and shall remain in force until terminated by Client or Pentamation as provided hereafter. Support and maintenance services may be terminated by Client on any anniversary date of this Agreement, upon written notice given at least three (3) months prior to the original anniversary date or any subsequent anniversary date. ~~This Agreement may be terminated by Pentamation on any anniversary date of this agreement, upon written notice given at least six (6) months prior to the anniversary date.~~
  - b. Contrary to paragraph 1(a) above, Pentamation agrees that, with respect to any computer hardware no longer in use, the Client may withdraw such equipment from this Agreement (and receive an appropriate reduction in the maintenance fee) upon two (2) months prior written notice to Pentamation.
  - c. The Client or Pentamation may terminate any maintenance services provided for in this Agreement for failure of the other to comply with the terms and conditions hereof, upon three (3) months written notice prior to the cancellation date.
2. Charges. Client agrees to pay the charges for support and/or maintenance services as listed and set forth in Appendix 4 hereto. All such charges are subject to an increase of **10% per year or less** or other change by Pentamation after the first year of this Agreement, upon three (3) months prior written notice by Pentamation.
  3. Client Obligations. The Client acknowledges a need for and agrees to provide suitable operating environment, appropriate power supplies and adequate workspace for the equipment to be maintained in accordance with Pentamation's recommendations. The Client further acknowledges and agrees to provide access to Client's application and/or operational system software where necessary for Pentamation to provide its services hereunder. The Client further acknowledges its responsibility to provide adequately trained personnel, adequate hardware and system software backups, where appropriate.
  4. Support and Maintenance Services. There is attached as Appendix 4(a) through 4(e) hereto a description of the support and maintenance services provided by Pentamation for the level of computer hardware and/or software support and maintenance services chosen by Client and the charges for the same.
  5. Warranty. Pentamation warrants that Pentamation or its designee shall provide the hardware and/or software support and maintenance services described in this Agreement in a good and workmanlike manner. Pentamation makes no other implied or expressed warranties. In the event of a breach of this warranty, Pentamation's sole obligation shall be to perform the work contracted for or to correct any defective work by Pentamation. In no event shall Pentamation be liable hereunder for an amount in excess of the total charges paid or payable by Client during one year for hardware and software support and maintenance services. In no event shall Pentamation be liable for loss or damages caused by a breach of contract on the part of any subcontractor (designee) engaged to perform services under this Agreement.

6. Change in Services. Pentamation shall make available to Client any policy or service changes in connection with the support and maintenance services provided hereunder. Client shall have the option of having the changes incorporated in this Agreement.
7. System Requirements. Pentamation solutions are designed to function at optimum levels when integrated with *dedicated* hardware resources. The addition of non-Pentamation provided software may adversely affect the performance or functionality of the Pentamation provided applications. Accordingly, Pentamation will not be responsible for system malfunctions or loss of functionality caused by the addition of non-Pentamation provided applications or utility software. Corrective measures for malfunctions caused by such additions will be at the option of Pentamation and will be billable at Pentamation's then-current hourly rate.

Changes, modifications, patches, hot fixes, or upgrades to the Pentamation operating environment (operating system, database software, or application software) performed by non-Pentamation personnel must be performed with the written approval of the Pentamation support organization.

## SECTION IV

### GENERAL TERMS AND CONDITIONS

1. **Payment and Billing**
  - A. The Client agrees to pay Pentamation the fees for products and services as set forth in this Agreement.
  - B. **A down payment of 30% of the application software license fees in Appendix 1 and 25% of the hardware system fees in Appendix 3 shall be due upon execution of this Agreement. The balance of the software license and hardware system fees including Palm Pilots, 4J's, Optio and Engineering Installation and Setup fees, and Perpetual Escrow Fee shall be due upon hardware items delivery. 50% payment of the application software license fees is due upon acceptance as defined in Section I.2.b. Final 20% payment upon live operation will be invoiced module by module. Maintenance fees for hardware items shall be invoiced upon installation. Maintenance fees for application software items shall be invoiced when the Client begins processing data using the Application. Other charges will be billed as incurred. See Appendix 8 for details.**
  - C. Invoices not paid within thirty (30) days of the invoice date shall bear interest at the rate of ~~1.5%~~ **.83%** per month beginning thirty (30) days from invoice date.
  - D. Installation, training and technical service invoices shall be submitted by Pentamation as incurred, shall be paid within thirty (30) days of the invoice date and shall bear interest thereafter as provided above. **Invoices shall be submitted monthly.**
  - E. 100% of the Implementation Coordinator fee shall be due upon execution of this Agreement.
  - F. Invoices for application software maintenance and support are due within thirty (30) days of installation of the products on Client hardware **and in accordance with acceptance terms defined in Section I 2.b.**
  - G. All taxes, except taxes based on the net income of Pentamation resulting from the licensing or use of the Licensed Systems by the Client, including, but not limited to, property, sales, or use taxes, shall be the sole responsibility of the Client, and, where applicable, shall be added to Pentamation's invoice.
  - H. Pentamation may refer services under this Agreement to Pentasun Professional Services LLC. Pentasun contractors will adhere to the terms of this contract and to the same policies and standards as SunGard Pentamation staff. Pentasun contractors will contact the Client only after a referral from SunGard Pentamation management. If services are provided by a Pentasun consultant, Client organization will be invoiced for those services and any associated reimbursable expenses directly by Pentasun. **Pentasun consultant fees should not be in addition to other fees otherwise owing to Pentamation under this contract. See Appendix 2.**

2. **Entire Agreement.** This agreement, including the Appendices hereto, constitutes the entire agreement and all understandings between the parties concerning the subject matter hereof and supersedes all prior proposals or other communications between the parties, oral or written. No modifications and amendments hereto shall be binding upon either party unless in writing and signed by a duly authorized representative of the parties.
3. **Limitation.** Pentamation shall not be liable in any event under this Agreement for indirect, incidental or consequential damages suffered by Client.
4. **Assignment.** This Agreement may not be assigned, sub-licensed or otherwise transferred by Client to any other person or entity without the written consent of Pentamation. Any purported assignment, sub-license or transfer in violation of this provision shall be void and, among other things, shall immediately terminate any license granted hereunder. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.
5. **Scope of Work.** Any changes in the scope of work covered by this Agreement, including requests by Client for changes, modifications, or additions to the Licensed Software shall be covered by a separate agreement or purchase order mutually agreed to by the parties.
6. **Hiring.** Client agrees that during the term of this Agreement and for a two year period following the termination of this Agreement, they will not solicit, recruit, or hire any Pentamation employee. In the event that such activity occurs, Client will pay to Pentamation damages in the amount of \$50,000.
7. **Pen~~nsylvania~~ ~~California~~ Law.** This Agreement shall be interpreted and construed in accordance with ~~Pen~~nsylvania~~ ~~California~~~~ law.
8. **Confidentiality.** Pentamation acknowledges the confidentiality of Client's data, passwords and other confidential and proprietary information of Client. Pentamation shall take all reasonable steps to safeguard such confidential information and shall not use or disclose the same, except in connection with its obligations hereunder.
9. **Dispute Resolution and Compulsory Arbitration**
  - a. **Negotiation Between Executives.** The parties shall attempt in good faith to resolve disputes or claims arising out of or relating to this agreement promptly by negotiations between executives who have the authority to settle the controversy. Either party may give the other party written notice of any dispute not resolved in the normal course of business. Within twenty (20) days after delivery of said notice, such executives of the parties shall meet at a mutually acceptable time and place **within 100 miles of Nevada City, CA** and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within sixty (60) days of the original notice, or if the parties fail to meet within twenty (20) days, either party may initiate arbitration of the controversy or claim as provided hereafter. All negotiations pursuant to this clause are confidential and shall be treated as settlement negotiations for all purposes.

- b. **Binding Arbitration.** If a dispute is not resolved pursuant to paragraph 9.a above, the dispute must then be submitted for final disposition by arbitration conducted expeditiously in accordance with the United States Arbitration Act, 9 U.S.C.1. The parties further agree not to commence any suit, action or proceedings at law or equity arising out of this agreement and this agreement may be presented as a complete defense to any such litigation. The arbitration provisions contained herein shall survive the termination or expiration of this contract. The arbitration proceedings shall be held in **within 100 miles of Nevada City, CA and shall be governed by California Code of Civil Procedure 1280 et seq.** Bethlehem, Northampton County, Pennsylvania, and the arbitrators shall apply **California Pennsylvania** law. The arbitration shall be conducted in accordance with the rules for commercial litigation of the American Arbitration Association.

A demand for arbitration shall be made by a party in writing upon the other after expiration of the periods provided in paragraph 9.a above. The demand shall include the name of the arbitrator selected by the party demanding arbitration, together with a statement of the matters in controversy.

Within twenty (20) days of such demand, the other party shall name an arbitrator. The arbitrators named shall select a third neutral arbitrator. If the other party fails to name an arbitrator, the arbitrator shall be appointed by **a California Court.** ~~the United States District Court, Eastern District of Pennsylvania;~~

Each party shall bear its own arbitration costs and expenses, and the costs and expenses of the arbitrator selected by it and 50% of the costs and expenses of the neutral arbitrator. Judgment upon the award of the arbitrators may be entered in any court of competent jurisdiction.

**Absent agreement of a single arbitrator by the parties, appointment of the single arbitrator to hear all disputes under this Agreement shall be by petition to the California Superior Court. The Court shall nominate a panel of five arbitrators. Each party may preempt two arbitrators within 10 days, after which the Court shall appoint from the remaining arbitrator or arbitrators.**

## APPENDIX 1

| <b>Finance and Revenue Licensed Computer Software Programs</b>   | <b>Charges</b>   |
|--|------------------|
| Financial Accounting<br>(Includes: Accounts Payable, Revenue Tracking, General Ledger, Budgeting and Purchasing) | \$ 27,500        |
| Personnel Budgeting  | 4,500            |
| Fixed Assets   | 6,000            |
| Treasurer's System   | 8,000            |
| Human Resources<br>(Includes: Payroll Personnel, Attendance Tracking and Applicant Tracking)                     | 19,000           |
| Employee Benefits  | 4,500            |
| Position Control   | 4,000            |
| Salary Projections   | 3,000            |
| Web Intelligence System for Executives (1)   | 7,500            |
| Equipment Maintenance  | 6,000            |
| Receipt Manager  | 5,000            |
| Accounts Receivable  | 6,500            |
| <br>   |                  |
| <b>Land Based Licensed Computer Software Programs</b>  |                  |
| Encompass Core<br>(Includes: Centralized Geo-base Development, Permits, Inspections, Contractor Registration)    | 18,000           |
| Code Enforcement (2)   | 9,000            |
| One-Stop-Shop (OSS) (4)  | 8,000            |
| OSS – Permitting (4)   | 2,500            |
| OSS – Inspection Scheduling (4)  | 2,500            |
| OSS – Code Enforcement (4)   | 2,500            |
| Palm Pilot Interface to Permitting   | 3,500            |
| Palm Pilot Interface to Code Enforcement   | 3,500            |
| <br>   |                  |
| Regulatory Software (3)  | 11,250           |
| <br>   |                  |
| <b>Total Application Software:</b>   | <b>\$162,250</b> |
| <br>   |                  |
| 23 Palm Pilot Devices with Software  | \$11,500         |
| <br>   |                  |
| Perpetual Escrow   | \$5,000          |
| <br>   |                  |
| Optional custom County reports – estimated   | \$25,000         |

- (1) WISE requires a dedicated NT Server with a minimum of Microsoft NT 4.0 Enterprise Edition Web Server (with service pack 3), Microsoft Internet Explorer, Informix ODBC drivers for MS-MTS and the following Cognos products: Impromptu Administrator; Impromptu User; Impromptu Web Reporter; PowerPlay Server Web Edition (optional).

**APPENDIX 1  
(Continued)**

- (2) If a custom violation notice and automated follow through process is desired, or separate printer configuration, budget two (2) days of programming to customize the Notice of Violation and/or printer configuration(s). The current programming rate is \$150/hour or \$1,200/day plus maintenance.
- (3) Please see Appendix 7 for Regulatory Software detail.
- (4) Requires three (3) days installation and setup at current rate. The current rate is \$150/hour or \$1,200/day plus maintenance.
- (5) Encompass interface to Receipts for flow of data to Treasurer's System 8 hours @ \$150 = \$1,200 plus maintenance.**

| <b>Informix Database/Program Software</b>   | <b>Cost</b>     |
|---|-----------------|
| Four J's Concurrent User License – 75 users (each additional user \$220 each plus \$65 maintenance) | 16,500          |
| Four J's Server Compiler (4) (Required)   | <u>5,000</u>    |
| <b>Total:</b>   | <b>\$21,500</b> |

- (4) A single user for the Four J's server compiler means that only one user can run the Four J's compiler at a given time. The site is not limited to a "named user". The number of users is determined by concurrent usage of the compiler only; multiple programmers can do program development work.

**Cognos Report Writer**

Bundle C – 30 named users with IWR (1) \$31,962

- (1) Includes (30) names users as selected, in the aggregate of PowerPlay User, Impromptu User, PowerPlay Server Web Edition (NT) and/or Impromptu Web Query (NT), and one copy of Impromptu Administrator and Impromptu Web Reports for unlimited users. Number of users capable of accessing Impromptu Web Reports Server is subject to the size of NT System. PowerPlay Server Edition (NT) and Impromptu Web Query (NT) may only be installed on a single Microsoft NT Server. Impromptu requires a NT or Novell Server. Recommended minimum for the desktop is 96mb of memory and 100 MHz.



***Notes:***

**If desired, a performance bond is available at an additional cost of 4.5% based on the total contract value.**

Informix software and 4J's software are licensed by Pentamation to the customer for use only with Pentamation applications and/or applications developed by the customer which utilize Pentamation application data.

Cognos software is licensed by Pentamation to the customer for use only with Pentamation applications and/or applications developed by the customer which utilize Pentamation application data.

A "named user" means an individual who is authorized by the customer to use the software irrespective of whether that individual is logged on to the customer's Intranet. There is no obligation to identify a "named user" by name. "Impromptu Runtime" means a contractually limited user version of Impromptu user with fixed, frozen catalogs which permits a user to view and print pre-defined reports but does not permit a user to alter existing reports or create new reports. Impromptu requires a NT or Novell Server. Recommended minimum for the desktop is 96mb of memory and 100 MHz.

Telephone support for Cognos products is provided to the customer by Pentamation. License and/or maintenance agreements do not entitle the customer to access any Cognos technical support facility directly via either telephone or other means of communications.

A single user for the Four J's server software means that only one user can run the Four J's compiler at a given time. The site is not limited to a "named user." The number of users is determined by concurrent usage of the compiler only; multiple programmers can do program development work.

Macintosh clients require either a virtual PC emulator or a Four J's client installed under Citrix. Costs are dependent on the number of Macintosh clients required.

**Identification of Client's Computer Systems To Which The License Relates** – Server provided by customer.

## APPENDIX 2

| <b>Software Implementation Services</b>  | <b># of Days</b> | <b>Cost</b>     |
|--|------------------|-----------------|
| Financial Accounting                     | 10.0             | \$12,000        |
| Personnel Budgeting                      | .5               | 600             |
| Fixed Assets                             | 1.0              | 1,200           |
| Treasurer's System                       | 1.0              | 1,200           |
| Human Resources                          | 13.5             | 16,200          |
| Employee Benefits                        | .5               | 600             |
| Position Control                         | 1.0              | 1,200           |
| Salary Projections                       | .5               | 600             |
| Equipment Maintenance                    | 1.5              | 1,800           |
| Web Intelligence System for Executives   | 1.0              | 1,200           |
| Receipt Manager                          | 1.0              | 1,200           |
| Accounts Receivable                      | 2.0              | 2,400           |
| Encompass Core                           | 8.0              | 9,600           |
| Code Enforcement                         | 4.0              | 4,800           |
| One-Stop-Shop (OSS)                      | 1.0              | 1,200           |
| OSS – Permitting                         | .5               | 600             |
| OSS – Inspection Scheduling              | .5               | 600             |
| OSS – Code Enforcement                   | .5               | 600             |
| Palm Pilot Devices with Software         | 1.0              | 1,200           |
| Palm Pilot Interface to Permitting       | 1.0              | 1,200           |
| Palm Pilot Interface to Code Enforcement | 1.0              | 1,200           |
| Regulatory Software                      | 1.5              | 1,800           |
| Implementation and Planning              | 8.0              | 12,000          |
| System Management                        | 3.0              | 3,600           |
| Cognos Report Writer Bundle C            | 8.0              | <u>9,600</u>    |
| <b>Total Application Software:</b>       | <b>71.5</b>      | <b>\$88,200</b> |

The schedule for the above training services will occur as mutually agreed by Pentamation and Client and as documented in a training agenda that will be sent to the Client. Pentamation's cancellation policy requires a 21-day advance notice to cancel scheduled training. Cancellations within 6-21 days of the scheduled service will be invoiced at 50% of the total quoted service cost. Cancellation within 5 days, or on the scheduled date, the service will be invoiced at 100% of the quoted cost. For any cancellation of on-site services, any non-refundable travel expenses will be invoiced to your organization at cost.

Charges for travel, lodging and related expenses of Pentamation personnel at Client's location shall be invoiced as incurred, **monthly**.

The training fee for the above applications is \$1,200 per day plus travel related expenses. Some training maybe accomplished via the internet thereby reducing travel and living expenses. **Corporate limits exist for hotels, rental cars and daily food allowances. Typically hotels are kept at under \$100, the least expensive rental car as well as \$40/day meal allowance. Airfare is also mandated as coach seats.**

Training day counts are based on a maximum class size of 16 individuals (eight desktops with two individuals per desktop).

Training days are based upon an eight hour day, which includes setup time.

Should additional daily time be needed for implementation assistance beyond the standard eight hour day, this can be scheduled with the trainer at Pentamation's current hourly rate.

Any training required beyond those days indicated above will be performed at the then standard per diem or hourly training rate.

Any training specified in this Agreement, which is required or requested beyond eighteen (18) months from the date of this Agreement, will be performed at the then standard per diem or hourly training rate.

**Implementation Coordinator**

**\$15,000**

Pentamation assigns each new client an Implementation Coordinator, stationed at Pentamation, to be the customer's focal point of contact during the implementation of our products.

## DATA CONVERSION

### Data Conversion Services - Financial Applications

| Application/Files           | File Build Method        | Conversion Cost |
|-----------------------------|--------------------------|-----------------|
| <b>Financial Systems</b>    |                          |                 |
| Vendor File                 | Conversion Program       | \$2,400         |
| Account File                | Data Entry Recommended   | N/A             |
| Purchase Order              | Data Entry Recommended   | N/A             |
| Transaction File            | Data Entry Recommended   | N/A             |
| Requisition File            | Data Entry Recommended   | N/A             |
| <b>Payroll/Personnel</b>    |                          |                 |
| Demographic File            | Conversion Program       | 3,600           |
| History File                | Builds as system is used | N/A             |
| Budgeting File              | Data Entry Recommended   | N/A             |
| Deduction File              | Conversion Program       | 3,600           |
| Retirement File             | Builds as system is used | N/A             |
| Payroll Reconciliation File | Builds as system is used | N/A             |
| History File                | Builds as system is used | N/A             |
| <b>Fixed Assets</b>         |                          |                 |
| Asset Item File             | Conversion Program       | 3,600           |
| <b>Total:</b>               |                          | <b>\$13,200</b> |

### Data Conversion Services - Revenue Applications

| Application/Files  | File Build Method  | Conversion Cost |
|--|--------------------|-----------------|
| <b>Accounts Receivable - Basic Services - Standard File Layout</b> |                    |                 |
| Accounts Receivable  | Conversion Program | \$3,600         |
| <b>Total:</b>  |                    | <b>\$3,600</b>  |

**Data Conversion Services - Land Management Applications**

| <b>Application/Files</b>   | <b>File Build Method</b> | <b>Conversion Cost</b> |
|--|--------------------------|------------------------|
| <b>Land Management (From existing computer files or County/State files)</b>            |                          |                        |
| Parcel File (Include: address parsing/soundex/legal)                                   | Conversion Program       | \$6,000                |
| Active Permit File (Include: permits, inspections, fees, and plan reviews in progress) | Conversion Program       | 9,600                  |
| <b>Total:</b>  |                          | <b>\$15,600</b>        |

NOTE: Our approach to data file conversion is that it be performed with a combination of Pentamation-provided programming resources and data entry. The major data files can be converted with the remainder of the smaller application files being entered directly into the system. The cost for our programming conversion services is based on our current daily rate. All work will be performed at Pentamation's facilities and requires submission of data files in flat ASCII format, along with record layouts describing the data files. All estimated costs for conversion programs are based on receiving one file format for converting the file indicated above. An additional charge may apply if the conversion requires multiple input files or if a file conversion is desired for files other than those indicated. Additional travel/living expenses should be budgeted if programmatic data conversion is required.

**For additional file conversion, interfaces, or custom feature options over those stated above, the following will apply:**

- 1. If Nevada County uses 50 hours or more the fee will be \$1,100 per day.**
- 2. If Nevada County uses 50 days or more the fee will be \$1,000 per day.**

APPENDIX 3

**Services**

| <u>Quantity</u>                    | <u>Product Description</u>   | <u>Serial Number</u> | <u>Unit Charge</u> | <u>Total Charge</u> |
|------------------------------------|--|----------------------|--------------------|---------------------|
| <b>Server Provided by Customer</b> |  |                      |                    |                     |
| <b>Licenses</b>                    |  |                      |                    |                     |
| 1                                  | Optio DCS  | To be supplied       | 6,000              | 6,000               |
| 1                                  | Diagnostic Support Package   | To be supplied       | 2,000              | 2,000               |
| <b>Pentamation Cash Drawer</b>     |  |                      |                    |                     |
| 10                                 | Pentamation Cash Drawer<br>Compaq PC w/Epson Receipt Printer & Cash Drawer   | To be supplied       | 2,750              | 27,500              |
| 1                                  | Installation and Setup Services<br>(1) Installation and Setup of Financial Applications<br>(1) Installation and Setup of Land Applications<br>(1) Installation and Setup of 4J's<br>(1) Installation and Setup of Cognos<br>(1) Installation and Setup Optio on Server<br>(1) Installation and Setup Optio per Printer |                      | 14,100             | 14,100              |
| <b>Freight and Insurance</b>       |  |                      |                    |                     |
| 1                                  | Freight and Insurance  |                      | 500                | 500                 |

Note: Customer is to provide a server with Windows 2000 Server and Citrix MetaFrame installed.

Price does not include Taxes and Travel Expense.

|                                      |                 |
|--------------------------------------|-----------------|
| <b>Total</b>                         | <b>\$50,100</b> |
| <b>25% of Total Due upon signing</b> | <b>\$12,525</b> |

Travel related expenses are not included in price and will be billed as they are incurred.

Charges for equipment shall be invoiced as follows: 25% upon the signing of this Agreement, the balance, including hardware installation charges, shall be invoiced upon the delivery and installation and successful running of manufacturer specified diagnosis on the hardware.

Cash Registers will be ordered as required.

## APPENDIX 4(a)

### Application Software Maintenance and Support

#### A. Services to be Provided

1. Provide standard product enhancements when and as the same are developed by Pentamation; Pentamation shall make available to Client **at no cost** one copy of such product enhancements or corrected programs as soon as it is available. Client shall be responsible for incorporating such enhancements in each copy of the applicable Pentamation Software licensed by Client.
2. Provide programming modifications and support for the regulatory software listed in Appendix 7. Modifications and updates will be provided and are limited to those which use data supported within the baseline application software and are required by regulatory changes.
3. Provide assistance to Client in the use of the Pentamation Application Software via telephone inquiries to Pentamation's designated software support offices up to the maximum number of hours per application as listed in Appendix 4(a) Paragraph C. Telephone support services are available weekdays **8:00 am to 5:00 pm PST**, excluding holidays (**New Years, Memorial Day, July 4, Labor Day, Thanksgiving and Christmas**), during normal business hours.
4. Investigate errors in the intended capabilities of Pentamation Application Software upon receipt of notification from Client and provide Client with an alternate procedure or programming modifications to correct errors. Pentamation shall distribute to Client one copy of such product enhancements or corrected programs as soon as it is available. Client shall be responsible for incorporating such enhancements in each copy of the applicable Pentamation Software licensed by Client. **Standard response and escalation procedures are defined in the Standard and Procedures section of the Customer Support Web Page via Connect Care.**
5. **If Nevada County elects to receive an exact custom feature done for another site, a retrofit fee will be charged typically fee is \$500 to \$1,500.**

All of the above services will be provided by Internet or telephone communication contact between Pentamation and Client. Client will be responsible for all data line telephone charges involved in providing Application Software Maintenance and Support and Pentamation will invoice Client at cost.

#### B. Client Responsibilities

1. The Client will be responsible to provide reliable access to the CPU(s) via the Internet (Telnet/FTP or CITRIX access to each server), a dedicated dial-up line with a modem of Pentamation specifications on the Client's computer equipment and a "superuser" system log-in account for Pentamation's use in support of this Agreement. Internet access is essential for Pentamation's support resources to be fully utilized and will be the primary connectivity medium. If the Client is unable to provide Internet access as specified, standard response times may be compromised.
2. The Client will be responsible to provide a CD, 4mm DAT or DLT drive which will be used to install new software releases, updates, enhancements, etc.
3. Client will be responsible for the activities listed in the System Administrator responsibilities in Appendix 5.

4. Client will be responsible for the costs of travel, lodging and related expenses for training and support provided by Pentamation to personnel at Client's location.
5. Client will contract for maintenance on the Informix, 4J's, and Cognos software products beginning with the effective date of the licenses.
6. Client agrees that if the Client has application software changes or screen changes made by non-Pentamation employees, this may affect Pentamation's ability to perform its obligations hereunder or may result in extra charges by Pentamation. Services necessitated by problems caused by unauthorized Client changes, acts of God, or Client's improper use of the systems or equipment, or other causes beyond Pentamation's control may result in extra charges by Pentamation.

#### C. Software Maintenance and Support

Pentamation Application Software Maintenance and Support will be provided to Client when the Client begins processing data using the Application.

Pentamation Application Software Maintenance and Support will be provided by Pentamation to Client for the charges as shown below. The fee for this service varies by Pentamation Application, and each Application has a maximum number of support hours provided per year for the contracted fee as indicated below. Should the total number of Support hours be exceeded in any one year, additional Support Service may be provided at Pentamation's then current hourly rates. **Unlimited support hours will be provided year 1.**

Telephone support for Cognos products is provided to the customer by Pentamation. License and/or maintenance agreements do not entitle the customer to access any Cognos technical support facility directly via either telephone or other means of communication.

The period for the rendering of these services shall be annual and shall be automatically renewed for an additional year by Client on any anniversary date of this Agreement, unless the Client gives written notice at least three (3) months prior to the original anniversary date or any subsequent anniversary date. ~~This Agreement may be terminated by Pentamation on any anniversary date of this agreement, upon written notice given at least six (6) months prior to the anniversary date.~~ Annual increase shall not exceed 10%. Pentamation agrees to support the applications for a minimum of eight years from the date of this Agreement.

#### D. Exclusions

The Application Software Maintenance and Support Fees do *not* cover:

1. Altered, damaged, or modified software;
2. Errors or problems in the software caused by negligence, abuse or misapplication of the software, by hardware malfunctions or by failure to adhere to the software utilization guidelines as specified in the Pentamation-supplied User Documentation and/or as provided for during Pentamation-supplied training;
3. Software errors arising from bugs, modifications, updates to the operating systems, database(s) or other software not furnished by Pentamation; or
4. Software performance issues resulting from changes in the Client's hardware or operating environment not supplied by or performed by Pentamation.



Fees and Maximum Support Hours Per Contract Year

| <b>Application</b>                       | <b>Annual Fee</b> | <b>Maximum Hours **</b> |
|--|-------------------|-------------------------|
| Financial Accounting                     | \$ 2,750          | 30                      |
| Personnel Budgeting                      | 450               | 20                      |
| Fixed Assets                             | 600               | 20                      |
| Treasurer's System                       | 800               | 20                      |
| Human Resources                          | 1,900             | 40                      |
| Employee Benefits                        | 450               | 20                      |
| Position Control                         | 400               | 20                      |
| Salary Projections                       | 300               | 20                      |
| Equipment Maintenance                    | 600               | 20                      |
| Web Intelligence System for Executives   | 750               | 26                      |
| Receipt Manager                          | 500               | 20                      |
| Accounts Receivable                      | 650               | 20                      |
| Encompass Core                           | 1,800             | 30                      |
| Code Enforcement                         | 900               | 20                      |
| One-Stop-Shop (OSS)                      | 800               |                         |
| OSS – Permitting                         | 250               |                         |
| OSS – Inspection Scheduling              | 250               |                         |
| OSS – Code Enforcement                   | 250               |                         |
| Palm Pilot Device with Software          | 1,150             |                         |
| Palm Pilot Interface to Permitting       | 700               |                         |
| Palm Pilot Interface to Code Enforcement | <u>700</u>        |                         |
| <b>Total Application Software</b>        | <b>\$16,950</b>   |                         |
| Regulatory Software                      | \$3,375           | 12                      |
| Four J's Concurrent User License         | 4,875             |                         |
| Four J's Server Compiler                 | 1,000             |                         |
| Cognos Report Writer Bundle C            | <u>7,991</u>      |                         |
| <b>Total Year 1 Maintenance:</b>         | <b>\$34,191</b>   |                         |
| Optional County Custom Reports           | \$7,500           |                         |

\*\* Unlimited hours year 1. Hours may be pooled.

## **APPENDIX 4(b)**

### **Basic Hardware Maintenance Service N/A**

On call remedial maintenance (maintenance performed by Pentamation or its designee which is necessary due to equipment failure) will be performed between the hours of 8:00 a.m. and 5:00 p.m. local time, Monday through Friday, excluding holidays. For services performed outside these hours and items covered under Exclusions, the Client shall pay the Pentamation charges for travel time, labor time, plus travel expenses, at Pentamation's then current rates.

Scheduled preventive maintenance (maintenance performed by Pentamation or its designee, if required by the original equipment manufacturer, which is designed to keep the equipment in good operating condition), will be provided between the hours of 8:00 a.m. and 5:00 p.m. local time, Monday through Friday, excluding holidays.

Parts will be replaced when necessary at Pentamation expense with new or parts of equal quality, on an exchange basis.

Labor and parts required to implement engineering changes considered essential by Pentamation or its designee to the operation of the equipment or for safety reasons will be provided.

Service will be performed between the hours of 8:00 a.m. and 5:00 p.m. local time, Monday through Friday, excluding holidays, with a priority response (typically next day).

#### **The Basic Maintenance Charges (BMC) do *NOT* cover:**

Maintenance, repairs or replacement parts required due to loss or damage to the equipment caused by the fault or negligence of Client, alterations or service performed by other than Pentamation or its designee, or by acts of God.

Expendable items such as, but not limited to, ribbons, print elements, diskettes, CD's, removable disks, and tapes.

Labor, travel time and travel expense for the installation of expendable items.

Labor, travel time and travel expense outside the hours provided for in this Basic Monthly Maintenance Agreement.

Labor, travel time, travel expense and shipping expenses, if applicable, for the moving of equipment from one location to another.

Labor, travel time and travel expense for repairs to equipment caused by movement of equipment by non-Pentamation personnel.

**APPENDIX 4(b)**  
**(continued)**

Labor, travel time and travel expense for installation, repair or diagnosis of non-Pentamation maintained equipment, such as, but not limited to, phone company equipment.

Labor, travel time and travel expense for service on Pentamation maintained equipment caused by environment, building power, or other Client controlled factors.

Labor, travel time and travel expense for software or operator type problems such as, but not limited to, recreating data packs.

Labor, travel time and travel expense for services that are part of the Client system administrator responsibilities (as defined in Appendix 5).

Service provided by Pentamation, caused by exclusions, will be added to the next Client invoice at Pentamation's standard rates.

| Quantity | Product Description | Serial Number | Unit Charge | Total Charge |
|----------|---------------------|---------------|-------------|--------------|
|----------|---------------------|---------------|-------------|--------------|

TERMS OF PAYMENT

## APPENDIX 4(c)

### **Off-Site Hardware Maintenance Service**

It is the Client's responsibility to decide when the equipment needs service. Before requesting service, the Client must perform problem determination procedures, which include running prescribed diagnostic software or procedures which will be supplied with the equipment and will be documented in the Operations Manual. Client then calls Pentamation for service and gives Pentamation all information requested. If possible, remedial advice will be supplied over the phone (i.e., loose cable to be tightened, replace fuse) and Client will administer remedial action.

In the event immediate remedial action cannot be taken via the phone, the following procedure will be followed:

Pentamation will arrange for replacement equipment to be shipped via overnight package service. Replacement equipment will be new or reconditioned equipment. (A reconditioned machine is one which is in good working order, has been cleaned, lubricated, adjusted and tested, and which has had defective or excessively worn parts replaced with new or serviceable used parts.)

Client will unpack the replacement equipment and replace the malfunctioning equipment with the replacement equipment.

Client will run diagnostic software or procedures and report results by calling Pentamation's Engineering Help Desk.

Client will pack the malfunctioning equipment in the replacement equipment packing material and ship malfunctioning equipment back to Pentamation's service center. Client agrees to pay return shipping charges and incur the risk of loss or damage in transit. Client further agrees to pay shipping charges associated with shipment of the replacement unit. Such charges will be added to the next Client invoice. At the Client's option, the Client may specify that Pentamation utilize less costly shipping methods than the standard overnight option in non-emergency situations.

Malfunctioning equipment returned to Pentamation, in the case of purchase or lease/purchase, will become the property of Pentamation unless Client elects repair, as outlined below.

Client may elect to have the original equipment repaired and returned, in which case Client pays additional freight charges associated with the return shipment to the Client of the original malfunctioning equipment and return the replacement equipment at Client's expense as described above, when the original replacement was made.

The Off-Site Maintenance Charges (OMC) do **NOT** cover:

Maintenance, repairs or replacement parts required due to loss or damage to the equipment caused by the fault or negligence of Client, alterations or service performed by other than Pentamation or its designee, or by acts of God.

Expendable items such as, but not limited to, ribbons, print elements, diskettes, CD's, removable disks, and tapes.

**APPENDIX 4(c)**  
**(continued)**

Labor, travel time and travel expense for any maintenance activities performed on the Client's premises.

Labor, travel time and travel expense for services that are part of the Client system administrator responsibilities (as defined in Appendix 5).

Maintenance repairs or replacement parts required for service on Pentamation maintained equipment caused by environment, building power, or other Client controlled factors.

Labor, travel time and travel expense for service on Pentamation maintained equipment caused by environment, building power, or other Client controlled factors.

Service provided by Pentamation, caused by exclusions, will be added to the next Client invoice at Pentamation's then standard rates.

| <b><u>Quantity</u></b>                 | <b><u>Product Description</u></b> | <b><u>Serial Number</u></b> | <b><u>Unit Charge</u></b> | <b><u>Total Charge</u></b> |
|--|-----------------------------------|-----------------------------|---------------------------|----------------------------|
| 1                                      | Diagnostic Support Package        | To be supplied              | 300                       | 300                        |
| 10                                     | Pentamation Cash Drawer           | To be supplied              | 180                       | 1,800                      |
| <b>Total Annual Maintenance Charge</b> |                                   |                             |                           | <b>\$2,100</b>             |

**TERMS OF PAYMENT**

This service charge will become due upon installation and billed annually.

## APPENDIX 4(d)

### **Extended Hardware Maintenance Service N/A**

On call remedial maintenance (maintenance performed by Pentamation or its designee which is necessary due to equipment failure) between the hours of 8:00 a.m. and 5:00 p.m. local time, Monday through Friday, excluding holidays. For services performed outside these hours and items covered under Exclusions, the Client shall pay the Pentamation charges for travel time, labor time, plus travel expenses, at Pentamation's then current rates.

Defined response to calls placed between 8:30 a.m. and 5:00 p.m. EST, Monday through Friday, excluding holidays, are determined by the Client's proximity to a designated service location. Response time will be 4, 8 or 16 hours. Clients in close proximity to a designated service location will receive 4-hour response to calls. Clients more distant from a designated service location will receive either 8 or 16 hour response to calls. Response time is relative to the time the call for service is received within the 8:30 a.m. to 5:00 p.m. EST call window. For example, a 4-hour response time for a call placed at 4:00 p.m. EST would guarantee response by 11:30 a.m. the next day. A 4-hour response time call placed at 4:00 p.m. PST (7:00 p.m. EST) would guarantee a response by 9:30 a.m. PST (12:30 p.m. EST) the next day.

Scheduled preventive maintenance (maintenance performed by Pentamation or its designee, if required by the original equipment manufacturer, which is designed to keep the equipment in good operating condition), will be provided between the hours of 8:00 a.m. and 5:00 p.m. local time, Monday through Friday, excluding holidays.

Parts will be replaced when necessary at Pentamation expense with new or parts of equal quality, on an exchange basis.

Labor and parts required to implement engineering changes considered essential by Pentamation or its designee to this operation of the equipment or for safety reasons will be provided.

#### The Extended Maintenance Charges (EMC) do **NOT** cover:

Maintenance, repairs or replacement parts required due to loss or damage to the equipment caused by the fault or negligence of Client, alterations or service performed by other than Pentamation or its designee, or by acts of God.

Expendable items such as, but not limited to, ribbons, print elements, diskettes, CD's, removable disks, and tapes.

Labor, travel time and travel expense for the installation of expendable items.

Labor, travel time and travel expense outside the hours provided for in this Extended Monthly Maintenance Agreement.

Labor, travel time, travel expense and shipping expenses, if applicable, for the moving of equipment from one location to another.

Labor, travel time and travel expense for repairs to equipment caused by movement of equipment by non-Pentamation personnel.

**APPENDIX 4(d)**  
**(continued)**

Labor, travel time and travel expense for installation, repair or diagnosis of non-Pentamation maintained equipment, such as, but not limited to, phone company equipment.

Labor, travel time and travel expense for service on Pentamation maintained equipment caused by environment, building power, or other Client controlled factors.

Labor, travel time and travel expense for software or operator type problems such as, but not limited to, recreating data packs.

Labor, travel time and travel expense for services that are part of the Client system administrator responsibilities (as defined in Appendix 5).

Service provided by Pentamation, caused by exclusions, will be added to the next Client invoice at Pentamation's then standard rates.

| <u>Quantity</u> | <u>Product Description</u> | <u>Serial Number</u> | <u>Unit Charge</u> | <u>Total Charge</u> |
|-----------------|----------------------------|----------------------|--------------------|---------------------|
|-----------------|----------------------------|----------------------|--------------------|---------------------|

TERMS OF PAYMENT

## APPENDIX 4(e)

### **Operating System or Utility Software Telephone Support Services**

#### **A. Direct Telephone Support**

Direct telephone access to Pentamation's System Software Support personnel who provide timely answers to usage questions, assist Client on installing updates and resolve occasional software problems. This service is available between the hours of 8:30 a.m. and 5:00 p.m. PST, Monday through Friday, excluding Pentamation honored holidays, New Years Day, Memorial Day, July 4, Labor Day, Thanksgiving and Christmas.

The above services will be provided by Internet or telephone communication contact between Pentamation and Client. Client will be responsible for all data line telephone charges involved in providing telephone support services and Pentamation will invoice Client at cost.

#### **B. On-Site Support**

Client will have access to on-site support. On-site support will be provided at the current published per diem fee plus all travel expenses. All fees will be rounded off to the nearest 1/2 day. A day is defined as 8:00 a.m. to 5:00 p.m. local time, Monday through Friday, excluding Pentamation honored holidays. All on-site support time outside these hours will be charged at Pentamation's then current hourly rates for System Software.

#### **C. Client Responsibilities**

1. The Client will be responsible to provide reliable access to the CPU(s) via the Internet (Telnet/FTP or CTRIX access to each server), a dedicated dial-up line with a modem of Pentamation specifications on the Client's computer equipment and a "superuser" system log-in account for Pentamation's use in support of this Agreement. Internet access is essential for Pentamation's support resources to be fully utilized and will be the primary connectivity medium. If the Client is unable to provide Internet access as specified, standard response times may be compromised.
2. The Client will be responsible to provide a CD, 4mm DAT or DLT drive which will be used to install new software releases, updates, enhancements, etc.
3. Client will be responsible for the activities listed in the System Administrator responsibilities in Appendix 5.
4. Client will be responsible for the costs of travel, lodging and related expenses for training and support provided by Pentamation to personnel at Client's location.
5. Services necessitated by problems caused by unauthorized Client changes, acts of God, or Client's improper use of the systems or equipment, or other causes beyond Pentamation's control may result in extra charges by Pentamation.



**APPENDIX 4(e)**  
**(continued)**

| <b>Quantity</b>                        | <b>Product Description</b> | <b>Serial Number</b> | <b>Unit Charge</b> | <b>Total Charge</b> |
|--|----------------------------|----------------------|--------------------|---------------------|
| 1                                      | Optio DCS                  | To be supplied       | 1,080              | 1,080               |
| <b>Total Annual Maintenance Charge</b> |                            |                      |                    | <b>\$1,080</b>      |

**TERMS OF PAYMENT**

This service charge will become due upon installation and billed annually.

## APPENDIX 4(f)

### KEY INGREDIENTS LIST

(Y = Yes C = Custom may be required)

#### I. Universal Features across all modules.

- Y 1. Non-technical—User friendly report writer.
- Y 2. Ability to download to Excel
- Y 3. Integrated data base and applications. Single point of data entry.
- Y 4. On screen reports Vs hardcopy
- Y 5. Ability to add unique data elements to screens and reports.
- Y 6. All the MS Window's stuff **mouse functionality via 4J's**
- Y 7. Department level security or lower
- Y 8. Electronic transfer Vs paper flow
- Y 9. Full Support during West Coast business hours
- Y 10. Drill down ability from summary to detail level.
- Y 11. Predefined event triggers that will provide exception notification.
- Y 12. Real time updates
- Y 13. Electronic Signatures for approvals **Electronic approvals in the system via user login ID. Actual signatures may need custom via Optio.**
- Y 14. Visual confirmation with code entry(Enter employee number-displays name)
- Y, 15. Attachments—Word documents, pictures, spreadsheets etc

#### II. Payroll/HR

- Y 1. Full individual history on positions and compensation
- Y 2. Payroll/Compensation Management—Compensation planning
- Y 3. Applicant Tracking
- Y 4. EEO Reports
- Y 5. Benefit Statements **via Cognos Report Writer**
- Y 6. Evaluation Reminders - Step Increases **via WISE**
- Y 7. Electronic update of annual tax table changes. **Via tables by Client**

- Y 8. Leave Tracking including current status
- Y 9. FMLA ,Workman's Compensation and COBRA
- Y 10. Emergency notification data
- Y 11. Multiple direct deposits with pre-note support
- Y 12. Handwritten checks or adjustments that flow directly to the G/L
- Y 13. End of quarter/year adjustment runs
- Y 14. Monitoring Accruals or Deductions for maximum levels (7-10 items)
- Y 15. Accruals/deductions based on bargaining unit. (Not entered by employee)
- Y 16. Charge time to multiple departments with details retained by department.
- Y 17. Tax at multiple pay rates. (Retro-Pay, bonus etc.)
- Y 18. Automatic FLSA overtime calculations. Retroactive pay calculation.
- Y 19. One time pay/reductions with auto clear back to standard amounts.
- Y 20. Local control over application parameters. Accruals etc
- Y 21. Vacancy Tracking
- Y 22. Ability to pay under various employment or leave status
- Y 23. Electronic timesheets – **in baseline with** —several variations – **available as custom.**
- Y 24. Labor Allocation
- Y 25. Personal Inventory----Keys-Palm Pilot etc **user defined screens**

### III Budget

- Y 1. Data Entry by months and/or quarters **Months yes, quarter distribution at every 3<sup>rd</sup> month.**
- Y 2. Budget both Revenue and Expense
- Y 3. Budget down to a project/activity level
- Y 4. Ability to aggregate to different summary levels. **Depends on account code set up.**
- Y 5. Ability to view prior year actual figures on the screen
- Y 6. Projections—"What If" scenarios
- Y 7. Payroll projections from the payroll system
- Y 8. Budget Labor, Materials, Assets to project/program/grant
- C 9. Ability to attach supporting documents to budget line items. **Custom to add object button.**
- Y 10. Fixed Asset Budgeting that interfaces to Revenue Budget **Fixed asset budgeting via Capital Accounts.**
- Y 11. Multiple Budget Versions
- Y 12. Automatic transfer of final budget to adopted status.

- Y 13. Tracking of head count variances. (Position control?) including temps
- C 14. California Controller Budget Schedules and Reports. **Approximate estimate \$25K+ or -**
- Y 15. Single entry for budget amendments/transfers
- Y 16. Restrict access for modification by line item (by department and items that may cross multiple departments)

#### IV. Project/Cost Accounting

- Y 1. Full integration with payroll, purchasing, accounts payable, inventory etc. **Yes, however Warehouse Inventory is not included in contract.**
- Y 2. Ability to cover multiple years.
- Y 3. Ability to report on fiscal, calendar and project to date bases.
- Y 4. Charge control by department.
- Y 5. Project attributes by fund, grant or augmentation source.
- Y 6. Accumulation of charges and budget by labor, services, supplies, leases etc.  
Multiple categories required as some funding is restrictive on how the funds are used. **Via project /account set up.**
- Y 7. Time Buckets—Monthly
- Y 8. Department Separation of all projects.
- Y 9. Multiple level breakdown within the Project Number **2 levels user defined**
- Y 10. Activity codes by project. -- Department Unique and Universal (?)
- Y 11. Standard labor Costs and Actual. - Labor units (hrs)
- C 12. Ability to add overhead to labor charges. **Via custom**
- Y 13. Daily Posting of Charges **user defined**
- C 14. Labor Variance reconciliation when using standard costs. **Needs discussion**
- Y 15. The mechanics of the project ledger and general ledger interaction. **3 ways – no interface, always hit PL, sometimes hit PL.**
- Y 16. Identification of resources charged. Engineer, clerical, administrative. **Via Cognos Report Writer**
- Y 17. Identification of reimbursable expense and status **via AP**

## V. Purchasing and Accounts Payable

- Y 1. Electronic flow of requisitions and purchase orders. (workflow support)
- C 2. EFT Vendor Payments **Via 3<sup>rd</sup> party interface not included in this proposal or available as CFP (Call For Participation).**
- Y 3. Identification of associated project number/work order or asset number. **Project number ok, work order and asset number in the comments field or custom interface with CAMS.**
- Y 4. Electronic signature approval **via login and approval table**
- Y 5. “Net” encumbrances to projects and accounts
- Y 6. Reoccurring payments—leases etc
- Y 7. Current price of repeat items
- Y 8. On-line status tracking
- Y 9. Year-end rollover for purchase orders and blanket orders
- C 10. Credit Card Level 3 interface **needs discussion**
- Y 11. Line Item Budget Control
- Y 12. Direct tie to requisitions, purchase orders, fixed property and fixed assets. **Not fixed property**
- Y 13. Sales tax liability flag when the amount is not included in the invoice.

## VI. General Accounting Features

- Y 1. County of Nevada customized chart of accounts.
- Y 2. Standard suite of financial reports **25K quoted for some customs**
- Y 3. Financial Statements at the “Fund” level. **Standard or via Cognos Report Writer**
- Y 4. GASB 34 compliant
- Y 5. Accrual accounting Vs cash

## VII. Miscellaneous

- Y 1. Cashiering
- Y 2. Fixed Assets
- Y 3. Warrant Reconciliation **via Treasurer's System**
- Y 4. On Line Analytical Processing OLAP (future) **via Cognos PowerPlay product**

## VIII Treasury

- Y 1. Treasury Operations
- Y 2. Cash Management
- Y 3. Investment Management
- Y 4. Bank Interface

## **APPENDIX 5**

### **SYSTEM ADMINISTRATOR**

#### **JOB RESPONSIBILITIES**

Effective System Administration is the key to a successful installation and smooth on-going system operation. System Administration personnel will be the focal point for communications between your organization and Pentamation, and will handle the daily operation of the system.

System Administrative personnel should have or possess the potential to develop the following knowledge and skills:

- General understanding of computer systems' architecture and configurations; recognizing such pieces of hardware as CPU, memory, peripherals, scanners, etc.
- Understands general computer concepts such as relational database, operating systems, application software, word processing, and fourth generation languages.
- Excellent verbal and written communication skills with administrators, programmers, and system maintenance personnel.
- Understands the importance of data integrity and security (file backups and password control).
- Understands what your organization requires from each application.

Client System Administration responsibilities include, but are not limited to, the following:

#### **Operating System Administration**

- Sole responsibility for communications with Pentamation Support personnel.
- Provide first level support to end users.
- Upgrade system software in conjunction with Pentamation and the computer hardware manufacturer.
- Manage workload effectively.
- Train new staff on software packages.
- Train department personnel to use Report Writer.
- Maintain Documentation.
- Diagnose and resolve minor hardware problems.
- \* Configure and maintain PC client software.
- \* Monitor operating system and modify operating system parameters as required.
- \* Monitor hardware reliability, check error logs, and initiate corrective action when warranted.
- \* Add, delete, archive, and maintain configuration of users (for example, to access specific software packages), and maintain user environments.
- \* Create print queues or virtual printers.
- \* Configure communication port(s).

- \* Set or modify IP address.
- \* Develop backup strategy, setup backup procedures, verify backups and restore files or file systems as required.
- Perform backups.
- Maintain on and off site storage of backup media.
- \* Create and maintain cron jobs or other batch processes.
- \* Create and maintain printer configuration and setup.
- Maintain access to server(s) for support (i.e., Internet and backup modem access).
- \* Monitor system performance and tune operating system parameters for maximum efficiency.
- \* Monitor disk and file system utilization/permissions and adjust to meet site requirements.
- \* Create or modify default gateway.
- \* Verify software licensing.
- Maintain currency on support agreements.
- \* Install operating system patches.
- Install, configure and maintain Sendmail.
- Install microcode or firmware updates as required.
- Install / reinstall operating system as required.
- Recompile applications as required.
- Evaluate application software utilization and setup.

#### Database Administration

- \* Maintain database security and access/permissions.
- \* Backup and restore specific databases or entire database environment.
- \* Backup and restore specific tables within database(s).
- \* Import or export databases as required.
- \* Perform checks for data consistency.
- \* Monitor and modify data allocation.
- \* Monitor database performance and adjust as required.
- \* Add DB space.
- \* Create test (or other special purpose) databases as required.
- \* Verify software licensing.
- Maintain currency on support agreements, software licensing and documentation.
- Install / reinstall database software as required.

#### System Security



- Ensure data and equipment security (physical and electronic).
- Monitor system access via modem or Internet.
- \* Investigate attempted security breaches.
- \* Monitor application software utilization and setup to ensure authorizations are administered correctly.
- \* Monitor file and database permissions and accounts.

Pentamation offers telephone support agreements for operating system, database and utility software packages to assist the Client system administrator in the execution of basic and advanced administrative functions. For clients who contract with Pentamation for these services, we will provide additional assistance (via remote Internet or dial access) for the basic functions designated with an asterisk (\*) in the above list for the first six months subsequent to installation (operating system, database software, utility software, application software) by Pentamation. After six months, Clients who do not contract with Pentamation for Remote System Administration Services will be invoiced on a per-call basis when Pentamation is required to perform basic administrative tasks via remote access on behalf of the Client system administrator.

## APPENDIX 6

### CUSTOM PROGRAMMING SERVICES

#### 1. *General Terms and Conditions*

- A. Pentamation offers custom programming as an optional service to the Client. When the Client requests the service, Pentamation will provide written specifications and a fixed cost estimate for the work to be performed. The Client is granted a non-exclusive, non-transferable perpetual license to the customized software and source program code.

An annual maintenance and support service for custom software is provided at Pentamation's then current annual percentage of the standard charge for programming the custom software **currently 30%**. This maintenance and support service provides on-going telephone support, bug fixes, and upward migration to new releases for custom software. **Client may optionally cease custom maintenance support.**

Pentamation retains ownership of all custom-developed software and may, at its discretion, include the software in future releases of standard products.

#### 2. *Pentamation Responsibilities*

- A. Pentamation will provide a written cost estimate for the work to be performed subject to a not-to-exceed 10% variance. This estimate will be based on mutually agreed to specifications.
- B. Pentamation will install the software via modem or magnetic media with hard copy instructions provided for Client installation.
- C. Pentamation will provide telephone instruction in the use and features of the custom-developed software.
- D. Pentamation will provide standard programmer documentation.
- E. Pentamation will test all modifications for anticipated conditions using test data or data provided by the Client.
- F. Pentamation will provide source code for all custom-developed programs.
- G. Pentamation will warrant software to perform as documented in the written specifications.
- H. Pentamation will provide phone and technical support as well as any additional programming to implement the custom-developed software in a minor release of a standard application software product.

#### 3. *Client Responsibilities*

- A. Client will review Pentamation-provided specification documents for errors and omissions. After programming has started, project changes due to policy change, or incomplete, or erroneous specifications may increase the cost of the project.
- B. Client will test all custom-developed software after installation on the Client's hardware before running in a "live" production environment.
- C. Client will reimburse Pentamation for all reasonable travel and living expenses if a site visit is required.
- D. Client will retain a copy of the modified source code on the Client's machine in the event future modifications are required.

#### 4. *Acceptance and Payment*

Client shall have a 45-day period immediately following delivery of the custom programming project to test and verify that it functions in accordance with the specifications. Any defects identified by Client shall be reported to Pentamation for review and correction. If no defects are reported, payment is due at the end of the 45-day testing period. If defects are discovered and reported to Pentamation, payment is due as soon as defect(s) are corrected.

## **APPENDIX 7**

### **Regulatory Software California**

The following programs/reports are included with the OPEN SERIES Financial Management System:

#### **Federal Requirements:**

- Federal 941 Report
- Calculate Tax on Group Life Insurance Over \$50,000
- Financial Report Writer
- 1099 Reporting
  - 1099-Misc
  - 1099-R (retirement)
  - 1099-Int
  - 1099-G
- W2 Processing
- EEO4 Report
- FLSA Processing

#### **State Requirements:**

- Quarterly Wage and Withholding Report (DE6)
- California State New Employee Registry
- California Multiple Worksite Report
- California PERS Reporting
- State Tax Withholding Calculation
- California PARS Report

Note: The output provided for these reports includes data and totals, supported within the application software, which are required by your organization to complete the mandated government form. This data will be formatted correctly for electronic submission when the state or federal agency requires electronic submission.

**APPENDIX 8**  
**Payment Schedule**

|   |  |                  |
|---|--|------------------|
| 1. At Contract Signing:   |  |                  |
| 30% of all Applications License Fees  |  | \$48,675         |
| 25% of Optio/Diagnostic Package   |  | 2,000            |
| 25% of Installation and Setup Services/Engineering Fee                            |  | 3,525            |
| 25% of Freight and Insurance  |  | 125              |
| Implementation Coordinator Fee  |  | 15,000           |
| Perpetual Escrow Fee  |  | <u>5,000</u>     |
| Cash Drawer – refer to Appendix 3   |  |                  |
|   |  | <b>\$74,325</b>  |
| 2. At Installation:   |  |                  |
| 4J's License Fee  |  | 21,500           |
| Cognos License Fee  |  | 31,962           |
| Balance of Optio/Diagnostic Package License Fee                                   |  | 6,000            |
| Palm Pilots (23)  |  | 11,500           |
| Palm Pilot Maintenance Fee  |  | 1,150            |
| 4J's Maintenance Fee  |  | 5,875            |
| Cognos Maintenance Fee  |  | 7,991            |
| Optio/Diagnostic Package Maintenance Fee (Appendix 4c & e)                        |  | 1,380            |
| Balance of Installation and Setup Services/Engineering Fee                        |  | 10,575           |
| Balance of Freight and Insurance  |  | <u>375</u>       |
|   |  | <b>\$98,308</b>  |
| 3. At the Beginning of Training:  |  |                  |
| Application Software License Maintenance Fees                                     |  | 15,800           |
| Regulatory Software Maintenance Fee   |  | 3,375            |
| Data Conversion – billed as incurred (See Appendix 2)                             |  | <u>32,400</u>    |
|   |  | <b>\$51,575</b>  |
| 4. During Implementation and Training:  |  |                  |
| Implementation, training fees and expenses will be billed as incurred.            |  | 88,200           |
| (Does not include expenses)   |  |                  |
| From Appendix 1 footnote (2) 2 days optional code enforcement custom              |  | 2,400            |
| From Appendix 1 footnote (4) 3 days installation and setup for OSS                |  |                  |
| billed as incurred.   |  | 3,600            |
| From Appendix 1 footnote (5) Encompass/Treasurer's System Interface               |  |                  |
| 8 hours custom fee  |  | 1,200            |
| Optional Custom County Reports – billed as incurred - estimated                   |  | 25,000           |
| Optional Custom County Reports Maintenance – billed as incurred                   |  | <u>7,500</u>     |
|   |  | <b>\$127,900</b> |
| 5. Acceptance by Client as Defined in Section I 2.b.                              |  |                  |
| 50% of Application Software License Fees  |  | 81,125           |
| Possible Maintenance from Optional footnotes 2, 4, and 5 above                    |  | <u>2,160</u>     |
|   |  | <b>\$83,285</b>  |
| 6. Final 20% as each software application begins live operation, module by module |  | 32,450           |
| 7. Cash Registers   |  | <b>\$27,500</b>  |
| Maintenance   |  | <u>1,800</u>     |
|   |  | <b>\$29,300</b>  |
| <b>Total:</b>   |  | <b>\$497,143</b> |

## APPENDIX 9

### **Escrow of Source Code**

- 1) Pentamation agrees to deliver in a sealed package a copy of the baseline Source Code for the computer software to be supplied, pursuant to the terms of this Agreement, to the Escrow Agent.
- 2) The sealed package containing the baseline Source Code shall be so marked. If any modifications are contracted in the future, Source Code for these modifications shall be placed in escrow and marked with the name of the customer.
- 3) The Escrow Agent shall retain custody of the Source Code perpetually from the date hereof or as long as Client is current on maintenance.
- 4) In the event Pentamation ceases doing business during the term of the escrow, becomes insolvent or a bankruptcy proceeding is filed by or against Pentamation, and such proceedings are not dismissed within 60 days, the Escrow Agent, upon the written demand of customer, shall release the Source Code to the customer, provided that the Escrow Agent shall first give Pentamation written notice of such demand, and Pentamation has not objected to such release within 20 days of its receipt of such notice from the Escrow Agent.
- 5) Upon the expiration of the term of this Escrow Agreement, the Source Code shall be returned to Pentamation.
- 6) The release of the Source Code by the Escrow Agent to the customer shall be solely for the purpose of enabling customer to use and maintain the software for its own internal use, and Pentamation hereby grants to customer a paid-up, royalty-free, non-exclusive license to use and modify the Source Code for such purposes and for no other. Under no circumstances shall customer be authorized to use such software or license others to use the same for any purposes other than the internal needs of customer.
- 7) Shall source code be released to the customer, all costs incurred by the Escrow Agent shall be paid by the customer. **Fee shall not exceed \$100.**
- 8) The responsibility of the Escrow Agent are limited solely to the receipt and custody of the sealed packages containing the Source Code, the receipt of any notices from customer relating to the termination of business or bankruptcy of Pentamation and the delivery of the sealed packages containing the Source Code to customer or to Pentamation as contemplated by this Agreement.
- 9) Pentamation and customer hereby waive any and all claims or causes of action against Escrow Agent arising out of or related to these escrow provisions. Client and Pentamation agree to indemnify and hold harmless the Escrow Agent from any and all liabilities and costs of any kind whatsoever that may be imposed or incurred by the Escrow Agent.

- 10) Within 30 days of acceptance or full payment, whichever is later, Pentamation agrees to deliver Source Code for the installed version of the products to its Escrow Agent. Pentamation will require that Escrow Agent notify Licensee in writing within 30 days of receipt of the Source Code.

Pentamation will update Source Code no less frequently than annually, at its expense, after the initial delivery of Source Code to the Escrow Agent.

- 11) Licensee may verify the validity of Source Code at its expense at any time. Licensee shall assume responsibility for any Pentamation expenses associated with the verification process.

**Nevada County, CA**  
**Investment Summary Page**

**Pricing Summary**

|  |                               |
|--|-------------------------------|
| Financial Applications                             | \$90,000                      |
| Revenue Applications                               | 11,500                        |
| Land Management Applications                       | 49,500                        |
| Land Management Miscellaneous                      | 7,200                         |
| Regulatory Software                                | 11,250                        |
| Other Miscellaneous Items                          | 41,500                        |
| Cognos Report Writer - With IWR                    | 31,962                        |
| Four J's   | 21,500                        |
| Recommended Training – Financial                   | 42,300                        |
| Recommended Training – Revenue                     | 7,800                         |
| Recommended Training - Land Management             | 25,500                        |
| Recommended Training - Regulatory Software         | 1,800                         |
| Recommended Training - Other Miscellaneous Items   | 1,200                         |
| Cognos Report Writer Training                      | 9,600                         |
| Implementation Coordinator                         | 15,000                        |
| Data Conversion Services - Financial               | 13,200                        |
| Data Conversion Services - Revenue                 | 3,600                         |
| Data Conversion Services - Land Management         | 15,600                        |
| Hardware, Operating System, Installation and Setup | 50,100 <sup>1</sup>           |
| <b>Total</b>                                       | <b>\$450,112 <sup>2</sup></b> |

<sup>1</sup> See attached Engineering quote for detail.

<sup>2</sup> Travel and living expenses are not included in this total and will be invoiced at actual cost.

**Annual Support Summary**

|                                 | Year 2<br>Maintenance | Year 1<br>Maintenance |
|---------------------------------|-----------------------|-----------------------|
| Financial Applications          | \$19,440              | \$9,000               |
| Revenue Applications            | 2,482                 | 1,150                 |
| Land Management Applications    | 10,692                | 5,650                 |
| Land Management Miscellaneous   | 2,332                 | 2,160                 |
| Regulatory Software             | 3,645                 | 3,375                 |
| Other Miscellaneous Items       | 9,342                 | 8,650                 |
| Cognos Report Writer - With IWR | 7,991                 | 7,991                 |
| Four J's                        | 5,875                 | 5,875                 |
| Hardware and Operating System   | 3,180                 | 3,180                 |
| <b>Total:</b>                   | <b>\$64,979</b>       | <b>\$47,031</b>       |
| <b>GRAND TOTAL</b>              |                       | <b>\$497,143</b>      |

Detailed Investment Pages Follow

| <b>Financial Applications</b>  | <b>License Fees</b> | <b>Year 1 Maintenance</b> | <b>Training Days</b> | <b>Training Cost</b> |
|--|---------------------|---------------------------|----------------------|----------------------|
| Financial Accounting<br>(Includes: Accounts Payable, Revenue Tracking, General Ledger, Budgeting and Purchasing) | \$27,500            | \$2,750                   | 10.0                 | \$12,000             |
| Personnel Budgeting  | 4,500               | 450                       | 0.5                  | 600                  |
| Fixed Assets   | 6,000               | 600                       | 1.0                  | 1,200                |
| Treasurer's System   | 8,000               | 800                       | 1.0                  | 1,200                |
| Equipment Maintenance  | 6,000               | 600                       | 1.5                  | 1,800                |
| Human Resources<br>(Includes: Payroll Personnel, Attendance Tracking and Applicant Tracking)                     | 19,000              | 1,900                     | 13.5                 | 16,200               |
| Employee Benefits  | 4,500               | 450                       | 0.5                  | 600                  |
| Position Control   | 4,000               | 400                       | 1.0                  | 1,200                |
| Salary Projections   | 3,000               | 300                       | 0.5                  | 600                  |
| Web Intelligence System for Executives (5)   | 7,500               | 750                       | 1.0                  | 1,200                |
| Implementation and Planning  | N/A                 | N/A                       | 3.0                  | 4,500                |
| System Management  | N/A                 | N/A                       | 1.0                  | 1,200                |
| <b>Total</b>   | <b>\$90,000</b>     | <b>\$9,000</b>            | <b>34.5</b>          | <b>\$42,300</b>      |

| <b>Revenue Application Software</b> | <b>License Fees</b> | <b>Year 1 Maint</b> | <b>Training Days</b> | <b>Training Cost</b> |
|-------------------------------------|---------------------|---------------------|----------------------|----------------------|
| Receipt Manager                     | 5,000               | 500                 | 1.0                  | 1,200                |
| Accounts Receivable                 | 6,500               | 650                 | 2.0                  | 2,400                |
| Implementation and Planning         | N/A                 | N/A                 | 2.0                  | 3,000                |
| System Management                   | N/A                 | N/A                 | 1.0                  | 1,200                |
| <b>Total</b>                        | <b>\$11,500</b>     | <b>\$1,150</b>      | <b>6.0</b>           | <b>\$7,800</b>       |



| Land Management Applications   | License Fees    | Year 1 Maint   | Training Days | Training Cost   |
|--|-----------------|----------------|---------------|-----------------|
| Encompass Core<br>(Includes Centralized Geo-Base Development, Permits, Inspections, Contractor Registration) | \$18,000        | \$1,800        | 8.0           | \$9,600         |
| Code Enforcement (9)   | 9,000           | 900            | 4.0           | 4,800           |
| One-Stop-Shop (OSS) (8)  | 8,000           | 800            | 1.0           | 1,200           |
| OSS - Permitting (8)   | 2,500           | 250            | 0.5           | 600             |
| OSS - Inspection Scheduling (8)  | 2,500           | 250            | 0.5           | 600             |
| OSS - Code Enforcement (8)   | 2,500           | 250            | 0.5           | 600             |
| Palm Pilot Interface to Permitting   | 3,500           | 700            | 1.0           | 1,200           |
| Palm Pilot Interface to Code Enforcement   | 3,500           | 700            | 1.0           | 1,200           |
| System Management  | N/A             | N/A            | 1.0           | 1,200           |
| Implementation and Planning  | N/A             | N/A            | 3.0           | 4,500           |
| <b>Total</b>   | <b>\$49,500</b> | <b>\$5,650</b> | <b>20.5</b>   | <b>\$25,500</b> |

| Land Management Miscellaneous                           | License Fees   | Year 1 Maint   |
|---|----------------|----------------|
| Custom Violation Notice 2 days programming to customize | \$2,400        | \$720          |
| OSS Custom Installation                                 | 3,600          | 1,080          |
| Encompass Interface for Treasurer's System              | 1,200          | 360            |
| <b>Total</b>  | <b>\$7,200</b> | <b>\$2,160</b> |

| Regulatory Software     | License Fees    | Year 1 Maint   | Training Days | Training Cost  |
|-------------------------|-----------------|----------------|---------------|----------------|
| Regulatory Software (4) | \$11,250        | \$3,375        | 1.5           | \$1,800        |
| <b>Total</b>            | <b>\$11,250</b> | <b>\$3,375</b> | <b>1.5</b>    | <b>\$1,800</b> |

| Other Miscellaneous Items                 | License Fees    | Year 1 Maint   | Training Days | Training Cost  |
|---|-----------------|----------------|---------------|----------------|
| Perpetual Escrow                          | \$5,000         |                |               |                |
| 23 Palm Pilots                            | 11,500          | \$1,150        | 1.0           | \$1,200        |
| Optional Custom County Reports - estimate | 25,000          | 7,500          |               |                |
| <b>Total:</b>                             | <b>\$41,500</b> | <b>\$8,650</b> | <b>1.0</b>    | <b>\$1,200</b> |

**Footnotes:**

<sup>4</sup> Please see attachment for Regulatory software detail.

<sup>5</sup> WISE requires a dedicated NT Server with a minimum of Microsoft NT 4.0 Enterprise Edition Web Server (with service pack 3), Microsoft Internet Explorer, Informix ODBC drivers for MS-MTS and the following Cognos products: Impromptu Administrator; Impromptu User; Impromptu Web Reporter; PowerPlay Server Web Edition (optional).

<sup>7</sup> Interface software requirements differ for specific municipalities. Pentamation customarily modifies each interface to accommodate the needs of the installation. A new installation should budget five (5) days of custom programming time to meet unique requirements for each interface to be provided. The current programming rate is \$150/hour or \$1,200/day. Also requires three to five (3-5) days installation and setup at current rate.

<sup>8</sup> Requires three (3) days installation and setup at current rate. The current programming rate is \$150/hour or \$1,200/day.

<sup>9</sup> If a custom violation notice and automated follow through process is desired, or separate printer configuration, budget two (2) days of programming to customize the Notice of Violation and/or printer configuration(s). The current programming rate is \$150/hour or \$1,200/day.

**Additional Notes:**

The training fee for the above applications is \$1,200 per day plus travel related expenses. Some training sessions maybe accomplished via the internet thereby reducing travel and living expenses.

Training days are based upon an eight hour day, which includes setup time.

Should additional daily time be needed for implementation assistance beyond the standard eight hour day, this can be scheduled with the trainer for the standard training rate of \$150/hour.

Any training required beyond those days indicated above will be performed at the then standard per diem or hourly training rate.

Training day counts are based on a maximum class size of 16 individuals (eight desktops with two individuals per desktop).

| Cognos Report Writer - With IWR | License Fees    | Annual Maint   |
|---------------------------------|-----------------|----------------|
| Bundle C - 30 named users (4)   | \$31,962        | \$7,991        |
| <b>Total</b>                    | <b>\$31,962</b> | <b>\$7,991</b> |

<sup>4</sup> Includes (15, 23, 30, 38, and 45) named users as selected, in the aggregate of PowerPlay User, Impromptu User, PowerPlay Server Web Edition (NT) and/or Impromptu Web Query (NT), one copy of Impromptu Administrator and Impromptu Web Reports for unlimited users. Number of users capable of accessing Impromptu Web Reports Server is subject to the size of NT system. PowerPlay Server Edition (NT) and Impromptu Web Query (NT) may only be installed on a single Microsoft NT Server. Impromptu requires a NT or Novell Server. Recommended minimum for the desktop is 96mb of memory and 100 MHz.

A "named user" means an individual who is authorized by the customer to use the software irrespective of whether that individual is logged on to the customer's Intranet. There is no obligation to identify a "named user" by name. "Impromptu Runtime" means a contractually limited user version of Impromptu user with fixed, frozen catalogs which permits a user to view and print pre-defined reports but does not permit a user to alter existing reports or create new reports. Impromptu requires a NT or Novell server. Recommended minimum for the desktop is 96mb of memory and 100 MHz.

Cognos software is licensed by Pentamation to the customer for use only with Pentamation applications and/or applications developed by the customer which utilize Pentamation application data.

Telephone support for Cognos products is provided to the customer by Pentamation. License and/or maintenance agreements do not entitle the customer to access any Cognos technical support facility directly via either telephone or other means of communication.

| Cognos Training                      | Days       | Cost Per Day | Cost           |
|--------------------------------------|------------|--------------|----------------|
| Financial Application Software       | 2.0        | \$1,200      | \$2,400        |
| Revenue Application Software         | 2.0        | 1,200        | 2,400          |
| Land Management Application Software | 2.0        | 1,200        | 2,400          |
| Impromptu Web Reports                | 2.0        | 1,200        | 2,400          |
| <b>Total:</b>                        | <b>8.0</b> |              | <b>\$9,600</b> |

Training quoted is for the Impromptu product and Impromptu Web Reports (IWR). If PowerPlay training is desired, it would be offered at our regular per diem rates.

| Four J's                                | # of Users | License Fees    | Year 1 Maint   |
|---|------------|-----------------|----------------|
| Four J's Concurrent User License        | 75         | 16,500          | 4,875          |
| Four J's Server Compiler (7) (Required) | 1          | 5,000           | 1,000          |
| <b>Total</b>                            |            | <b>\$21,500</b> | <b>\$5,875</b> |

<sup>7</sup> A single user for the Four J's server compiler means that only one user can run the Four J's compiler at a given time. The site is not limited to a "named user". The number of users is determined by concurrent usage of the compiler only; multiple programmers can do program development work.

| Implementation Coordinator * | Charge          |
|------------------------------|-----------------|
| Financials                   | 8,000           |
| Revenue                      | 3,500           |
| Land Management              | 3,500           |
| <b>Total:</b>                | <b>\$15,000</b> |

\* Pentamation assigns each new client an Implementation Coordinator, stationed at Pentamation, to be the customer's focal point of contact during the implementation of our products.

**Data Conversion Services - Financial Applications**

| <u>Application/Files</u>    | <u>File Build Method</u> | <u>Conversion Cost</u> |
|-----------------------------|--------------------------|------------------------|
| <b>Financial Systems</b>    |                          |                        |
| Vendor File                 | Conversion Program       | \$2,400                |
| Account File                | Data Entry Recommended   | N/A                    |
| Purchase Order              | Data Entry Recommended   | N/A                    |
| Transaction File            | Data Entry Recommended   | N/A                    |
| Requisition File            | Data Entry Recommended   | N/A                    |
| <b>Payroll/Personnel</b>    |                          |                        |
| Demographic File            | Conversion Program       | 3,600                  |
| History File                | Builds as system is used | N/A                    |
| Budgeting File              | Data Entry Recommended   | N/A                    |
| Deduction File              | Conversion Program       | 3,600                  |
| Retirement File             | Builds as system is used | N/A                    |
| Payroll Reconciliation File | Builds as system is used | N/A                    |
| History File                | Builds as system is used | N/A                    |
| <b>Fixed Assets</b>         |                          |                        |
| Asset Item File             | Conversion Program       | 3,600                  |
| <b>Total:</b>               |                          | <b>\$13,200</b>        |

**Data Conversion Services - Revenue Applications**

| <u>Application/Files</u>   | <u>File Build Method</u> | <u>Conversion Cost</u> |
|--|--------------------------|------------------------|
| <b>Accounts Receivable - Basic Services - Standard File Layout</b> |                          |                        |
| Accounts Receivable  | Conversion Program       | \$3,600                |
| <b>Total:</b>  |                          | <b>\$3,600</b>         |

**Data Conversion Services - Land Management Applications**

| <u>Application/Files</u>   | <u>File Build Method</u> | <u>Conversion Cost</u> |
|--|--------------------------|------------------------|
| <b>Land Management (From existing computer files or County/State files)</b>            |                          |                        |
| Parcel File (Include: address parsing/soundex/legal)                                   | Conversion Program       | \$6,000                |
| Active Permit File (Include: permits, inspections, fees, and plan reviews in progress) | Conversion Program       | 9,600                  |
| <b>Total:</b>  |                          | <b>\$15,600</b>        |

NOTE: Our approach to data file conversion is that it be performed with a combination of Pentamation-provided programming resources and data entry. The major data files can be converted with the remainder of the smaller application files being entered directly into the system. The cost for our programming conversion services is based on a rate of \$1,200 per day. All programming effort will be performed at Pentamation's facilities and requires submission of data files from the customer in flat ASCII format, with data elements organized to meet our Basic Services-Standard File Layout. All estimated costs for conversion programs are based on receiving one file in flat ASCII format for each file indicated above. An additional charge will apply if the conversion requires multiple input files or if a file conversion is desired for files other than those indicated. Technical services can be provided to the customer to create, correct or modify the data extract files, at an additional charge.

## **PRICING TERMS AND CONDITIONS**

All software licensing prices included herein are for informational and planning purposes. Final pricing will be offered via formal response to the request for proposal.

Sales taxes are not included in the quoted prices. All applicable sales taxes will be included on invoices.

Installation, training and consulting prices quoted within this proposal do not include the cost of travel and living expenses for SunGard Pentamation personnel. These are billable at our cost.

In the event that Pentamation will be required to furnish a Performance Bond, this is optionally available for the additional fee of 4.5% of the total bond amount per year. Excluded are any products which are not purchased directly through Pentamation.

Pentamation provides custom programming for a fee of \$150/hour.

### **Additional Prerequisites:**

Implementation within the Pentamation operating environment requires the availability of an ANSI compatible "C" compiler.

A CD, 4mm DAT or DLT drive is a necessary component of the computer hardware configuration to facilitate the distribution of the application software.

The computer hardware configuration needs to include reliable access to the system via the Internet, a dedicated dial-up phone telephone line with a diagnostic modem of Pentamation's specifications and a "superuser" system log-in account with privileges for Pentamation's use in providing support for the application software system.

**SunGard Pentamation Inc.**  
**Engineering Services**  
**Nevada County**  
**07/17/02**

| Qty.   | Description  | Type    | AMC               | Unit Price | Line Total         |
|--|--|---------|-------------------|------------|--------------------|
| <b>Server Provided by Customer</b>                         |  |         |                   |            |                    |
| <b>Licenses</b>  |  |         |                   |            |                    |
| 1  | Optio DCS  | SPI Phn | 1,080.00          | 6,000.00   | 6,000.00           |
| 1  | Diagnostic Support Package                           | SPI Opt | 300.00            | 2,000.00   | 2,000.00           |
| <b>Pentamation Cash Drawer</b>                             |  |         |                   |            |                    |
| 10   | Pentamation Cash Drawer                              | SPI Opt | 1,800.00          | 2,750.00   | 27,500.00          |
| <b>Compaq PC w/Epson Receipt Printer &amp; Cash Drawer</b> |  |         |                   |            |                    |
| 1  | <b>Installation and Setup Services</b>               |         |                   | 14,100.00  | 14,100.00          |
|  | (1) Installation and Setup of Financial Applications |         |                   |            |                    |
|  | (1) Installation and Setup of Land Applications      |         |                   |            |                    |
|  | (1) Installation and Setup of 4J's                   |         |                   |            |                    |
|  | (1) Installation and Setup of Coanos                 |         |                   |            |                    |
|  | (1) Installation and Setup Optio on Server           |         |                   |            |                    |
|  | (1) Installation and Setup Optio per Printer         |         |                   |            |                    |
| <b>Freight and Insurance</b>                               |  |         |                   |            |                    |
| 1  | Freight and Insurance                                |         |                   | 500.00     | 500.00             |
| <b>TOTAL</b>   |  |         | <b>\$3,180.00</b> |            | <b>\$50,100.00</b> |

**Note: Customer is to provide a server with Windows 2000 Server and Citrix MetaFrame installed.**

**Cash Registers will be ordered as required.**

**Price does not include Taxes and Travel Expense.**