

FEATHER RIVER AIR QUALITY MANAGEMENT DISTRICT
MEMORANDUM
08/03/2026

TO: FRAQMD BOARD OF DIRECTORS

FROM: Christopher D. Brown, AICP, APCO

SUBJECT: Approve Contract with Advanced Database Designs for various Database upgrades not to exceed \$45,000 and authorize the APCO to execute related documents.

RECOMMENDATION:

Approve the attached agreement with Advanced Database Designs (ADD) for a series of updates to the District's database. A total of 300 hours of work at \$150 an hour, not to exceed amount of \$45,000 is authorized for this agreement.

ALTERNATIVE:

Provide direction to staff

BACKGROUND:

The District is working on a multiyear project to transition from our inhouse Access Databases to the online "Permits Pro" database from Advanced Database Designs. The task list for this phase of updates including emissions reporting, throughput tracking and updates to timesheets portion of the system to include leave tracking. All tasks are listed under Schedule 1 of the attached agreement.

The contract has been reviewed and approved by District Counsel.

FISCAL IMPACT:

The staff is proposing a budget adjustment of \$45,000 to cover the cost of the agreement. Adequate funds are available in the reserves to cover this project.

LIST OF ATTACHMENTS

Attachment 1: Proposed Amendment Contract with ADD

PERMITS.PRO™
TECHNICAL SERVICES AGREEMENT
Pursuant to Paragraph 5 of the Software License, Maintenance and Support Agreement
Dated January 1, 2020

This PERMITS.PRO™ Technical Services Agreement (the “Technical Services Agreement”) is entered into as of August 3, 2026, by and between **Advanced Database Designs, LLC**, a California limited liability company (“**Licensor**”) and **Feather River Air Quality Management District** (“**Licensee**”). This **Technical Services Agreement** is subject to the terms and conditions of the Software License, Maintenance and Support Agreement dated January 1, 2020 (the “**Agreement**”) which is attached hereto as Exhibit A and incorporated herein by this reference. In the event of any conflict or inconsistency between the terms and provisions of this **Technical Services Agreement** and the **Agreement**, the terms and provisions of the **Agreement** shall control.

1. TECHNICAL SERVICES.

a. **Technical Services** include the following services (the “**Technical Services**”):

- i. Initial data import and software customization/integration services, and initial training services for Licensee personnel; and
- ii. Any other **Technical Services** mutually agreed to by **Licensor** and **Licensee**.

b. **Licensor** agrees to provide to **Licensee** the **Technical Services** described in ***Schedule 1*** attached hereto, as may be amended from time to time upon written agreement of both parties.

2. **TECHNICAL SERVICE FEES.** The fees for all **Technical Services** (the “**Technical Service Fees**”) shall be charged on a time and materials basis. Hourly rates for **Licensor’s** time shall be charged at **Licensor’s** current hourly rate of \$150.00/hour. As a non-binding estimate, **Licensor** anticipates that initial data import, software integration and training services shall require approximately 300 hours (@\$150/hour = \$45,000). **The total compensation payable under this Technical Services Agreement, inclusive of all expenses, shall not exceed forty-five thousand dollars (\$45,000.00).** **Licensee** shall make no payment to **Licensor** in any greater amount for any extra, further, or additional services, unless such services and payment therefore have been mutually agreed to and this **Technical Services Agreement** has been formally amended in accordance with the provisions of the **Agreement**.

3. **PAYMENT OF TECHNICAL SERVICE FEES.** Prior to commencement of such **Technical Services**, **Licensor** shall invoice **Licensee** for \$22,500.00 (50% of the estimated **Technical Service Fees**), which shall be due and payable prior to commencement of such services. **Licensor** shall invoice **Licensee** for the remaining **Technical Service Fees** upon completion of such services, with payment due within thirty (30) days of delivery of the invoice.

4. **LATE PAYMENTS.** All late payments of **Technical Service Fees** shall be subject to an interest charge of 10% per annum or the maximum rate allowed by law, whichever is lower, from the date due until paid.

5. **MODIFICATION.** No modification of, or amendment to, this **Technical Services Agreement** shall be effective unless in writing, signed by an authorized representative of each party.

THE UNDERSIGNED HEREBY CERTIFY THAT THIS TECHNICAL SERVICES AGREEMENT WAS MUTUALLY NEGOTIATED.

Licensor:
Advanced Database Designs, LLC

Licensee:
Feather River Air Quality Management District

By: _____
Steven M. Sweeney, Managing Member

By: _____
Christopher D. Brown AICP, APCO

SCHEDULE 1

Description of Technical Services

Deliverables and purpose for the Permit Migration Research Project is to work 300 hours to establish specific deliverables and timelines required to eventually migrate the coding and data from Microsoft Access to Permits.PRO focusing on the following major categories:

- 1) Fiscal Year Adjustments to Permit
 - a. Research:
 1. Explore whether we should post ACTUAL emissions to the same Fiscal Year as the permit
 2. Assist FRAQMD to sync Device Names and Process Names with HARP prior to exporting from HARP back into Permits.PRO
 3. Assist FRAQMD to import the HARP file into Permits.PRO for 2025 permits and actuals
 - b. Migrate FY_ID 2026 to FY 2024 - SAME year as HARP ACTUAL emissions submitted last year (depends on A1)
 - c. Import HARP data for 2025 actuals - post to FY_ID 2025 permits, devices, processes, emissions and stacks (depends on A1)
 - d. Update Device Names and Process Names from imported HARP data - Sync by DEV_ID and PROC_ID
 - e. Produce Permits.PRO HARP file - compare for accuracy - Test for 2025
- 2) Add Facility Wide PTE to Permits table
 - a. Research:
 1. Research the HARP imported data as FY 2025, 2026 and 2027 in Permits.PRO
 2. Research removing ACTUALS from FY 2026 and 2027 permits to provide an empty storehouse for actuals reported next year (based on results of A1 above)
 3. Research whether PTE data by DEVICE can be extrapolated to PROCESS
 4. Explore best way to populate PTE and ACTUAL Emissions into FY 2027 permits using PROCESS RATE and EMISSION FACTORS
 - b. Allow "Engineers" to edit PTE values for FY 2027 permits
- 3) Add "Throughput" Permits
 - a. Research:
 1. Document the current Throughput process utilized by District in MS Access
 2. Consider augmenting the District Throughput process for efficiency in Permits.PRO
 3. Explore and document additional Throughput processes to include in Permits.PRO
 4. Document new reports needed in Permits.PRO to accommodate Throughput
 5. Research updating Horsepower, Fuel Types, etc. from Existing Throughput Database
 - b. Import NON-HARP Permits from Throughput database
 - c. Assist District to sync Throughput devices and processes with HARP and confirm sync accuracy with Throughput database.
 - d. Assist FRAQMD to enter Emissions data into Permits.PRO for "new" Devices and Processes
- 4) Timesheet Tracking and Request for Time Off
 - a. Research:
 1. Fully document the processes to track employee Time Off.
 2. Include Sick, Management, CTO (Overtime) and Vacation
 - b. Import starting balances
 - c. Create accrual process to add hours bi-weekly
 - d. Incorporate the existing timesheet approval process for time off
 - e. Utilize the existing screen forms and processes already in use for timesheets

The details within each line item need to be fully researched with staff as we move forward toward the goal of importing pertinent permit-related data and processes from MS Access to Permits.PRO. During this discovery period we will implement new tables, forms, reports, and procedures within time constraints.

An "hourly contract" is appropriate to provide greater visibility for the district while researching the details of items planned to be implemented into Permits.PRO. Time spent will be documented on each line item and reported for your records.

This initial contract will be for 300 hours at \$150 per hour - \$45,000 - with the goal of solidifying the ultimate plan for delivering clearly defined results, when able and within time constraints.

EXHIBIT A

Software License, Maintenance and Support Agreement

Dated January 1, 2020

PERMITS.PRO™
SOFTWARE LICENSE, MAINTENANCE AND SUPPORT AGREEMENT

This PERMITS.PRO™ Software License, Maintenance and Support Agreement (the “Agreement”) is entered into as of January 1, 2020 (the “Effective Date”) by and between Advanced Database Designs, LLC, a California limited liability company (“Licensor”) and Feather River Air Quality Management District (“Licensee”).

1. **LICENSE.** Subject to the terms and conditions of this Agreement (including the obligation to pay the License Fees), Licensor grants to Licensee a non-exclusive, non-transferable, non-assignable, limited license to install, test and use the database software (in encrypted object code form) identified in *Schedule 1*, and any updates or upgrades thereto provided by Licensor (collectively, the “Licensed Software”), for Licensee’s internal business purposes operating on a single database server and a single remote backup server (the “License”). Such license shall be perpetual or non-perpetual, as indicated on *Schedule 1*, and always subject to the terms of this Agreement. The License shall remain in effect throughout the License Term unless and until Licensee is no longer considered to be in Good Standing as defined below.

2. **RESTRICTIONS.** Licensee acknowledges that the Licensed Software constitutes valuable intellectual property of Licensor and shall secure and protect the Licensed Software in a manner consistent with the reasonable maintenance of proprietary rights. Licensee further agrees not to: (a) alter, amend, translate, enhance, modify, or change in any respect, any of the Licensed Software unless authorized in writing by Licensor to do so; (b) reverse engineer, disassemble, decompile, or otherwise attempt to derive any of the Licensed Software’s source code; (c) sublicense, lease, rent, loan, timeshare, or otherwise transfer the Licensed Software to any third party; (d) use the Licensed Software to process data or provide any other service for any person or entity other than Licensee or an Affiliate of Licensee (a “Third Party”), including without limitation any distinct governmental or quasi-governmental agency or entity other than Licensee, if Licensee is such an entity; or (e) otherwise use or copy the Licensed Software except as expressly allowed under Section 1. For purposes of this Agreement, “Affiliate” means all persons and entities directly or indirectly controlling, controlled by or under common control with the Licensee, where control may be by either management authority or equity interest.

3. **OWNERSHIP.** The Licensed Software is licensed, not sold, to Licensee for use only under the terms of this Agreement, and Licensor reserves all rights not expressly granted to Licensee. The Licensed Software, including any related documentation, and all worldwide intellectual property rights therein, are the exclusive property of Licensor. Licensee shall not own any copyright or other interest in any documentation relating to the Licensed Software provided to Licensee by Licensor, but may reproduce such documentation as reasonably necessary to support internal use of the Licensed Software in connection with the license in Section 1. Licensee will not remove, alter, or obscure any

proprietary notices (including copyright and/or patent notices) on the Licensed Software. Any modifications made to the Licensed Software, including custom work for the benefit of Licensee, shall be the property of Licensor.

4. **LICENSE FEES.** Licensee shall pay Licensor the license fees for the Licensed Software set forth in *Schedule 1* (the “License Fees”), in the manner set forth therein, for the license granted pursuant to this Agreement.

5. **OTHER SERVICES AND FEES.** Licensor shall provide Licensee with the technical services (the “Technical Services”) pursuant to the terms set forth in the Technical Services Agreement, which is subject to the terms and conditions of this Agreement and incorporated herein by this reference (the “Technical Services Agreement”). In the event of any conflict between the Technical Services Agreement and other terms of this Agreement, the terms of this Agreement shall control. Licensor shall provide Licensee with the maintenance and support services set forth in *Schedule 1* (the “Maintenance Services”) and the hosting services set forth in *Schedule 1* (the “Hosting Services”) for the fees set forth therein (the “Annual Service Fees”). The Maintenance Services, Hosting Services and Technical Services are collectively referred to herein as the “Services.”

6. **LICENSE TERM; TERMINATION; GOOD STANDING.** The License Term shall (a) begin on the Effective Date; (b) continue for a one (1) year “Initial Term”; and (c) automatically extend for additional one (1) year periods from and after the Anniversary of the Effective Date, until Licensee exercises its right of termination, either for cause or without cause as provided below, or when Licensee is no longer in Good Standing. Without cause, Licensee may terminate the Agreement and the License effective at the end of the then-current Term by giving written notice to Licensor (“Notice to Terminate Without Cause”). To be effective, such notice shall be given no less than three (3) months prior to the end of the then-current Term. It shall be considered cause to immediately terminate the License if Licensor has committed a material breach of the Agreement and Licensor has not cured its breach within thirty (30) days after receiving Licensee’s detailed written Notice of Intent to Terminate for Cause. “Good Standing” shall mean that Licensee has fully performed all of its obligations under the Agreement. Upon the expiration or termination of the License, all license rights granted in this Agreement will immediately cease to exist, all License Fees and other fees accrued through such date shall be due and payable, and Licensee must promptly discontinue all use of the Licensed Software, and return to Licensor or destroy all copies of the Licensed Software and related documentation

in Licensee's possession or control and certify in writing to Licensors that it has fully complied with these requirements. Sections 3, 6, 7, 9, 10, 11, 14, 15, 16, and 17 of this Agreement will survive any expiration or termination of this Agreement; additionally, the license shall survive expiration or termination of this Agreement solely to the extent specified in Section 1.

7. WARRANTY AND DISCLAIMER. Licensors warrants that during the Term of this Agreement, the Licensed Software shall substantially comply with the Functional Specifications set forth in *Exhibit A*, attached hereto and incorporated herein. Except as specifically set forth in this Section 7, Licensors warrants the Licensed Software and the Services "*as is*" and "*with all faults*" and makes no other warranty and expressly disclaims all warranties express, implied and statutory including, but not limited to, the implied warranties of title, merchantability, fitness for a particular purpose, and non-infringement of third party rights. If Licensee provides Licensors with written notice of a breach of this warranty, Licensors will, at its own expense and as its sole obligation and Licensee's exclusive remedy for any breach of this warranty, use commercially reasonable efforts to correct any reproducible error in the Licensed Software reported to Licensors by Licensee in writing or, if Licensors determines that it is unable to correct the error, Licensors will refund to Licensee the portion of License Fees actually paid by Licensee for the Licensed Software for the period of non-performance.

8. INDEMNITY. Licensors shall hold harmless and defend Licensee against any actual or threatened suit brought by a third party based solely on a claim that the use of the Licensed Software by Licensee under this Agreement infringes on any United States patent, copyright or other property right; provided, however, that this indemnity obligation is contingent on Licensee providing Licensors written notice after Licensee becomes aware of any such suit within ten (10) days, permitting Licensors sole control of the defense or settlement thereof, and providing, at Licensors's reasonable expense, reasonable cooperation in the defense or settlement of the suit. Notwithstanding the foregoing, such indemnity obligation will not apply to any actual or threatened suit arising out of: (i) any modification to the Licensed Software made by Licensee without Licensors's prior written consent specifically relating thereto and which caused the alleged infringement, or (ii) Licensee's failure to incorporate free updates or upgrades from Licensors that would have avoided the alleged infringement. In the event that any Licensed Software module is found to infringe, or in Licensors's reasonable opinion, is likely to become the subject of a claim of infringement, Licensors in its sole discretion may either: (a) procure for Licensee the right to continue using the Licensed Software module; (b) replace the Licensed Software module with functionally equivalent software at no extra charge or modify the same so it becomes non-infringing; or (c) refund the amount of the license fees paid by Licensee for the Licensed Software module (less a reasonable allowance

for its use of such). This Section 8 states Licensors's entire liability and Licensee's sole and exclusive remedy for infringement claims.

9. LIABILITY LIMITATIONS. In no event will Licensors be liable for any consequential, indirect, exemplary, special or incidental damages. In no event will Licensors's total cumulative liability to Licensee in connection with this Agreement, the Licensed Software or the Services, whether in contract or tort or otherwise, exceed the amount of License Fees and Service Fees that Licensee paid to Licensors for the Licensed Software.

10. SOURCE CODE ESCROW. Within thirty (30) days after the Effective Date or such other date as mutually agreed in writing by the parties, Licensors will deposit the source code for the Licensed Software into escrow with a mutually acceptable third-party escrow agent, pursuant to the terms of a separate escrow agreement. Promptly after Licensors's release of any update, upgrade or other revision to the Licensed Software that Licensee is entitled to receive under this Agreement, Licensors will deposit updated source code with the escrow agent. Licensee shall not have physical access to any source code deposited under this Section 10 (collectively, "**Deposited Material**"), except as provided in the escrow agreement, which will entitle Licensee to receive a copy of all Deposited Material for the remainder of the Term of the Agreement upon the occurrence of any of the following events: (a) Licensors has terminated business operations or ceased to do business in the normal course; (b) a proceeding is commenced by or against Licensors seeking liquidation, reorganization, receivership or other relief under any bankruptcy or similar law, and such proceeding is not dismissed within sixty (60) days of filing; or (c) Licensors and its successors and assigns cease to make available to Licensee, with respect to the Licensed Software, services comparable to the Monthly Services for a commercially reasonable service fee. Licensors hereby grants Licensee a license to use, reproduce and create derivative works from the Deposited Material after receiving such Deposited Material from the escrow agent, but Licensee may not distribute or sublicense the Deposited Material or make any use of it whatsoever except for such internal use as is necessary to maintain and support the Deposited Material. The Deposited Material constitutes Licensors's Confidential Information protected by Section 11. Licensee shall be responsible for all charges and costs associated with the source code escrow under this Section 10.

11. CONFIDENTIALITY. During the Term of this Agreement, Licensors may disclose to Licensee or Licensee may ascertain from its use of the Licensed Software certain Confidential Information, as defined below. Licensee agrees that it will not make use of, disseminate, or in any way disclose Confidential Information to any person, firm or business, except to the extent necessary for the limited purpose of performance of this Agreement or as otherwise required by applicable law or regulation. Licensee agrees that it shall disclose Confidential Information only to those of its

employees who need to know such information and who the Licensee has made aware of the Confidential Information and has required to treat the Confidential Information confidentially. Licensee agrees that it shall treat all Confidential Information with the same degree of care as it accords to its own confidential information, and Licensee represents that it exercises reasonable care to protect its own confidential information. "Confidential Information" means any non-public or proprietary information Licenser discloses or has disclosed to Licensee, either directly or indirectly, in writing, orally or by inspection of tangible objects, or any information pertaining to the Licensed Software that Licensee ascertains from its use of the Licensed Software, including without limitation, product information and trade secrets. Confidential Information may also include the third-party information disclosed to Licenser under an obligation of confidentiality. Confidential Information, however, shall not include this Agreement, the Technical Services Agreement, or any information which Licensee can establish: (i) was in the public domain at the time of disclosure to Licensee by Licenser; (ii) becomes publicly known after disclosure to Licensee through no action or inaction of Licensee; (iii) is in the Licensee's possession, without confidentiality restrictions, at the time of disclosure to Licensee by Licenser as shown by Licensee's files and records immediately prior to the time of disclosure; or (iv) is disclosed pursuant to the order or requirement of a court, administrative agency, or other governmental body, *provided, however*, that Licensee shall provide prompt notice thereof to Licenser and shall use its reasonable best efforts to obtain a protective order or otherwise prevent public disclosure of such information. Licensee agrees that breach or threatened breach of the provisions of this Section 11 might cause Licenser irreparable injury, for which monetary relief would not provide adequate compensation, and that in addition to any other remedies available, Licenser will be entitled to injunctive relief against such breach or threatened breach, without the necessity of proving actual damages. Licensee agrees not to make any communication to any third-party that would, or is reasonably likely to, disparage, create a negative impression of, or in any way be harmful to the business or business reputation of Licenser, successors and assigns, current and former officers, directors, shareholders, partners, members, employees, agents and consultants (or person acting in a similar capacity) of each of the foregoing.

12. LEGAL COMPLIANCE. Licensee agrees to strictly comply with all laws and regulations applicable to, and all third party agreements for software or hardware used in connection with, its use of the Licensed Software including, but not limited to, export and re-export laws and regulations. Licensee shall indemnify, hold harmless and defend Licenser against any and all liabilities, costs, expenses and damages arising out of Licensee's breach of this Section.

13. FORCE MAJEURE. Failure of Licenser to perform or delay in the performance of its obligations under this Agreement due to any cause or event not reasonably within its control, including but not limited to casualty, labor

disputes, failure of equipment or contracted hosting equipment, compliance with governmental authority or Act of God, shall not constitute a breach of this Agreement, and Licenser's performance shall be excused during such period of delay.

14. LICENSEE'S CLIENT REFERENCE. Licensee approves Licenser identifying Licensee by name as its client with respect to the Licensed Software, in any marketing materials, presentations or other publicity prepared or conducted by Licenser with respect to the Licensed Software or similar Licenser software offerings.

15. NOTICES. Any notice required pursuant to this Agreement shall be given in writing and will be deemed received when delivered in person, by fax with written confirmation of receipt, or by certified mail return receipt requested, to the address set forth for each party below its signature on this Agreement, or to such other address as any party may direct in a written notice given pursuant to this Section 15.

16. ARBITRATION. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules. Notwithstanding the foregoing, either party may immediately bring a proceeding seeking preliminary injunctive relief in a court having jurisdiction thereof which shall remain in effect until a final award is made in the arbitration. The arbitration hearing shall take place in Sacramento, California before a single arbitrator. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

17. GENERAL. This Agreement will be governed by, construed using, and enforced under the laws of the State of California, excluding conflicts of law principles. If any provision of this Agreement is held to be unenforceable, that provision will be removed and the remaining provisions will remain in full force. All waivers must be in a writing signed by the party to be charged. Any waiver or failure to enforce any provision of this Agreement on one occasion will not be deemed a waiver of any other provision or of such provision on any other occasion. This Agreement and all attached schedules and exhibits constitute the final, complete and exclusive statement of the terms of the agreement between the parties relating to the licensing of the Licensed Software to Licensee, and supersedes all prior or contemporaneous agreements, understandings, and communications, whether written or oral. This Agreement shall only be amended by a written document signed by the duly authorized representatives of both parties.

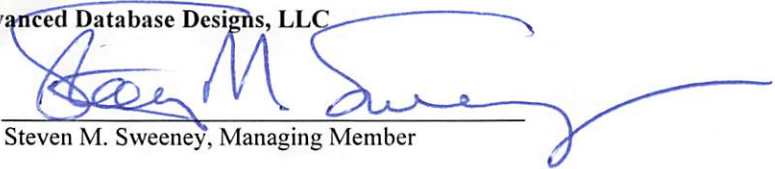
18. STANDARD PROVISIONS. Licensee's standard provisions set forth in *Exhibit B* (the "Standard Provisions"), attached hereto, are incorporated herein by this reference. In the event of any conflict between the Standard Provisions and other terms of this Agreement, the terms of

this Agreement shall control.

IN WITNESS WHEREOF, the parties, through their duly authorized representatives, have executed this Agreement as of the Effective Date.

Licensor:

Advanced Database Designs, LLC

By: 

Steven M. Sweeney, Managing Member

Address for Notice:

2928 Sombrero Circle

San Ramon, California 94583

Attn: Steven M. Sweeney

Fax: (925) 244-1143

Licensee:

Feather River Air Quality Management District

By: 

Christopher D. Brown AICP, APCO

ATTEST:

By: 

LuAnn McKenzie, Administrative Services Officer

APPROVED AS TO FORM:

By: 

Deborah Micheli, District Counsel

Address for Notice:

541 Washington Ave.

Yuba City CA 95991

Attn: Christopher D. Brown AICP, APCO

(530) 634-7659

SCHEDULE 1

Description of Services and Associated Fees

1. The Licensed Software consists of the modules of the PERMITS.PRO™ database software, for enterprise use through a password-protected website user interface, that are specified on *Exhibit A*. PERMITS.PRO™ is a “back-office” database software solution to allow the personnel of an air quality management district, air pollution control district or similar local or tribal government agency to manage and maintain records regarding particular elements of permits, enforcement, document management, communications, reporting and accounting, and other information regarding individuals, businesses and other constituents.

License Duration and License Fees: (Licensee: Check one box only) The license of the Licensed Software:

☐ shall be perpetual. / ☐ shall not be perpetual.

If the box adjoining “shall be perpetual”, or no box, in the immediately preceding sentence is checked, License Fees shall be a one-time payment of \$4,000 paid in advance, prior to the Effective Date.

If the box adjoining “shall not be perpetual” in such sentence is checked, License Fees shall be \$_____ per year of the Term if paid in advance, prior to the Effective Date and each anniversary thereof. However, Licensee may elect to pay non-perpetual License Fees in monthly installments, by giving notice thereof to Licensor, in which case License Fees shall be \$_____ per year of the Term, due and payable each year as follows: \$_____ prior to the Effective Date and each anniversary thereof, and \$_____ no later than the 1st day of each calendar month during each of the following 11 months of each year of the Term. All License Fees must be paid by Licensee, whether or not Licensor provides Licensee with an invoice.

2. **Monthly Services** consist of (a) Maintenance Services and (b) Hosting Services, both of which Licensor shall provide to Licensee during the Term, for a single Annual Service Fee, as further described below.

Maintenance Services consist of maintenance and support services for the Licensed Software, so that the Licensed Software performs substantially in accordance with its Functional Specifications. This shall include remote “help desk” support (by telephone or e-mail) and providing certain updates and upgrades that Licensor develops to the Licensed Software, whether for “bug fixes” or other standardized enhancements that Licensor develops.

Hosting Services consist of Licensor hosting the website that comprises and operates the Licensed Software (the “Website”), installed upon server(s) by Licensor, for use by Licensee’s personnel, and providing electronic storage of Licensee’s data created, maintained or otherwise used by the Licensed Software (the “Data”). Licensor shall maintain a complete and current copy of the Website and Data on backup server(s) at a remote location that will be activated within a commercially reasonable time upon interruption in service of the primary server(s), to avoid interruption of public access to the website. Licensee shall register (and retain all ownership rights to) its chosen domain name with the applicable registrar and shall coordinate with Licensor to ensure Licensor has appropriate authorizations with the registrar to facilitate operating the website using such domain name. During any period that Licensor provides Hosting Services, (a) Licensee hereby grants to Licensor a non-exclusive, non-sublicensable, royalty-free, worldwide license to reproduce, distribute, publicly perform, publicly display and digitally perform the Data only in conjunction with hosting the Website, and (b) Licensee shall not post or otherwise distribute to the Website any Data or other content that (i) infringes the intellectual property, privacy, publicity or other rights of any third party; (ii) violates any law, statute, ordinance or regulation (including without limitation, laws and regulations regarding export control, unfair competition, antidiscrimination or false advertising); (iii) is defamatory, trade libelous, unlawfully threatening or unlawfully harassing; (iv) is obscene, indecent or contains child pornography; or (v) contains any viruses, trojan horses, worms, time bombs, cancelbots or other computer programming routines that are intended to damage, detrimentally interfere with, surreptitiously intercept or expropriate any system, data or personal information. Licensor does not review any Data or other content posted or otherwise distributed to the Website by Licensee or its personnel, but Licensor reserves the right to delete, remove, modify or edit any such Data or content it determines, in its sole discretion to violate the terms of this Agreement.

Hosting Services shall conform to the following standards: the Website and Data shall be available to credentialed users a minimum of 97% of the time during any calendar month (excluding scheduled and/or emergency maintenance periods), and there will be no period of interruption in accessibility that exceeds 8 continuous hours.

Upon Licensee's written request within 90 days, after expiration or termination of the Term, Licensor shall provide one complete current copy of the Website (in encrypted object code form) and the Data to Licensee, in a customary electronic medium.

Annual Service Fees shall be paid in advance prior to the Effective Date, upon receipt of an invoice provided by Licensor:

- a) From January 1, 2020 through June 30, 2020 the fees shall be \$6,000.
- b) Beginning July 1, 2020 the fees shall be \$12,000 annually and each anniversary thereof.

3. **Technical Services** are as set forth in the Technical Services Agreement.

All late payments of any fees shall be subject to an interest charge of 10% per annum or the maximum rate allowed by law, whichever is lower, from the date due until paid.

EXHIBIT A

Functional Specifications

The purpose of the PERMITS.PRO™ software is to provide a web-deployed environment to store the following “core” types of data normally administered in an air quality district:

- 1) Owners of Facilities
- 2) Facilities, or addresses, to which Permits are assigned
- 3) Permits, including calculation, renewal, and revocation, as necessary
- 4) Sources, which describe one or more pollution sources that make up a Permit
- 5) Equipment, which describe one or more pieces of equipment within each Source
- 6) Components, which describe various sub-components within specific pieces of Equipment

In addition to the core data, this software will track the Inspections associated with each Permit, so that multiple Inspections can be made to any Permit from the field.

This software also contains a basic enforcement section which allows for the tracking of Complaints, and Investigation(s) of those Complaints, that occur from time to time in an air district.

At times, an Inspection or an Investigation will yield a “Notice of Violation” (NOV) which can be tracked in the software.

The software also allows for the creation of Burn Permits (BP) that can be created by office staff, or Fire Districts, or both, as required by the Licensee.

This web-deployed software will provide a portal to store documents and photos online in order to allow office and field personnel to have access to those documents contemporaneously.

The PERMITS.PRO™ software has provisions for reporting on various aspects of the data, with a basic set of reports that were designed for the Mendocino County Air Quality Management District. The Licensee may contract with Licensor to upgrade and/or migrate those reports as a starting point to creating reports specific for the Licensee’s district.

The software allows for multiple users, multiple Groups to which users are assigned, and multiple Menu choices that are assigned to each Group. In so doing, the Licensee can have some degree of control as to which users can operate which menu choices. Configuration to the Licensee’s personnel and normal business operations is billed on an hourly basis, as needed.

Backup of data and file occurs on a nightly basis on separate offsite device(s). The Licensee has full rights to a copy of its data on a nightly basis.

The PERMITS.PRO™ software has provisions for an Accounts Receivable module, used for tracking client charges and payments. This includes a receipt tracking module to sequentially number receipts to be used for auditing purposes.

EXHIBIT B

Standard Provisions

Insurance Requirements:

Licensors, at its sole cost and expense, shall obtain and maintain in full force during the term of this Agreement, the following types of insurance:

Automobile Liability Insurance – This coverage to include owned, non-owned, and hired vehicles. The policy shall have combined single limits for bodily injury and property damage of not less than one million dollars (\$1,000,000).

Commercial General Liability Insurance – This coverage to include combined single limit bodily injury and property damage of not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) in the aggregate.

Workers' Compensation Insurance – A program of Workers' Compensation Insurance or a state approved self-insurance program in an amount or form to meet all applicable requirements of the California Labor Code. The insurance shall include Employer's Liability with one million dollar (\$1,000,000) limits.

Additional Named Insured – All policies, except for Workers' Compensation, shall contain additional endorsements naming Licensee and its officers, employees, agents and volunteers as additional named insureds with respect to liabilities arising out of the performance of services hereunder.

Proof of Coverage – Licensors shall furnish certificates of insurance evidencing the insurance coverage prior to execution of the Agreement. The certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice. Licensors shall maintain such insurance from the time it commences performance of services hereunder until the completion of such services. Failure to provide these documents shall be grounds for immediate termination or suspension of this Agreement and shall be considered a breach of Agreement.

Additional Indemnity:

To the extent permitted by law, Licensors agrees to indemnify, defend and hold harmless Licensee from and against any and all claims, actions, demands, liabilities, damages, losses, and expenses of whatever kind, which are caused in whole or in part by any willful misconduct or gross negligence of Licensors, or anyone acting under Licensors' direction in connection with or incident to the services provided hereunder, occurring on Licensee's premises, unless the same be caused by the sole or concurrent gross negligence or willful misconduct of Licensee.

Legal Compliance:

Licensors shall comply with all federal, state and local laws and regulations pertinent to its operation and shall keep in effect any and all licenses, permits, notices and certificates as are required.

Non-Discrimination Policy:

Licensors will not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin, or disability except where religion, sex or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of Licensors. Licensors will post in conspicuous places, available to employees and applicants for employment, notices setting forth nondiscrimination practices. Licensors will state, in all solicitations or advertisements for employees placed by or on behalf of Licensors, that it is an equal opportunity employer. Notices, advertisements, and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient to meet this requirement.