

CONTRACT

**Snohomish County
&
ASIX, Incorporated**

Comprehensive Appraisal, Assessment And Treasury System

December 16, 1998

INDEX TO GENERAL CONDITIONS OF CONTRACT

<u>Section</u>	<u>Title</u>	<u>Page</u>
2.14.1	Identity of Parties	2
2.14.2	Scope of Services	2
2.14.3	Certification Of Funds And Budget And Fiscal Provisions	3
2.14.4	Term of Agreement	3
2.14.5	Definitions	3
2.14.6	Contractor's Services	4
2.14.7	Accounting and Payment for Contractor Services	4
2.14.8	Modifications	5
2.14.9	Assignment and Subcontracting	5
2.14.10	Independent Contractor	6
2.14.11	No Guarantee of Employment	6
2.14.12	Mutual Non-Solicitation	6
2.14.13	Taxes	7
2.14.14	Regulations and Requirement	7
2.14.15	Right to Review	7
2.14.16	Termination By County For Default	7
2.14.17	Termination By Contractor For Default	8
2.14.18	Termination for Public Convenience	8
2.14.19	Withholding Payment	8
2.14.20	Defense & Indemnity Agreement	8
2.14.21	Industrial Insurance Waiver	9
2.14.22	Venue and Choice of Law	9
2.14.23	Patent/Copyright Infringement	9
2.14.24	Disputes	10
2.14.25	Ownership of Items Produced	10
2.14.26	Confidentiality	10
2.14.27	Notice	11
2.14.28	Waiver	12
2.14.29	Quiet Possession and Usage	12
2.14.30	Source Code	12
2.14.31	Implementation Team	13
2.14.32	Limitation of Liability	13
2.14.33	Year 2000 Compliance Warranty	14
2.14.34	(Section Deleted - but left in to maintain numbering sequence of other sections.)	14
2.14.35	Subpoena	14
2.14.36	Publicity	14
2.14.37	Severability	14
2.14.38	Survival	15
2.14.39	Exhibits	15
2.14.40	Entire Agreement	15
	Contract Signatures	16

THIS AGREEMENT is entered this December 16, 1998 by and between Snohomish County (COUNTY), a charter County of the State of Washington, and ASIX, Incorporated ("CONTRACTOR"):

2.14.1 Identity of Parties

ASIX, Incorporated, ("CONTRACTOR") is a Corporation duly and validly existing in good standing under the laws of the State of Washington, and is duly qualified to own its properties and carry on its business.

Snohomish County is a County government duly and validly organized and existing under the laws of the State of Washington and is duly qualified to own properties and perform municipal functions.

2.14.2 Scope of Services

This Agreement is awarded by COUNTY pursuant to the success of ASIX, Incorporated in its "Confidential Proposal In Response to Snohomish County Washington RFP-02-98 issued April 6, 1998", dated April 24, 1998, which is by this reference incorporated herein, and which shall hereafter be referred to as "CONTRACTOR's Response to RFP No. 02-98".

ASIX, Incorporated is a provider of computerized automation systems. ASIX, Incorporated has submitted a Proposal to Snohomish County for a COMPUTER AIDED MASS APPRAISAL, REAL AND PERSONAL PROPERTY ASSESSMENT ADMINISTRATION, AND TAX BILLING AND COLLECTION COMPUTER SYSTEM comprised of software to be installed, implemented, and supported at the COUNTY's location.

The COUNTY desires to have ASIX, Incorporated install and support The System at the COUNTY's business location. The COUNTY wishes to obtain The System by purchasing licenses to use certain software, and engaging the services of ASIX, Incorporated.

2.14.2.1 Structure of Contract

The parties are entering into this Agreement, which provides for the initial acquisition, installation, and maintenance support for one year of The System by ASIX, Inc. and its subcontractor, ProVal Corporation. This will be known as "Phase One" of the Scope of Services. Once Phase One work is complete, the parties will commence with "Phase Two" of the Scope of Work, which will consist of annual maintenance support of The System by ASIX, Inc., and ProVal Corporation.

During Phase One, the parties shall be bound by the terms and conditions of this Agreement in its entirety.

During Phase Two, the parties shall continue to be bound by the terms and conditions of this Agreement which shall prevail, minus its Exhibits A through C. Annual maintenance support will be provided by the parties annually renewing Master Software License and Support Agreements with ASIX, Inc., annually renewing ProVal

Corporation's Master Software License and Support Agreement, and annually renewing ProVal Corporation's Source Code Escrow Agreement.

2.14.3 Certification Of Funds And Budget And Fiscal Provisions

2.14.3.1

This Agreement is subject to the budget and fiscal provisions of the County of Snohomish.

2.14.3.2

This Agreement will terminate without penalty at the end of any fiscal year in which funds are not appropriated for the following fiscal year. If funds are appropriated by the COUNTY for payment under this Agreement for a portion of the following fiscal year, this Agreement will terminate, without penalty, at the end of the term for which funds are appropriated. Termination will be handled in the manner specified in Section 2.14.17 Termination by CONTRACTOR for Default.

2.14.3.3

This Section 2.14.3 controls against any and all other provisions of the Agreement.

2.14.3.4

Payment under this Agreement shall be as provided in Section 2.14.6 CONTRACTOR's Services.

2.14.4 Term Of Agreement

This Agreement shall be for a term of one (1) year beginning on the date of execution by all parties. The Agreement may be extended on a year-to-year basis at the sole option of the COUNTY. Annual extensions shall be effective automatically for five years unless a written notice of cancellation from the COUNTY Department of Information Services is received by CONTRACTOR at least 90 days prior to the end of the annual effective date. This term in no way affects the COUNTY's ownership of hardware purchased under this Agreement.

2.14.5 Definitions

2.14.5.1

Definition of System:

The subject matter of this Agreement is a COMPREHENSIVE APPRAISAL, ASSESSMENT AND TREASURY SYSTEM ("The System") to be provided by ASIX, Incorporated. The System is comprised of the software, accompanying documentation, and services set forth in Exhibit A.

2.14.5.2

Definition of Standard Software:

"Standard Software" means executable applications or system software products which are purchased in an "off-the-shelf" manner without modification to the source code of the application. "Standard software" shall include products such as the non-proprietary operating systems, and any substitute or additional applications or operating systems consistent with meeting , or exceeding the functionality as stated in CONTRACTOR's Response to RFP No. 02-98 which may be acquired

by COUNTY from ASIX, Incorporated. Standard software may require extensive modification and configuration at levels other than the source code level prior to its use in business applications.

2.14.5.3

Definition of Custom Software:

"Custom software" means application products which are modified in a material way at the source code level prior to their normal use by the COUNTY.

2.14.5.4

Definition of Services:

"Services" means the labor performed by ASIX, Incorporated or its sub-contractors identified in Exhibits A-F, and any substitute or additional services, consistent with meeting , or exceeding the CONTRACTOR's representations as stated in CONTRACTOR's Response to RFP No. 02-98.

2.14.6

CONTRACTOR's Services

In consideration of the sum of **\$1,449,172** as stated in Exhibit C, ASIX, Incorporated agrees to provide to the COUNTY all services, software, and any materials set forth in Exhibits A-F of this Agreement for the COMPREHENSIVE APPRAISAL, ASSESSMENT AND TREASURY SYSTEM. The Support Services will be provided during the term of the Agreement as stated in Exhibits D-F.

ASIX, Incorporated shall be the Prime Contractor under this Agreement with respect to all services, software products and the COMPREHENSIVE APPRAISAL, ASSESSMENT AND TREASURY SYSTEM application software set forth in Exhibits A-F. It is understood that ASIX, Incorporated will subcontract with ProVal Corporation to provide the Computer Aided Mass Appraisal (CAMA), portion of the COMPREHENSIVE APPRAISAL, ASSESSMENT AND TREASURY SYSTEM. CONTRACTOR shall remain solely responsible for all performance under this Agreement with respect to all services as set forth in Exhibits A-F.

Subcontractor's address is:

ProVal Corporation
33 East High Street
PO Box 1768
Springfield, OH 45501
Phone: (513) 324-2515
FAX: (513) 324-2334

2.14.7

Accounting and Payment for CONTRACTOR Services, and Cooperative Purchasing

2.14.7.1

Each party's "Contract Administrators" under this Agreement shall be:

COUNTY

CONTRACTOR

Ronald C. Knight, Applications Manager Kurt Wagner, President & CEO

Each party may change its designated Contract Administrator by written notice signed by its current Contract Administrator or Contracting Officer delivered to the other party.

2.14.7.2

Each party's "Contracting Officer" under this Agreement shall be the individual or official who executes this Agreement or that individual's or official's designee.

2.14.7.3

Payment to the CONTRACTOR for services rendered under this Agreement shall be as set forth in Exhibit C. Where Exhibit C requires payments by Snohomish County, payment shall be based upon billings, supported unless otherwise provided in Exhibit C, by documentation of units of work actually performed and amounts earned, including where appropriate, the actual number of days worked each month, total number of hours for the month, and the total dollar payment requested. Unless specifically stated in Exhibit C or approved in writing in advance by the COUNTY's Contracting Officer, the COUNTY will not reimburse the CONTRACTOR for any costs or expenses incurred by the CONTRACTOR in the performance of this contract.

Where required, the COUNTY shall, upon receipt of appropriate documentation, compensate the CONTRACTOR, no more often than monthly, through the COUNTY voucher system for the CONTRACTOR's service pursuant to the fee schedule set forth in Exhibit C. CONTRACTOR invoices are due in full within 30 days of receipt of invoice. The COUNTY shall notify the CONTRACTOR of any invoice disputes within 15 business days of receipt of invoice.

2.14.7.4 Cooperative Purchasing

The Washington State Interlocal Cooperative Act RCW 39.34 provides a means for governmental agencies to cooperatively purchase goods and services. The CONTRACTOR agrees that other Washington State municipalities and agencies may, at their option, procure CONTRACTOR products under terms equivalent to this Agreement.

2.14.8 Modifications

Either party may request modifications in the Agreement. Any agreed modification which does not increase the total amount payable under the contract will become effective only when approved in writing by each party's designated Contract Administrator. Any modification which does increase the total amount payable must be agreed to in writing and fully executed as an amendment to this contract by the Contracting Officers with all the formalities of the original.

2.14.9 Assignment and Subcontracting:

With the prior written consent of the COUNTY's Contract Administrator, which consent shall not be unreasonably withheld, the CONTRACTOR may assign this Contract including the proceeds hereof: PROVIDED that such assignment shall not operate to relieve the CONTRACTOR of any of its duties and obligations hereunder, nor shall such assignment affect any remedies available to the COUNTY that may arise from any breach of the sections of this Contract, its supplements, or warranties made herein including but not limited to, rights of set off.

2.14.9.1

This contract or any portion thereof may not be excluded from any acquisition or assignment of CONTRACTOR in whole or in part, or any assets of CONTRACTOR related to the performance of this contract. Should any such acquisition or assignment take place, the COUNTY still retains the right to refuse assignment of this contract per provisions above.

2.14.9.2

With the prior written consent of the CONTRACTOR, which consent shall not be withheld unreasonably, the COUNTY may assign this Contract to any public agency, commission, board, or the like, within the political boundaries of the state of Washington: PROVIDED that such assignment shall not operate to relieve the CONTRACTOR of any of its duties and obligations hereunder.

2.14.10 Independent Contractor

The CONTRACTOR's services shall be furnished by the CONTRACTOR as an independent Contractor and nothing herein contained shall be construed to create a relationship of employer-employee or master-servant. All payments made hereunder and all services performed shall be made and performed pursuant to this Agreement by the CONTRACTOR as an independent Contractor.

The CONTRACTOR acknowledges that the entire compensation for this Agreement is specified in Exhibit C, and the CONTRACTOR is not entitled to any COUNTY benefits including, but not limited to: vacation pay, holiday pay, sick leave pay, medical, dental, or other insurance benefits, or any other rights or privileges afforded to Snohomish COUNTY employees. The CONTRACTOR represents that it maintains a separate place of business, serves clients other than the COUNTY, will report all income and expense accrued under this contract with the Internal Revenue Service on a Schedule C, and has a tax account with the State of Washington Department of Revenue for payment of all sales and use and Business and Occupation taxes collected by the State of Washington.

CONTRACTOR will defend, indemnify and hold harmless the COUNTY, its officers, agents or employees from any loss or expense, including but not limited to settlements, judgments, set-offs, attorneys' fees or costs incurred by reason of claims or demands because of breach of the provisions of this paragraph.

2.14.11 No Guarantee of Employment

The performance of all or part of this contract by the CONTRACTOR shall not operate to vest any employment rights whatsoever and shall not be deemed to guarantee any employment of the CONTRACTOR or any employee of the CONTRACTOR or any subcontractor or any employee of any subcontractor by the COUNTY at the present time or in the future.

2.14.12 Mutual Non-Solicitation

The COUNTY agrees not to approach or solicit for employment in any way CONTRACTOR's employees while this contract is in force, or for 12 months thereafter. The CONTRACTOR agrees not to hire, solicit, or accept solicitation for the services, through employment or other means, of any COUNTY employee while this contract is in force, or for 12 months thereafter.

2.14.13 Taxes

The CONTRACTOR understands and acknowledges that the COUNTY will not withhold Federal or State income taxes. Where required by State or Federal law, the CONTRACTOR authorizes the COUNTY to make withholding for any taxes other than income taxes (i.e., Medicare). All compensation received by the CONTRACTOR will be reported to the Internal Revenue Service at the end of the calendar year in accordance with the applicable IRS regulations. It is the responsibility of the CONTRACTOR to make the necessary estimated tax payments throughout the year, if any, and the CONTRACTOR is solely liable for any tax obligation arising from the CONTRACTOR's performance of this Agreement. The CONTRACTOR hereby agrees to indemnify the COUNTY against any demand to pay taxes arising from the CONTRACTOR's failure to pay taxes on compensation earned pursuant to this Agreement.

The COUNTY will pay sales and use taxes imposed on goods or services acquired hereunder as required by law. The CONTRACTOR must pay all other taxes including, but not limited to: Business and Occupation Tax, taxes based on the CONTRACTOR's gross or net income, or personal property to which the COUNTY does not hold title. The COUNTY is exempt from Federal Excise Tax.

2.14.14 Regulations and Requirement

This Agreement shall be subject to all laws, rules, and regulations of the United States of America, the State of Washington, and political subdivisions of the State of Washington. CONTRACTOR, its agents, employees or subcontractors shall conform in all respects with physical, fire or other published security regulations while on the COUNTY's premises.

2.14.15 Right to Review

The CONTRACTOR agrees that an authorized representative of the COUNTY shall, until the expiration of three (3) years after contract termination and upon reasonable notice, have access to and the right to examine any pertinent books and records of the CONTRACTOR involving transaction(s) related to the performance of this contract.

2.14.16 Termination by COUNTY for Default

Any of the following occurrences shall constitute grounds for the COUNTY, at its option, to terminate the Agreement for default: if the CONTRACTOR fails to perform any of the obligations of the contract, or becomes insolvent, or is declared bankrupt, or commits any act of bankruptcy or insolvency, or makes an assignment for the benefit of creditors. The COUNTY may, if the CONTRACTOR has not cured following a thirty (30) day notice, by depositing written notice to the CONTRACTOR in the U.S. mail, postage prepaid, terminate the contract for default, and at the COUNTY's option, obtain performance of the work elsewhere.

If a notice of termination for default has been issued and it is later determined for any reason that the CONTRACTOR was not in default, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to the Termination for Public Convenience paragraph hereof.

2.14.17 Termination by CONTRACTOR for Default

If the COUNTY violates any material term or condition of this Contract or fails to fulfill in a timely and proper manner its obligations under this Contract, then the CONTRACTOR shall give the COUNTY written notice of such failure or violation. The COUNTY will correct the violation or failure within thirty (30) calendar days or as otherwise mutually agreed. If the failure or violation is not corrected the Contract may be terminated immediately by written notice from the CONTRACTOR to the COUNTY. The option to terminate shall be at the sole discretion of the CONTRACTOR.

2.14.18 Termination for Public Convenience

The COUNTY may terminate the contract in whole or in part whenever the COUNTY determines, in its sole discretion, that such termination is in the interests of the COUNTY. Whenever the contract is terminated in accordance with this paragraph, the CONTRACTOR shall be entitled to payment for actual work performed at unit contract prices for completed items of work. An equitable adjustment in the contract price for partially completed items of work will be made, but such adjustment shall not include provision for loss of anticipated profit on deleted or uncompleted work. Termination of this contract by the COUNTY at any time during the term, whether for default or convenience, shall not constitute a breach of contract by the COUNTY.

2.14.19 Withholding Payment

In the event the COUNTY's Contract Administrator determines that the CONTRACTOR has failed to perform any obligation under this Agreement within the times set forth in this Agreement, then the COUNTY may withhold from amounts otherwise due and payable to CONTRACTOR the amount determined by the COUNTY as necessary to cure the failure to perform, until the COUNTY's Contract Administrator determines that such failure to perform has been cured. To the extent that the disputed obligation does not impede the progress or completion of other obligations, the amount that can be withheld by COUNTY is limited to the amount specified for that obligation in the Payment Schedule specified in Exhibit C. Withholding under this clause shall not be deemed a breach entitling CONTRACTOR to termination or damages, provided that the COUNTY promptly gives notice in writing to the CONTRACTOR of the nature of the default or failure to perform, and in no case more than 10 days after it determines to withhold amounts otherwise due. A determination of the COUNTY's Contract Administrator set forth in a notice to the CONTRACTOR of the action required and /or the amount required to cure any alleged failure to perform shall be deemed conclusive, except to the extent that the CONTRACTOR acts within the times and in strict accord with the provisions of the Disputes clause of this Agreement. The COUNTY may act in accordance with this clause, without prejudice to any other remedy.

2.14.20 Defense & Indemnity Agreement

CONTRACTOR will defend, indemnify and save harmless the COUNTY, its appointed and elective officers, employees and agents from and against all loss or expense, including but not limited to judgments, settlements, reasonable attorney's fees and costs by reason of any and all claims and demands upon the COUNTY, its elected or appointed officials or employees for damages because of personal or bodily injury, including death at any time resulting therefrom, sustained by any person or persons and on account of damage to property including loss of use thereof, by reason of or in connection with the performance of this Agreement or any intentional, willful, or negligent act, error or omission of CONTRACTOR, CONTRACTOR's employees,

agents or subcontractors whether such injury to persons or damage to property is due to the negligence of CONTRACTOR, its subcontractors, successor or assigns, or its or their agents, servants, or employees, except only such injury or damage as will have been occasioned by the sole negligence of the COUNTY, its appointed or elected officials or employees.

It is further provided that no liability will attach to the COUNTY by reason of entering into this Agreement, except as expressly provided herein.

2.14.21 Industrial Insurance Waiver

CONTRACTOR shall obtain and maintain continuously, at its own expense, general occurrence form liability insurance with limits of liability not less than \$1,000,000.00 each occurrence. Carrier is subject to approval by COUNTY. Such insurance shall include "Snohomish County, its officers, elected officials, agents and employees" as an additional insured and shall not be reduced or canceled without thirty (30) days written prior notice to the COUNTY. CONTRACTOR shall provide to COUNTY for review and approval, a duplicate of the policy as evidence of insurance protection provided, as a condition precedent to execution of this contract.

Such insurance, in its provision for additional insured, shall include a "Cross Liability Endorsement", "Severability of Interests", or "Separation of Insureds" provision indicating:

"The inclusion of more than one insured under this policy shall not affect the rights of any insured as respects any claim, suit, or judgment made or brought by or for any other insured or by or for any employee of any other insured. The policy shall protect each insured in the same manner as though a separate policy had been issued to each except that nothing herein shall operate to increase the company's liability beyond the amount or amounts for which the insurer would have been liable had only one insured been named."

With respect to the performance of this Agreement and as to claims against the COUNTY, its officers, agents and employees, the CONTRACTOR expressly waives its immunity under Title 51 of the Revised Code of Washington, the Industrial Insurance Act, for injuries to its employees and agrees that the obligations to indemnify, defend and hold harmless provided in this Agreement extend to any claim brought by or on behalf of any employee of the CONTRACTOR. This waiver is mutually negotiated by the parties to this Agreement.

2.14.22 Venue and Choice of Law

In the event that any litigation should arise concerning the construction or interpretation of any of the terms of this Agreement, the venue of such action of litigation shall be in the courts of the State of Washington in and for the COUNTY of Snohomish. CONTRACTOR specifically consents to personnel and subject jurisdiction of said court. This Agreement shall be governed by the laws of the State of Washington.

2.14.23 Patent/Copyright Infringement

CONTRACTOR will defend and indemnify the COUNTY from any claimed action, cause or demand brought against the COUNTY, to the extent such action is based on the claim that products furnished hereunder by the CONTRACTOR infringes any U.S. or Canadian patent or copyright. The

CONTRACTOR will pay those costs and damages attributable to any such claims that are finally awarded against the COUNTY in any action. Such defense and payments are conditioned upon the following:

2.14.23.1

That CONTRACTOR shall be notified promptly in writing by COUNTY of any notice of such claim.

2.14.23.2

CONTRACTOR shall have the right, in the event such claim of infringement, is made, at its option and expense, to obtain for the COUNTY the right to continue using the products, or replace or modify the Products so that they become non infringing provided no reduction in performance or loss results to the COUNTY.

2.14.23.3

CONTRACTOR shall not have any liability if the alleged infringement is based upon the COUNTY's use or sale of CONTRACTOR-furnished products, in combinations with other products or devices not furnished by the CONTRACTOR, or modifications made by the COUNTY or by the CONTRACTOR to the COUNTY's specifications, if such combinations or modifications cause the products furnished by CONTRACTOR to become infringing.

2.14.24 Disputes

Time is of the essence in this Agreement. Differences between the CONTRACTOR and the COUNTY, arising under and by virtue of the Contract Documents shall be brought to the attention of the CONTRACTOR and the COUNTY at the earliest possible time in order that such matters may be settled or other appropriate action promptly taken. CONTRACTOR and the COUNTY will make best efforts to resolve any disputes in a timely manner.

2.14.25 Ownership of Items Produced

All writings, programs, data, public records or other materials prepared by the CONTRACTOR and/or its consultants or subcontractors, in connection with performance of this Agreement shall be the sole and absolute property of the COUNTY. This paragraph does not apply to application software offered or any documentation related to application software for sale, license or lease to other customers, nor to systems software.

2.14.26 Confidentiality

The CONTRACTOR, its employees, subcontractors, and their employees shall maintain the confidentiality of all information provided by the COUNTY or acquired by the CONTRACTOR in performance of this Agreement, except upon the prior written consent of the Snohomish COUNTY Prosecuting Attorney or an order entered by a court after having acquired jurisdiction over the COUNTY. CONTRACTOR shall immediately give to the COUNTY notice of any judicial proceeding seeking disclosure of such information. CONTRACTOR shall indemnify and hold harmless the COUNTY, its officials, agents or employees from all loss or expense, including, but not limited to settlements, judgments, set-offs, reasonable attorneys' fees and costs resulting from CONTRACTOR's breach of this provision.

This section does not impose any obligation on the CONTRACTOR if the information is: (1) publicly known at the time of disclosure; (2) already known to the receiving party at the time it is furnished to the CONTRACTOR; (3) furnished by the COUNTY to others without restrictions on its use or disclosure; or (4) independently developed by the receiving party without use of the proprietary information.

2.14.27 Notice

Except as set forth elsewhere in the Agreement, for all purposes under this Agreement, except service of process, notice will be given by CONTRACTOR to the COUNTY's Contract Administrator, with copy to the COUNTY's Purchasing Department at the addresses stated below. Notice to CONTRACTOR for all purposes under this Agreement will be given to CONTRACTOR's Contract Administrator at the address stated below. Notice may be given by delivery or by depositing in the US Mail, first class, postage prepaid. All notices will be deemed to have been given upon mailing of the notice by certified mail return receipt requested to the respective party addressed as specified in this section. Either party may change the address, fax number, or the person to whom the notice is to be directed by forwarding to the other party a notice which complies with this section.

COUNTY's Contract Administrator's Address:

SNOHOMISH COUNTY INFORMATION SERVICES

Ronald C. Knight, Applications Manager
3000 Rockefeller Avenue, M/S #709
Everett, WA 98201-4046
Phone: (425) 388-3668
FAX: (425) 388-3999

Copy To:

SNOHOMISH COUNTY PURCHASING DEPARTMENT

David Gibson, Purchasing Manager
2nd Floor Administration Annex, M/S #507
3000 Rockefeller Avenue
Everett, WA 98201-4046
Phone: (425) 388-3329
FAX: (425) 388-3931

CONTRACTOR'S Contract Administrator's address:

ASIX, Inc.

Kurt Wagner, President & CEO
777 108th Ave. N.E., Suite 1830
Bellevue, WA 98004-5118
Phone: (425) 635-0709
FAX: (425) 635-0809

2.14.28 Waiver

Waiver of any breach or condition of this contract shall not be deemed a waiver of any prior or subsequent breach. No term or condition of this contract shall be held to be waived, modified or deleted except by an instrument, in writing, signed by the parties hereto.

2.14.29 Quiet Possession and Usage

The COUNTY upon paying the amounts due hereunder and performing all other covenants, terms and conditions on its part to be performed hereunder, may and will peacefully and quietly have, hold, possess, and enjoy the COMPREHENSIVE APPRAISAL, ASSESSMENT AND TREASURY SYSTEM for the term provided without suit, molestation or interruption.

CONTRACTOR hereby grants to COUNTY a perpetual non-exclusive license to use the CONTRACTOR's software delivered pursuant to this Agreement subject to compliance by COUNTY with all of its Agreements and contracts with CONTRACTOR, but regardless of COUNTY's exercise of its options to continue or renew the maintenance and upgrade Agreement as set out in Section 2.14.2 Scope of Services. CONTRACTOR shall retain full and perpetual ownership rights to the software, with COUNTY having only those rights specifically provided in writing by this Agreement. COUNTY hereby acknowledges that the same or similar software may be sold, licensed or leased by CONTRACTOR to other users or agents.

The license of the software by CONTRACTOR to the COUNTY includes a clear license to the software with a perpetual non-exclusive right of the COUNTY to use the software in the COUNTY's jurisdiction. The COUNTY may install CONTRACTOR's software on one or more servers as required to meet the COUNTY's needs.

CONTRACTOR hereby agrees to permit COUNTY to make copies of the software for backup purposes. COUNTY hereby agrees not to make copies for sale, distribution, or any purpose other than its own internal use. COUNTY may not sell, lease, transfer, assign, or license the software to a third party without prior written permission from CONTRACTOR.

COUNTY agrees not to remove statements of copyrights, trade secrets, or proprietary rights which appear in the software or documentation. COUNTY also agrees to take such reasonable steps as required or requested by CONTRACTOR from time to time in order to protect CONTRACTOR's rights in the software.

2.14.30 Source Code

With the exception of all software provided by Subcontractor, CONTRACTOR agrees to include all source code with any and all deliveries of COUNTY COMPREHENSIVE APPRAISAL, ASSESSMENT AND TREASURY SYSTEM on media compatible with the COUNTY installation. With the exception of all software provided by Subcontractor, the COUNTY shall have the right to access COUNTY COMPREHENSIVE APPRAISAL, ASSESSMENT AND TREASURY SYSTEM source code in the event CONTRACTOR withdraws support for its COUNTY COMPREHENSIVE APPRAISAL, ASSESSMENT AND TREASURY SYSTEM for any reason. In such event, the COUNTY shall have the right to access and to make changes or

modifications needed for the continued operation of the system. Additionally in such event, CONTRACTOR will provide to COUNTY all system documentation, statements of principles of operation, and schematics in CONTRACTOR's possession, all as necessary or useful for the effective understanding and use of the Source Code by a trained computer programming expert familiar with the developing environment utilized by the Software. Source code terms and conditions pertaining to all software provided by Subcontractor are listed in Exhibit F, and are subject to renewal as set out in Section 2.14.2 Scope of Services.

2.14.31 Implementation Team

The personnel listed in the CONTRACTOR implementation team(s) may not be changed without the COUNTY's permission, which shall not be unreasonably withheld. The team members will be mutually agreed upon and listed as the first implementation task following the signing of this contract.

2.14.32 Limitation of Liability

Except as provided in other sections of this agreement, the parties agree that neither the CONTRACTOR nor the COUNTY shall be liable to each other, regardless of the form of action, for consequential, incidental, indirect or special damages except a claim or demand based on patent or copyright infringement, in which case liability shall be as set forth elsewhere in this Contract. This section does not modify any sections regarding retainages or any other such conditions as are elsewhere agreed to herein between the parties.

2.14.32.1

Neither the CONTRACTOR nor the COUNTY shall be liable for damages arising from causes beyond the reasonable control and without the fault or negligence of either the CONTRACTOR or the COUNTY. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of a governmental body other than COUNTY acting in either its sovereign or contractual capacity, war, explosions, fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the delays must be beyond the reasonable control and without fault or negligence of the CONTRACTOR, the COUNTY, or their respective Subcontractors.

2.14.32.2

If delays are caused by a Subcontractor without its fault or negligence, neither the CONTRACTOR nor the COUNTY shall be liable for damages for delays, unless the Equipment, Software, or Services to be furnished by their Subcontractors were obtainable on comparable terms from other sources in sufficient time to permit the CONTRACTOR or the COUNTY to meet its required performance schedule.

2.14.32.3

Neither party shall be liable for personal injury to the other party or physical damage to the other party's property except personal injury or damage to property proximately caused by such party's respective fault or negligence.

2.14.32.4

Except for claims of personal injury and breaches of confidentiality obligations contained in this Contract, CONTRACTOR and COUNTY liability for all damages shall not exceed the total value of this Contract.

2.14.33 Year 2000 Compliance Warranty

CONTRACTOR warrants fault free performance in the processing of date and date related data including, but not limited to calculating, comparing, and sequencing by all Software provided pursuant to this Contract, individually and in combination. SUBCONTRACTOR also warrants fault free performance in the processing of date and date related data including, but not limited to calculating, comparing, and sequencing by all Software provided pursuant to this Contract, individually and in combination. Fault free performance shall include the manipulation of this data when dates are in the 20th or 21st centuries and shall be transparent to the user. Failure to comply with these Year 2000 requirements shall entitle COUNTY to a refund of the initial license fee(s) prorated over the useful life of the system, defined by the parties as 5 years. While CONTRACTOR and SUBCONTRACTOR have no liability for any failure to comply with this provision that is caused solely by failure of an interconnected third party product to be Year 2000 compliant, they both warrant that they will make all reasonable and professional efforts to identify, coordinate, and insure that all interconnected third party products they utilize are Year 2000 compliant.

2.14.34 (Section Deleted - but left in to maintain numeric consistency with other sections.)

2.14.35 Subpoena

In the event that a subpoena or other legal process commenced by a third party, in any way concerning the Equipment or Related Services provided pursuant to this Contract is served upon CONTRACTOR or COUNTY, such party agrees to notify the other party in the most expeditious fashion possible following receipt of such subpoena or other legal process. CONTRACTOR and COUNTY further agree to cooperate with the other party in any lawful effort by the such other party to contest the legal validity of such subpoena or other legal process commenced by a third party.

2.14.36 Publicity

The CONTRACTOR agrees to submit to the COUNTY, all advertising, sales promotion and other publicity matters relating to this Contract or any Product furnished by the CONTRACTOR wherein the COUNTY's name is mentioned or language used from which the connection of the COUNTY's name therewith may, in COUNTY's judgment, be inferred or implied. The CONTRACTOR further agrees not to publish or use such advertising, sales promotion, or publicity matter without the prior written consent of the COUNTY, PROVIDED that the CONTRACTOR may use the COUNTY's name in a listing of clients, shown or given to, potential customers for reference purposes.

2.14.37 Severability

If any term or condition of this contract or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications which can be given effect without the invalid term, condition or application. To this end, the terms and conditions of this contract are declared severable.

2.14.38 Survival

The provisions of paragraphs 2.14.5 through 2.14.40 shall survive, notwithstanding the termination or invalidity of this Agreement for any reason.

2.14.39 Exhibits

Attached hereto and made part hereof are the following:

- | | |
|------------|---|
| Exhibit A. | CONTRACTOR's Deliverables to COUNTY |
| Exhibit B. | Project Plan |
| Exhibit C. | Payment Schedule |
| Exhibit D. | ASIX Master License and Support Agreement |
| Exhibit E. | ProVal Master License and Support Agreement |
| Exhibit F. | ProVal Source Code Escrow Agreement |

2.14.40 Entire Agreement

This written contract, including the documents incorporated herein, represents the entire Agreement between the parties and supersedes any prior oral statements, discussions, or understanding between the parties. In the event of any conflict requiring interpretation, the precedence of documents shall be:

1. General Conditions and Exhibits of this Agreement.
2. CONTRACTOR's original response to RFP No. 2-98.
3. Snohomish County Request for Proposal Number RFP No. 2-98.

Snohomish County / ASIX, Incorporated
Comprehensive Appraisal Assessment and Treasury System

- CONTRACT SIGNATURE PAGE -

IN WITNESS WHEREOF, the parties have executed this Agreement this 16th day of December, 1998.

CONTRACTOR:

Full Firm Name

ASIX Inc.

(Signature)

Karl J. Wagner
Karl J. Wagner

Title of Signatory Authorized by Firm

Bylaws

President & CEO

Mailing Address:

777 108th Ave NE
Suite 1830
Bellevue WA 98004

Street Address, if different:

Same

Business Tax ID or Social Security
Number:

91-1517357

SNOHOMISH COUNTY:

John M. Earl
COUNTY EXECUTIVE

Approved as to Form:

*Subject to Memo
to John Earl
this date
12-4-98*
Cecely Weel
PROSECUTING ATTORNEY

Recommended:

Alfonso P. Garcia
RISK MANAGER

D-9

Snohomish County / ASIX, Incorporated
Comprehensive Appraisal Assessment and Treasury System
Master Contract

- EXHIBIT A -
CONTRACTOR's Deliverables to COUNTY

	Total Cost	Cost Breakdown
Permanent Site License	\$565,000	
Ascend		\$350,000
Refund Checkbook		\$20,000
Investment Management		\$25,000
ProVal CAMA		\$170,000
Sales Tax	\$48,590	
Fit Analysis	\$13,200	
Software Installation	\$4,400	
Software Configuration	\$87,350	
Ascend Base		\$66,000
Investment Management		\$9,350
ProVal CAMA		\$12,000
Enhancements *	\$81,400	
Custom Reports/Interfaces		\$55,000
Segregation/Merge Automation		\$13,200
Tax Service Excise Account Mgt		\$13,200
Conversion	\$103,500	
ASIX		\$82,500
ProVal		\$21,000
Annual Maintenance **	\$122,100	
Ascend Base System		\$72,000
Refund Checkbook		\$3,600
Investment Management		\$4,500
ProVal		\$42,000
Sales Tax	\$10,501	
DBMS Software	\$141,508	
Client/Server Licenses		\$118,316
Annual Maintenance		\$23,192
Sales Tax	\$12,170	
Training	\$50,000	

ASIX	\$44,000
ProVal	\$6,000

Optional Services *

Report Development Training	\$17,600
Appraisal Adaptation Services	\$30,360

Other Charges

Travel	\$38,750
Project Management	\$45,128
Prime Contractor Fee	\$55,500
Contract Administration	\$4,513
Data Communications	\$10,000
ProVal Source Code Agreement	\$500
Sales Tax	\$43
Marshall & Swift Tables	\$6,500
Sales Tax	\$559

TOTAL	\$1,449,172
--------------	--------------------

* ASIX will not provide these services / products without prior written instruction, and payment terms.

** For Ascend, Refund Checkbook and Investment Management:

No fees during 1st 12 months of license or until system is installed in production, whichever comes first.

For ProVal CAMA:

Fees start upon system installation.

The following correspondence dated October 28, 1998 from ProVal represents specific deliverables agreed to be provided to Snohomish County by Subcontractor, ProVal:

Snohomish County Assessor's Office
ProVal Software Contract Items
October 28, 1998

In reviewing ProVal software functionality and fit for use by the Snohomish County Assessor, several areas have been identified as requiring enhancement in order to achieve the best fit:

1. Land adjustment methodology
2. Permit tracking
3. Sales database maintenance
4. Income Approach Models
5. Manufactured Housing

ProVal Corporation agrees to address these areas in the following fashion and be contractually bound as follows:

1. Before July 31, 1999, ProVal Corporation shall enhance its land adjustments methodology to allow adjustments to be table-driven at the neighborhood level and accommodate both percentage and lump-sum adjustments according to user selection for the various adjustment reason codes.
2. Before July 31, 1999, ProVal Corporation shall provide a building permit and field work tracking subsystem which includes the capability to import building permit data from other systems by parcel-ID using the standard ProVal building permit import file layout.
3. Before March 31, 1999, ProVal Corporation will provide the capability to mark an already posted sale as "invalid" and permit the user to store the sales information with updated data.
4. Before December 31, 1999, ProVal Corporation shall enhance the software to permit creation and use of income and market models for commercial properties.
5. Before December 31, 1999, ProVal Corporation shall enhance its Manufactured Housing capabilities to permit recording exterior wall and roof material with value adjustments for each in a manner similar to the methods used for single family dwellings. ProVal will also add the capability to store Make, Model, Serial Number and Park identification.

The following correspondence dated October 30, 1998 from ProVal represents specific deliverables agreed to be provided to Snohomish County by Subcontractor, ProVal:

SNOHOMISH COUNTY DATA CONVERSION WORK
BY PROVAL CORPORATION
OCTOBER 30, 1998

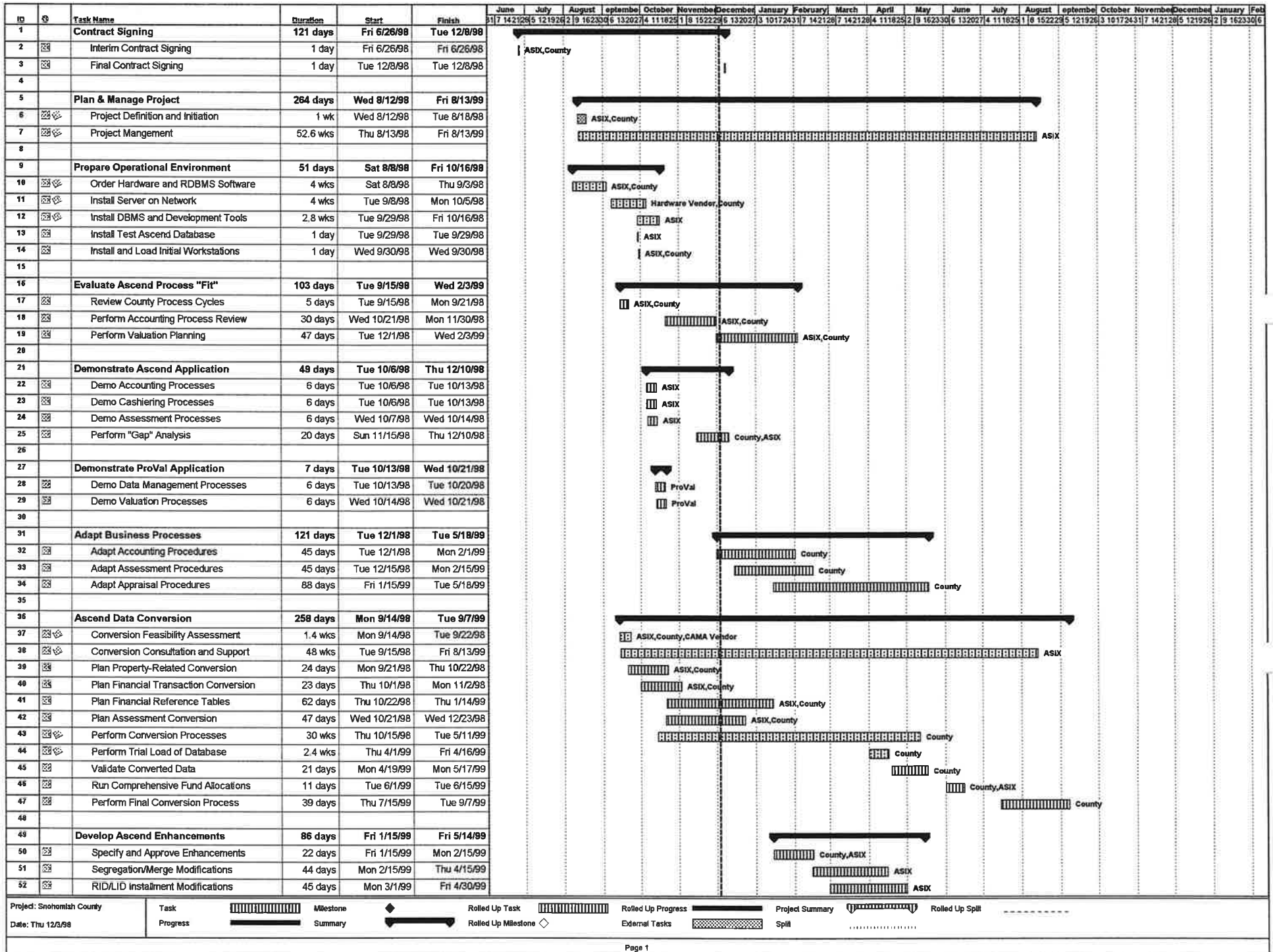
Snohomish County's data currently resides in the Kb Systems data files. There are approximately 235,000 parcels with approximately 180,000 existing structures. About 40,000 structures have been sketched into the Kb System. The remaining 140,000 structure sketches exist only on paper.

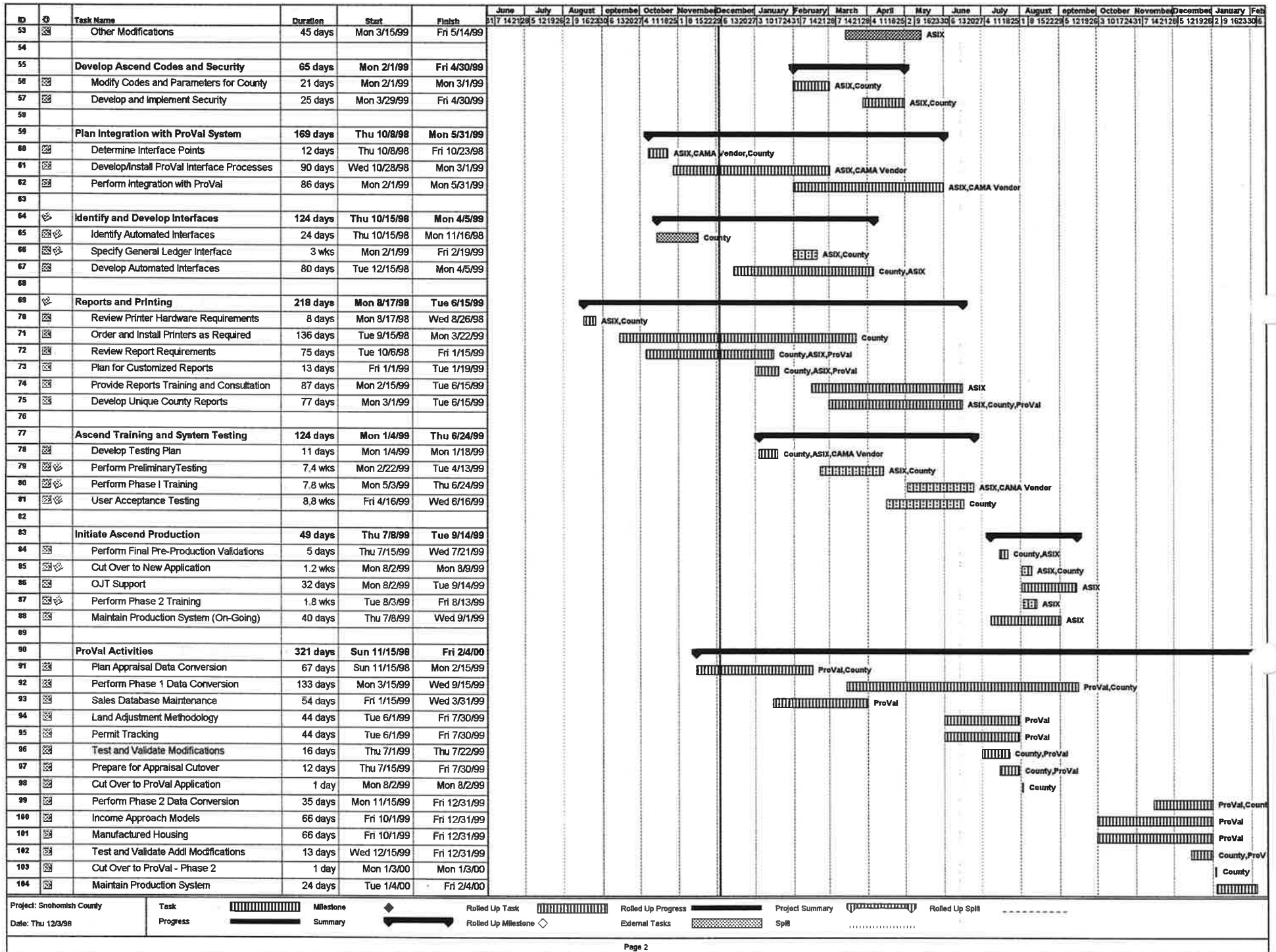
The ProVal Corporation proposal to Snohomish County included a data conversion fee of \$21,000. For this fee ProVal will convert all characteristic data, from flat ASCII files delivered to ProVal on CD ROM, into the ProVal relational database structure where a logically identical field exists in the ProVal database structure. This includes property class code, land type and size, square feet of living area per floor level, quality grade, year built, effective year built, type of exterior cover, roof cover, floor cover and framing, condition, etc., but does not include conversion of the 40,000 sketches, already entered in Kb, and does not include existing data for which no corresponding field exists in ProVal. Sample files, file layouts, field descriptions and code documentation for the flat ASCII files shall be provided to Contractor by Snohomish County within thirty (30) days after contract execution and shall not be revised once provided. The data conversion will be an iterative process where sample converted data files are sent to be reviewed by the Assessor's staff, problems are identified and documented to ProVal, ProVal makes changes based upon the documented data conversion problems, and revised converted data files are returned to the County for review.

In order to identify proprieties and expedite work during the data conversion iterative cleanup process, ProVal will convert data to database tables and files suitable for review and eventual loading into the Informix database. Once the conversion results are satisfactory, all converted data will be loaded into the "production" Informix database and integrated with Ascend data there. The overall result of the data conversion process will be to capture sufficient existing Kb data in the ProVal database structure to provide reasonably accurate descriptions of the parcels, allow values to be computed by ProVal® and support relational links between converted characteristic data and property information maintained by Ascend.

Snohomish County / ASIX, Incorporated
Comprehensive Appraisal Assessment and Treasury System
Master Contract

- EXHIBIT B -
Project Plan
(Attached Document Following)





Snohomish County / ASIX, Incorporated
Comprehensive Appraisal Assessment and Treasury System
Master Contract

- EXHIBIT C -
Payment Schedule

- I. The payment schedule below reflects the cost proposal portion of CONTRACTOR's Response to RFP No. 02-98 for Assessor/Treasurer Replacement Project.
- II. Billings received and paid as part of the Contract for Professional Services between ASIX, Inc. and Snohomish County, dated 6/26/98, for ASCEND / PROVAL Pre-Contract Start-up Activities will reduce the corresponding expenses on the attached Payment Schedule.

EXHIBIT C

Payment Plan

[illegible]

Snohomish County / ASIX, Incorporated
Comprehensive Appraisal Assessment and Treasury System
Master Contract

- EXHIBIT D -

ASIX Master Software License and Support Agreement

This Master Software License & Support Agreement ("Agreement") is entered into on the 16th day of December, 1998 ("Execution Date"), by and between ASIX, Inc. ("Licensor") and Snohomish County ("Licensee"). Licensor agrees to furnish to Licensee, and Licensee agrees to accept, in accordance with the terms and conditions of this Agreement, the use of the software identified below.

1 DEFINITIONS

1.1 Definition of Computer

"Computer" means a machine or system which uses logical devices ("central processing units") to process information, such as a multi-processor computer system or a workstation.

1.2 Definition of Designated Computer(s)

"Designated Computer(s)" means specific Computers upon which the application software is compiled or installed and executed, and which is designated by Licensee in Appendix A attached hereto, or in a Statement of Product.

1.3 Definition of Software Documentation

"Software Documentation" means the standard user documentation published or provided on-line by Licensor, or distributed by Licensor under a third party license, describing the use of the Software, including any tutorial presentation of the capabilities of the Run-Time Versions and may include technical documentation which describes the design of the Software. Software Documentation may be released in an electronic media format. Notwithstanding the above, Software Documentation does not include any Informix documentation.

1.4 Definition of Product Update

"Product Update" means a change or new release of the Software or Software Documentation designed to correct Software Problem(s).

1.5 Definition of Product Upgrade

"Product Upgrade" means a change or new release of the Software and/or Software Documentation designed to enhance the features of the Software or otherwise improve the functionality of the Software.

1.6 Definition of Run-Time Version

“Run-Time Version” means a program which is used to execute the Software and other utilities that are part of the Software, but which does not allow an User to change the Software or to create new and different Software features.

1.7 Definition of Software

“Software” means all forms (Source Code and Run-Time versions) of the computer software programs described in Appendix A attached hereto, or in a Statement of Product, and shall include all updates, enhancements, modifications, or upgrades provided under the terms of this Agreement or of a related support agreement. Notwithstanding the above, Software does not include any Informix software.

1.8 Definition of Software Problems

“Software Problem(s)” means defective Software distribution media and/or a failure of the Software to function substantially in accordance with the Software Documentation.

1.9 Definition of Source Code

“Source Code” means a compilable copy of the Software which allows the Software installer to compile the Software into a Run-Time Version using the appropriate Development System; some portions of the Source Code may already be compiled by Licensor and provided in an executable, Run-Time or object code version only.

1.10 Definition of User

“User” means the unique combination of one log-in on one software display device.

2 LICENSES

2.1 Grant of License

Licensor grants to Licensee the non-exclusive and non-transferable right to have the licensed number of Users execute the Software on the Designated Computer(s), and to use the associated Software Documentation only for Licensee’s internal business purposes and only with Licensee’s data, subject to the terms and conditions of this Agreement and in consideration of payment of the agreed upon license fees.

2.2 Rights of Licensee

Licensee may access the Software lawfully licensed to Licensee on any configuration of computers or display devices connected to the Designated Computer(s). Licensee may transfer the Software to any electronic storage device connected to the Designated Computer(s), provided Licensee keeps the original solely for backup or archival purposes. Licensee may modify the Software lawfully licensed to Licensee, and/or merge it with other programs, for Licensee’s execution on the Designated Computer(s) in machine-readable object code format, but any portion so modified, or merged with other programs, shall continue to be subject to the terms and conditions of this Agreement.

2.3 Acceptance of Software

For each Software product licensed under this Agreement, Licensee shall have a sixty (60) day "Acceptance Period" beginning on the Execution Date, or if the Software is provided with Software modifications, beginning on the delivery date of the Software and/or Software modifications. During the Acceptance Period, Licensee may cancel the license by giving written notice to Licensor and returning the Software in accordance with Section 4.2. Unless such cancellation notice is given, the license will be deemed accepted by Licensee at the end of the Acceptance Period. Should Licensee decide to cancel this Agreement under the terms of this Section 2.3, Licensee shall pay to Licensor a pro rata portion of all Support and Upgrade Fees for the time from the Execution Date to the date upon which such cancellation notice is given by Licensee.

2.4 Backup Copy

Licensee may make backup copies of the Software and of any portions thereof which are modified or merged with other programs in accordance with this Agreement. All such backup copies shall also be subject to the terms and conditions of this Agreement. Licensee must maintain an accurate record of the location of the backup copies at all times.

2.5 Restrictions on Use

Except as specifically provided above, Licensee may not make any copies of the Software. Except as specifically provided above, Licensee may not make alterations to those portions of the Software for which Source Code is not provided or to the Software Documentation, or to any part thereof, including, but not limited to, unmodified sub-routines, functions, libraries, or other binary code segments of the Software. Licensee may not rent, sub-license, lease, distribute, or grant other rights to the Software or the Software Documentation to others. Licensee may not reverse engineer, disassemble, decompile, reverse translate, or in any manner decode the Software in order to derive any source code not licensed by Licensor.

2.6 US Government Terms

If Licensee is acquired by the US Government, or if the Software is transferred to the US Government, additional terms and conditions may apply, and the Software shall be treated as "Commercial Computer Software" as defined in DFARS 252.227-7013 and FAR 52.227-19, or as appropriate under any governmental regulations which replace these regulations.

2.7 Export Restrictions

Licensee may not export or re-export the Software or any copy or adaptation in violation of any U.S. Export Administration regulation or other applicable regulation.

3 PROPRIETARY RIGHTS AND CONFIDENTIALITY

3.1 Ownership

All title and rights of ownership in the Software and Software Documentation remain with Licensor and/or its suppliers and are protected by copyright, patent and/or trade secret laws. Licensee agrees to take all reasonable steps necessary to protect Licensor's and its suppliers' proprietary rights in the Software and Software Documentation including, but not limited to,

the proper display of copyright, trademark, trade secret, and other proprietary notices on any copies of the Software. Licensee must reproduce and include any copyright, trade secret, trademark, or proprietary data notices, and other legends and logos on the backup copies.

3.2 Confidentiality

Licensee will not disclose or publish to others, and will keep confidential, the Software , provided Licensee may disclose the Software to consultants and other third parties retained to work with the Software.

3.3 Disclosure Requests

In the event that the Licensee receives a request to disclose the Software and/or Software Documentation pursuant to Ch. 42.17 (Public Records Act), the Licensee's sole obligation under Sections 3.1 and 3.2 shall be to: (1) notify the Licensor as soon as the public disclosure request is made; and (2) refrain from disclosing such records for a period of 72 hours in order to provide the Licensor with an opportunity to seek legal protection against disclosure from a court of competent jurisdiction. Licensee shall not be required to join in any legal proceedings arising under such circumstances, unless so required by the court. In the event that the Licensee is required to join in any such legal proceedings, the Licensor agrees to reimburse Licensee for its costs and reasonable attorney's fees incurred in defending the same.

4 TERM AND TERMINATION

4.1 Term

The licenses granted under this Agreement shall commence upon the shipment of the Software and shall continue perpetually unless terminated in accordance with the provisions of this Agreement.

4.2 Termination

Licensee may terminate this Agreement by destroying the Software and Software Documentation and all copies thereof. Licensor may terminate this Agreement if Licensee fails to pay the one time license fees owing and which are more than thirty (30) days past due. Licensor may also terminate the Agreement if Licensee breaches any material representation, warranty, agreement, or obligation in this Agreement and fails to remedy such material breach or demonstrate a good faith effort to remedy such material breach within thirty (30) days after receiving notice of such material breach from Licensor; Provided that cancellation by the Licensee of the Support and Upgrade Provisions as set out in Section 9 and Appendix B of this agreement shall not constitute grounds for termination. Upon termination, Licensee shall either promptly return to Licensor all copies of the Software and Software Documentation in Licensee's possession or destroy all copies of the Software and Software Documentation, and certify in writing that all such copies have been returned or destroyed.

5 LIMITED WARRANTY

5.1 Limited Warranty

Licensor warrants that for a period of one hundred twenty (120) days after the delivery of the

Software and Software modifications to Licensee, the latest unmodified version of the Software released by Licensor shall substantially perform in accordance with the Software Documentation.

5.2 Remedies

Licensor's entire liability and Licensee's exclusive remedy shall be for Licensor, at its option, to either: (i) replace any defective media which prevents the Software from satisfying the limited warranty described above provided such defective media is returned to Licensor; or (ii) attempt to correct any errors which Licensee finds in the Software during this warranty period and which prevent the Software from substantially performing as described in the Software Documentation. Any replacement Software will be warranted for the remainder of the original warranty period or for thirty (30) days, whichever is longer.

5.3 Right to License

Licensor warrants that it is the owner of the Software and/or has the right to license the Software to Licensee.

5.4 Limitations of Warranty

The above warranty is null and void if failure of the Software has resulted from accident, abuse, or misapplication. The above warranty applies only to software problems which are apparent in the unmodified, standard ASIX Ascend Software which is not merged with other software. Licensor does not warrant that the functions contained in the Software will meet Licensee's requirements, or that the operation of the Software will be uninterrupted or error free, or that all defects will be corrected. Licensor shall not be required to correct errors during the above described warranty period attributable to: equipment malfunction; products other than the Software; use of the Software in conflict with or contravention of the Software Documentation or the terms of this Agreement; or accident, neglect, misuse, or abuse of the Software.

6 DISCLAIMER OF WARRANTY

EXCEPT AS PROVIDED IN SECTION 5.1, LICENSOR MAKES NO OTHER WARRANTIES REGARDING THE SOFTWARE OR SOFTWARE DOCUMENTATION, INCLUDING WITHOUT LIMITATION, EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND ANY OTHER WARRANTY, EXPRESS OR IMPLIED.

Licensor shall not be liable for any claimed non- conformance of Software under Article 35(2) of the United Nations Convention on the International Sale of Goods, even if that Convention were to be determined to be applicable to these transaction(s).

7 LIMITATION OF LIABILITY

EXCEPT AS PROVIDED IN OTHER SECTIONS OF THIS AGREEMENT, IN NO EVENT SHALL LICENSOR BE LIABLE FOR ANY INCIDENTAL, SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES, LOSS OF BUSINESS, LOSS OF PROFITS, LOSS OF GOODWILL, OR TORTIOUS CONDUCT RELATING TO, CAUSED BY, OR ARISING OUT

OF ANY BREACH OF OBLIGATIONS OR DELAY IN DELIVERY OF SOFTWARE OR SOFTWARE DOCUMENTATION UNDER THE AGREEMENT, OR FROM LICENSEE'S USE OR INABILITY TO USE THE SOFTWARE, EVEN IF LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OR LIMITATION OF LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES OR CERTAIN TORTIOUS CONDUCT, SO THE ABOVE LIMITATION MAY NOT APPLY TO LICENSEE. FROM FIRST SUPPORT ANNIVERSARY DATE ONWARD, ANY DAMAGES THAT LICENSOR IS REQUIRED TO PAY FOR ANY AND ALL CAUSES, WHETHER FOR NEGLIGENCE, BREACH OF CONTRACT, OR OTHERWISE, AND REGARDLESS OF THE FORM OF THE ACTION IN THE AGGREGATE, SHALL BE LIMITED IN AMOUNT TO THE LICENSE FEES PAID BY LICENSEE TO LICENSOR FOR THE SPECIFIC COPY OR COPIES OF SOFTWARE. NOTWITHSTANDING THE FOREGOING, THE ABOVE LIMITATION ON THE AMOUNT OF DAMAGES SHALL NOT APPLY TO EITHER PARTY'S OBLIGATIONS WITH RESPECT TO THE INDEMNIFICATION PROVISIONS BELOW.

8 INDEMNIFICATION

8.1 Licensor's Indemnification - Infringement

Except as provided in other sections of this agreement, Licensor shall indemnify, defend and hold harmless Licensee against any action to the extent such action is based on a claim that Licensee's use of the Software or Documentation or any part thereof, under this Agreement, infringes a valid, enforceable United States patent or copyright, or misappropriates a trade secret, and Licensor shall pay all damages and costs (including reasonable attorneys' fees) awarded or agreed to in settlement by Licensor in respect of such action; provided that Licensor is given notice in writing of such claim within fifteen (15) calendar days of the date Licensee knows of such a claim. Licensor shall control the defense in any such action and, at its discretion, may enter into a stipulation of discontinuance and settlement thereof. Licensee shall cooperate with Licensor in any such defense and shall make available to Licensor all those persons, documents and things required by Licensor in the defense of any such action. Reasonable out-of-pocket expenses incurred by Licensee in providing such assistance will be reimbursed by Licensor. Licensee may, at its expense, assist in such defense.

8.2 Remedies

If, in such an action, the Software is held to constitute an infringement or misappropriation, or the use, demonstration, distribution, marketing, or sublicensing thereof is enjoined or restricted, Licensor shall, at its option, either procure for Licensee the right to continue using the Software, or modify the Software to permit Licensee to exercise its rights hereunder so long as modifications perform substantially the same as previous functionality, or, if the foregoing options are not available, terminate the Agreement and promptly refund to Licensee all license fees paid by Licensee to Licensor for the infringing Software amortized over a five (5) year period from the date of initial delivery (i.e., a refund pro-rated on a monthly basis over a sixty (60) month term).

8.3 Limitations of Indemnification

The foregoing indemnity shall not apply in respect of any infringement or misappropriation if such infringement or misappropriation resulted from Licensee's or any of its Users' use of the Software: (a.) in an operating environment other than that described in the Software Documentation or under this Agreement; (b.) in conjunction with an enhancement not created or owned by Licensor; (c.) with the use of a superseded release of the Software; or (d.) in conjunction with other software not created or owned by Licensor. The foregoing states the entire obligation of Licensor with respect to the infringement of patents and copyrights, and misappropriation of trade secrets.

8.4 Licensee's Indemnification - Infringement

Licensee shall, at its expense, indemnify, and hold harmless Licensor against any claim or action to the extent such claim or action is based on a claim that any enhancement or any part thereof provided or created by Licensee infringes a patent or copyright, or misappropriates a trade secret, and Licensee shall pay all damages and costs (including reasonable attorneys' fees) awarded or agreed to in settlement by Licensee in respect of such claim; provided that Licensee is given notice in writing of such claim within fifteen (15) calendar days of the date Licensor knows of such a claim. Licensee shall control the defense in any such action and, at its discretion, may enter into a stipulation of discontinuance and settlement thereof. Licensor shall cooperate with Licensee in any such defense and shall make available to Licensee all those persons, documents and things required by Licensee in the defense of any such action. Reasonable out-of-pocket expenses incurred by Licensor in providing such assistance will be reimbursed by Licensee. Licensor may, at its expense, assist in such defense.

9 SUPPORT

9.1 COMM Link

Licensee is required to establish a direct computer-to-computer (COMM) link with Licensor approved by Licensor before support is provided to Licensee. Licensee must assure that Licensor has access to Licensee's Designated Computer(s) via the COMM link. COMM link must meet Licensor's current specifications for connection to its customer support network. Licensor will provide the System Administrator with a telephone number to Licensor's Support Center, a COMM log-in to the Support Center's system, and instructions on how to establish the COMM link. Licensor will ensure that the Support Center's system will accommodate a COMM link with the Licensee's system. Licensee will bear all costs associated with establishing and maintaining the COMM link from Licensee's site to Licensor's customer support network.

9.2 Required Development Environment

To assist in the resolution of Software Problem(s), Licensee is required to maintain the versions then-currently supported by Licensor, or versions compatible with the versions then-currently supported by Licensor, of INFORMIX-OnLine, and INFORMIX-NewEra. Licensee shall license and maintain an Open Database Compliance ("ODBC") driver then-currently supported by Licensor for its development environment. Licensee shall also maintain a tape drive on its development system, the format of which is compatible with the tape formats

then-currently supported by Licensor, and make regular backups of its development systems. The requirements of this subsection are subject to reasonable change.

9.3 Support and Upgrade Fees

Licensee agrees to pay the current annual Support and Upgrade Fees as detailed in Appendix B. Subsequent years of Support and Upgrade Services are optional.

9.4 ASIX Software Support Specialist and System Administrator

Licensee must designate both a System Administrator and an ASIX Software Support Specialist who shall act as the primary contact between Licensee and Licensor.

9.5 Licensee's Responsibilities

Licensee agrees to assist and cooperate with Licensor, as reasonably required by Licensor, in the resolution of Software Problems. Such assistance and cooperation will facilitate quicker and more effective problem resolution by Licensor, and may include:

9.5.1 Consultation with the System Administrator and ASIX Software Support Specialist(s);

9.5.2 Providing documentation of the Software Problem(s), test data, and copies of the programs being used when the Software Problem(s) become apparent.

9.6 Support Services

The Support Services, which shall meet or exceed efforts and services provided to other Licensees, generally include resolution of Software Problem(s), support via electronic mail ("E-mail") and telephone, and upgrades and updates of the Software. Updates to existing procedures in the Software as required by Washington State law are also included as provided in Appendix C, in the Support Services. Installation, training, and modification of the Software are services not included as support services and must be contracted for separately.

9.7 E-Mail and Telephone Support

Licensor will provide assistance in identifying, confirming and providing a "workaround" for suspected Software Problem(s) in the standard, unmodified code of the Software. Licensor may require documentation of the Software Problem, test data, and copies of the programs being used before confirming and resolving Software Problem(s). E-mail can and should be used to communicate support requests.

9.8 Direct User Contact

Licensor personnel may use the direct COMM link to access Licensee's Computer to better analyze the suspected Software Problem and produce a solution or "workaround" to Software Problem(s). Licensor personnel may also directly communicate with Licensee regarding the suspected Software Problem(s) using a form of telecommunications.

9.9 Site Visits

In the event that: (i) data is corrupted, returned results are incorrect, or there is a severe feature malfunction without a "workaround", (ii) the Software Problem seriously disrupts Licensee's primary business operations, and (iii) Licensee and Licensor have made every

reasonable attempt to correct the Software Problem, then Licensor agrees to use its best reasonable efforts to resolve the Software Problem first remotely through the COMM connection or otherwise provided Licensee has provided Licensor adequate remote access to Licensee's system, and then on-site if necessary to resolve the Software Problem(s).

9.10 Support Hours

Licensor support services, which includes direct telephone services, will be available to Licensee from 8AM to 5PM Pacific Time weekdays, excluding standard U.S. holidays.

9.11 Product Updates and Upgrades

Upon payment of Licensee's annual Support and Upgrade Fee (detailed in Appendix B), Licensor agrees to provide Licensee with the Product Updates and Product Upgrades produced by Licensor.

9.12 Current Version Supported

Licensor will provide Support only for the then-current version of the Software, and for the previous version of the Software for a period of twelve (12) months following the release of a new version.

9.13 Non-Supported Matters

Licensor will not provide Support and Upgrade Services for the following unless such services are otherwise agreed to:

- 9.13.1 Accounting, property valuation, assessment or taxation principles, theory, or practice;
- 9.13.2 Altered or modified Software;
- 9.13.3 Client PC and Database Server configuration, operation or performance except for requirements of the Software;
- 9.13.4 Database administration, including but not limited to backup, recovery, space management, performance tuning, and other routine maintenance;
- 9.13.5 Consulting services, including application or report design or recommendation, recovery of lost data, any Licensee purchase recommendations, training, installation, implementation, or customization;
- 9.13.6 Software Problems resulting from hardware or database malfunction;
- 9.13.7 Software Problems created by Licensee's negligence or fault;
- 9.13.8 Software used on a computer system other than that specified on an ASIX Order Form (the Designated Computer), or as otherwise authorized by Licensor; or
- 9.13.9 Software not licensed by Licensor.

9.14 Language

Telephone and E-mail support will be provided in English unless otherwise agreed to in writing by Licensor.

9.15 Support Costs

In the event that an error is attributable to a cause other than an error in the Software, and is not due to the fault or negligence of the Licensor, Licensee agrees, upon Licensee's written approval, to pay airfare and reasonable expenses, including unusual or excessive telephone, shipping, handling, media, or Documentation expenses, if any, incurred by Licensor while providing Support to Licensee.

9.16 Training

Training in the use of the ASIX Ascend Software is a service for which Licensor charges additional fees. Training services may be contracted through Licensor at the then-current fees.

10 GENERAL

10.1 Waiver, Amendment, or Modification

Any waiver, amendment, or modification of any of the provisions of this Agreement or of any right, power or remedy hereunder shall not be effective unless made in writing and signed by the parties. No failure or delay by either party in exercising any right, power or remedy with respect to any of its rights hereunder shall operate as a waiver thereof in the future.

10.2 Governing Law

This Agreement shall be governed by the laws of the State of Washington, and shall inure to the benefit of Licensor, its successors, administrators, heirs, and assigns. The United Nations Convention on the International Sale of Goods shall not apply to this Agreement.

10.3 Choice of Forum

The parties agree that King County in the State of Washington shall be the proper forum for any action, including arbitration, brought under this Agreement.

10.4 Attorney's Fees

In the event an action, including arbitration, is brought to enforce any provision of or declare a breach of this Agreement, the prevailing party shall be entitled to recover, in addition to any other amounts awarded, reasonable legal costs including attorneys' fees incurred thereby.

10.5 Limitation on Actions

No actions, regardless of form, arising from the transactions under the Agreement, may be brought by any party hereto more than four (4) years after the facts creating the cause of action become known to such party.

10.6 Severability

If any term, provision or part of the Agreement is to any extent held invalid, void, or unenforceable by a court of competent jurisdiction, the remainder of the Agreement shall not be impaired or affected thereby, and each term, provision and part shall continue in full force and effect.

10.7 Survival

The terms, conditions, and warranties contained in the Agreement that by their sense and context are intended to survive the termination thereof by the parties hereunder shall so survive the termination of the Agreement.

10.8 Notice

All notices or other communications hereunder shall be deemed to have been duly given when made in writing and delivered to the principal place of business of the other party.

10.9 Force Majeure

Neither party shall be in default nor liable for any failure in performance or loss or damage under this Agreement due to any cause beyond its control.

10.10 Taxes

Licensee shall pay all applicable sales, use, and other taxes or similar governmental charges or duties incurred in connection with the exercise of the licenses and rights granted herein to Licensee, except such taxes or charges based on the income of Licensor. Upon request, Licensee shall promptly provide Licensor with evidence of payment of any such tax. Licensee will reimburse Licensor for all such costs and taxes paid by Licensor on the Licensee's behalf, including any related penalty or interest charges on unpaid taxes, duties, or charges, levied upon Licensee by any such taxing or governmental authority within thirty (30) days after Licensee's receipt of Licensor's invoice therefore supported by appropriate documentation.

10.11 Enforcement of Compliance

If requested by Licensor at any time, Licensee will certify under oath that Licensee has fully and faithfully observed all of the terms and conditions of this Agreement. Licensor may at reasonable times inspect Licensee's premises and equipment to verify that all of the terms and conditions of this Agreement are being observed.

10.12 Acknowledgment

Licensee acknowledges that Licensee has read this Agreement, understands it, and agrees to be bound by its terms and conditions. Licensee also agrees that from the first anniversary date onward this Agreement is the complete and exclusive statement of agreement between the parties and supersedes all proposals or prior agreements, oral or written, and any other communications between the parties relating to the licensing or support of the Software, except as set forth in Sections 2.14.9, 2.14.27, 2.14.30, and 2.14.33 of the agreement to provide the Comprehensive Appraisal Assessment and Treasury System executed by the Parties on the same date as this Agreement .

Software Licensed (Statement of Product):

Designated Computer(s): Includes All Personal Computers and/or Workstations networked to the Server below:

Operating System: HP/UX. Version: _____ System Node Name: _____

INFORMIX-OnLine Version Number: _____ INFORMIX-NewEra Version Number: _____

Address of Designated Computer Site: Snohomish County

Department of Information Services

3000 Rockefeller Ave.

Everett, WA 98201-4046

EXHIBIT D, APPENDIX B - SUPPORT AND UPGRADE FEES

1. SUPPORT AND UPGRADE FEES

1.1 Support and Upgrade Fees (OK - Per Kurt)

The annual Support and Upgrade Fees for licensed software listed in Appendix A are subject to an annual increase not to exceed six percent per year for the first four years. The Support and Upgrade Fees are due upon receipt of billing, and upon subsequent anniversaries of that date if Licensee elects to continue the Support and Upgrade Services.

1.2 Payment Terms

All license and support fees are to be paid within thirty (30) days following the Support anniversary date (i.e., NET 30) in U.S. Dollars unless otherwise agreed to by the parties.

EXHIBIT D, APPENDIX C - COMPLIANCE WITH STATUTORY REQUIREMENTS

CONTRACTOR will insure that The Software remains compliant with legislative requirements per policy stated below:

Support for Legislative Changes

ASIX is committed to meeting new legislative requirements as they arise. Obviously, the imagination of state legislatures and voters pose a daunting challenge to this commitment, especially as Ascend is installed in more states. Furthermore, ASIX is committed to developing Ascend in a manner that covers the broadest possible market. Inevitably, this means that development will be focused on extending Ascend's functionality, sometimes at the expense of incorporating changes that meet purely local business practices. To meet these sometimes conflicting objectives, our policy is as follows.

Ascend will remain compliant with legislative requirements in the online base application and optional modules. This means that changes in the requirements for functions already incorporated in Ascend will be supported in one of several ways.

- Ascend is designed to allow customers to modify a variety of features without additional programming. New releases of Ascend will extend this capability as required. ASIX will consult with customers to recommend approaches that incorporate such changes.
- In cases where Ascend is not designed to allow customers to modify the application, ASIX will add features to the system that assure compliance with state legislative requirements. The release of these modifications will coincide with the needs of customers to meet statutory requirements.

These services are provided as part of the Ascend annual maintenance agreement at no additional charge. ASIX will consult with our customers to determine how we will comply with legislative requirements, but reserves the right to determine the manner in which compliance will be achieved.

In this context, it is worth noting that ASIX will refrain from introducing restrictions into the product that prevent individual customers from accomplishing their business objectives. For example, individual requests to add restrictive "edits" to Ascend's operations will be resisted if such restrictions cannot be accomplished through the normal security features of the application. In cases where customers differ in terms of their interpretations of legal requirements (or state laws differ), ASIX will seek to incorporate features that accommodate all points of view. Failing that, features will be designed to accommodate the least restrictive interpretation for a particular feature. Approached in this way, design changes can accommodate different business practices while remaining compliant with statutory requirements in individual jurisdictions.

Simply put, Ascend will remain compliant with statutory requirements in the sense that its features will not prevent any customer from operating in a way consistent with those requirements. In some cases, however, ASIX may refrain from implementing restrictions on features that limit Ascend's capabilities in order to comply with statutory requirements if the features involved are required by

other jurisdictions. In those relatively rare situations, it is the customer's responsibility to enforce such restrictions through their business operations.

We recognize that this commitment does not cover all of the possible changes in requirements faced by customers. In those cases, ASIX is committed to providing economical solutions to meet customer needs. Examples of some of these requirements are...

- **New Functionality.** A state may elect to require jurisdictions to undertake responsibilities that are not covered by the Ascend base product or already purchased optional modules. This might include taxation of types of property that are not already covered by Ascend, e.g. excise taxation for motor vehicle sales. ASIX reserves the right to add such functionality as optional features in the Ascend product.
- **Interface Changes.** There may be requirements to adapt Ascend to interface with third party software, either as a result of legislative changes or for other reasons. New interfaces and modification of existing interfaces that result from such requirements are not covered by the annual maintenance agreement. When such requirements arise, ASIX will consult with customers to determine an economical solution based on time and materials required.
- **Reporting Requirements.** The state Department of Revenue (or other state agencies) may from time to time change the requirements for reports originally provided as implementation of Ascend. ASIX reserves the right to charge for such modifications and development of new reports from such changes. In cases where changes in reports result from legislative action, ASIX will consult with our customers to achieve compliance in the most economical way, and reserves the right to charge for time and materials to make any required changes.
- **Local Changes.** For the most part, Ascend is designed to eliminate the need to customize source code to support the online application. There are, however, some exceptions to this generalization. Reports such as tax statements, value notices, and "tax booklets" are routinely customized by and for individual customers. Support for modification of these MS-Access reports is limited to "bug" fixes in code developed by ASIX. Changes in format or inclusion of information not originally included in such output are the responsibility of individual customers. ASIX reserves the right to charge for time and materials to make any required changes.
- In cases where ASIX reserves the right to charge for modifications or enhancements, we encourage customers to consult with one another through the forum provided by the Ascend Users Group to formulate a common set of requirements. In such cases ASIX is prepared to work with AUG to meet requirements for multiple customers at a price that makes software and report development more affordable than would be the case for custom development.

In Witness Whereof, the parties have duly executed and delivered this Agreement on the last date indicated below.

Snohomish County Approval

DATED at Everett, Washington, this 16th day of December, 1998.

County Executive

Joan M Earl

Vendor Approval

ASIX, Incorporated,

A Washington Corporation

Vice President, Sales

Kurt J. Wagner
Kurt J. Wagner
President & CEO

Approved As To Form

Carey J. Mochel Subject to memo
This date to Joan Earl
12-4-98
Snohomish County Deputy Prosecutor Date

Snohomish County / ASIX, Incorporated
Comprehensive Appraisal Assessment and Treasury System
Master Contract

- EXHIBIT E -
ProVal Master License and Support Agreement

This **Master Software License & Support Agreement** ("Agreement") is entered into on the 16th day of December, 1998 ("Execution Date"), by and between ProVal Corporation ("Licensor") and Snohomish County ("Licensee"). Licensor agrees to furnish to Licensee, and Licensee agrees to accept, in accordance with the terms and conditions of this Agreement, the use of the software identified below.

1 DEFINITIONS

- 1.1 **Definition of Computer**
"Computer" means a machine or system which uses logical devices ("central processing units") to process information, such as a multi-processor computer system or a workstation.
- 1.2 **Definition of Designated Computer(s)**
"Designated Computer(s)" means specific Computers upon which the application software is compiled or installed and executed, and which is designated by Licensee in Appendix A attached hereto, or in a Statement of Product.
- 1.3 **Definition of Software Documentation**
"Software Documentation" means the standard user documentation published or provided on-line by Licensor, or distributed by Licensor under a third party license, describing the use of the Software, including any tutorial presentation of the capabilities of the Software and may include technical documentation which describes the design of the Software. Software Documentation may be released in an electronic media format.
- 1.4 **Definition of Product Update**
"Product Update" means a change or new release of the Software or Software Documentation designed to correct Software Problem(s).
- 1.5 **Definition of Product Upgrade**
"Product Upgrade" means a change or new release of the Software and/or Software Documentation designed to enhance the features of the Software or otherwise improve the functionality of the Software.
- 1.6 **Definition of Object Code Version**
"Object Code Version" means the Software in machine readable which does not allow a User to change the Software or to create new and different Software features and which specifically does not include Source Code.

1.7 Definition of Software

“Software” means the Object Code versions of the computer software programs described in Appendix A attached hereto, or in a Statement of Product, and shall include all updates, enhancements, modifications, or upgrades provided under the terms of this Agreement or of a related support agreement.

1.8 Definition of Software Problem(s)

“Software Problem(s)” means defective Software, other than Third Party Software, distribution media and/or a failure of the Software other than Third Party Software to function substantially in accordance with the Software Documentation.

1.9 Definition of Source Code

“Source Code” means a compilable copy of the Software which allows the Software installer to compile the Software into an Object Code Version using the appropriate Development System; some portions of the Source Code may already be compiled by Licensor and provided in an executable, Object Code Version only.

1.10 Definition of Third Party Software

“Third Party Software” means Software belonging to a third party, such as Microsoft Corporation, and licensed through Licensor to Licensee for Licensee’s convenience.

1.11 Definition of User

“User” means the unique combination of one log-in on one software display device.

2. LICENSES

2.1 Grant of License

Licensor grants to Licensee the non-exclusive and non-transferable right to have the licensed number of Users execute the Software on the Designated Computer(s), and to use the associated Software Documentation only for Licensee’s internal business purposes and only with Licensee’s data, subject to the terms and conditions of this Agreement and in consideration of payment of the agreed upon license fees. Licensor grants the right to distribute the Public Property Inquiry Folder program, and its updates, to title companies, mortgage companies, tax and escrow services companies doing business with the Licensee.

2.2 Rights of Licensee

Licensee may access the Software lawfully licensed to Licensee on any configuration of computers or display devices connected to the Designated Computer(s). Licensee may transfer the Software to any electronic storage device connected to the Designated Computer(s), provided Licensee keeps the original solely for backup or archival purposes. Licensee may not modify the Software lawfully licensed to Licensee, and/or merge it with other programs, for Licensee’s execution on the Designated Computer(s).

2.3 Acceptance of Software

For each Software product licensed under this Agreement, Licensee shall have a one hundred eighty (180) day "Acceptance Period" beginning on the Execution Date, or if the Software is provided with Software modifications, beginning on the installation date of the Software and/or Software modifications. Subsequent Product Updates and Product Upgrades shall have a sixty (60) day acceptance period from the date of delivery. During the Acceptance Period, Licensee may cancel the license by giving written notice to Licensor and returning the Software in accordance with Section 4.2. Unless such cancellation notice is given, the license will be deemed accepted by Licensee at the end of the Acceptance Period. Should Licensee decide to cancel this Agreement under the terms of this Section 2.3, Licensee shall pay to Licensor a pro rata portion of all Support and Upgrade Fees for the time from the Execution Date to the date upon which such cancellation notice is given by Licensee.

2.4 Backup Copy

Licensee may make backup copies of the Software and of any portions thereof which are modified or merged with other programs in accordance with this Agreement. All such backup copies shall also be subject to the terms and conditions of this Agreement. Licensee must maintain an accurate record of the location of the backup copies at all times.

2.5 Restrictions on Use

Except as specifically provided above, Licensee may not make any copies of the Software. Except as specifically provided above, Licensee may not make alterations to those portions of the Software for which Source Code is not provided or to the Software Documentation, or to any part thereof, including, but not limited to, unmodified sub-routines, functions, libraries, or other binary code segments of the Software. Licensee may not rent, sub-license, lease, distribute, or grant other rights to the Software or the Software Documentation to others. Licensee may not reverse engineer, disassemble, decompile, reverse translate, or in any manner decode the Software in order to derive any source code not licensed by Licensor.

2.6 US Government Terms

If Licensee is acquired by the US Government, or if the Software is transferred to the US Government, additional terms and conditions may apply, and the Software shall be treated as "Commercial Computer Software" as defined in DFARS 252.227-7013 and FAR 52.227-19, or as appropriate under any governmental regulations which replace these regulations.

2.7 Export Restrictions

Licensee may not export or re-export the Software or any copy or adaptation in violation of any U.S. Export Administration regulation or other applicable regulation.

3. PROPRIETARY RIGHTS AND CONFIDENTIALITY

3.1 Ownership

All title and rights of ownership in the Software and Software Documentation remain with Licensor and/or its suppliers and are protected by copyright, patent and/or trade secret laws. Licensee agrees to take all reasonable steps necessary to protect Licensor's and its suppliers'

proprietary rights in the Software and Software Documentation including, but not limited to, the proper display of copyright, trademark, trade secret, and other proprietary notices on any copies of the Software. Licensee must reproduce and include any copyright, trade secret, trademark, or proprietary data notices, and other legends and logos on the backup copies.

3.2 Confidentiality

Licensee will not disclose or publish to others, and will keep confidential, the Software, provided Licensee may disclose the Software to consultants and other third parties retained to work with the Software.

3.3 Disclosure Requests

In the event that the Licensee receives a request to disclose the Software and/or Software Documentation pursuant to Ch. 42.17 (Public Records Act), the Licensee's sole obligation under Sections 3.1 and 3.2 shall be to: (1) notify the Licensor as soon as the public disclosure request is made; and (2) refrain from disclosing such records for a period of 72 hours in order to provide the Licensor with an opportunity to seek legal protection against disclosure from a court of competent jurisdiction. Licensee shall not be required to join in any legal proceedings arising under such circumstances, unless so required by the court. In the event that the Licensee is required to join in any such legal proceedings, the Licensor agrees to reimburse Licensee for its costs and reasonable attorney's fees incurred in defending the same.

4 TERM AND TERMINATION

4.1 Term

The licenses granted under this Agreement shall commence upon the shipment of the Software and shall continue perpetually unless terminated in accordance with the provisions of this Agreement. The term of Support shall be one (1) year, renewed upon written approval of both parties.

4.2 Termination

Licensee may terminate this Agreement by destroying the Software and Software Documentation and all copies thereof. Licensor may terminate this Agreement if Licensee fails to pay the one time license fees owing and which are more than thirty (30) days past due. Licensor may also terminate the Agreement if Licensee breaches any material representation, warranty, agreement, or obligation in this Agreement and fails to remedy such material breach or demonstrate a good faith effort to remedy such material breach within thirty (30) days after receiving notice of such material breach from Licensor; Provided that cancellation by the Licensee of the Support and Upgrade Provisions as set out in Section 9 and Appendix B of this agreement shall not constitute grounds for termination. Upon termination, Licensee shall promptly return to Licensor all copies of the Software and Software Documentation in Licensee's possession and certify in writing that all such copies have been returned.

5 LIMITED WARRANTY

5.1 Limited Warranty

Licensor warrants that for a period of one hundred eighty (180) days after the installation of the Software and Software modifications to Licensee, the latest unmodified version of the Software released by Licensor shall substantially perform in accordance with the Software Documentation. Any Product Updates and Product Upgrades are warranted for a period of 180 days after delivery.

5.2 Remedies

Licensor's entire liability and Licensee's exclusive remedy shall be for Licensor, at its option, to either: (i) replace any defective media which prevents the Software from satisfying the limited warranty described above provided such defective media is returned to Licensor; or (ii) attempt to correct any errors which Licensee finds in the Software during this warranty period and which prevent the Software from substantially performing as described in the Software Documentation. Any replacement Software will be warranted for the remainder of the original warranty period or for sixty (60) days, whichever is longer.

5.3 Right to License

Licensor warrants that it is the owner of the Software and/or has the right to license the Software to Licensee.

5.4 Limitations of Warranty

Notwithstanding anything to the contrary in this Section 5, the above warranties do not apply to Third Party Software. The above warranties are null and void if failure of the Software has resulted from accident, abuse, or misapplication. The above warranty applies only to software problems which are apparent in the unmodified, standard Software which is not merged with other software. Licensor does not warrant that the operation of the Software will be uninterrupted or error free, or that all defects will be corrected. Licensor shall not be required to correct errors during the above described warranty period attributable to: equipment malfunction; products other than the Software; use of the Software in conflict with or contravention of the Software Documentation or the terms of this Agreement; or accident, neglect, misuse, or abuse of the Software.

6 DISCLAIMER OF WARRANTY

EXCEPT AS PROVIDED IN SECTION 5.1, LICENSOR MAKES NO OTHER WARRANTIES REGARDING THE SOFTWARE OR SOFTWARE DOCUMENTATION, INCLUDING WITHOUT LIMITATION, EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND ANY OTHER WARRANTY, EXPRESS OR IMPLIED. LICENSOR MAKES NO WARRANTIES REGARDING THIRD PARTY SOFTWARE, INCLUDING WITHOUT LIMITATION, EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND ANY OTHER WARRANT, EXPRESS OR IMPLIED.

Licensor shall not be liable for any claimed non-conformance of Software under Article 35(2) of the United Nations Convention on the International Sale of Goods, even if that Convention were to be determined to be applicable to these transaction(s).

7 LIMITATION OF LIABILITY

EXCEPT AS PROVIDED IN OTHER SECTIONS OF THIS AGREEMENT, IN NO EVENT SHALL LICENSOR BE LIABLE FOR ANY INCIDENTAL, SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES, LOSS OF BUSINESS, LOSS OF PROFITS, LOSS OF GOODWILL, OR TORTIOUS CONDUCT RELATING TO, CAUSED BY, OR ARISING OUT OF ANY BREACH OF OBLIGATIONS OR DELAY IN DELIVERY OF SOFTWARE OR SOFTWARE DOCUMENTATION UNDER THE AGREEMENT, OR FROM LICENSEE'S USE OR INABILITY TO USE THE SOFTWARE, EVEN IF LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OR LIMITATION OF LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES OR CERTAIN TORTIOUS CONDUCT, SO THE ABOVE LIMITATION MAY NOT APPLY TO LICENSEE. FROM FIRST SUPPORT ANNIVERSARY DATE ONWARD, ANY DAMAGES THAT LICENSOR IS REQUIRED TO PAY FOR ANY AND ALL CAUSES, WHETHER FOR NEGLIGENCE, BREACH OF CONTRACT, OR OTHERWISE, AND REGARDLESS OF THE FORM OF THE ACTION IN THE AGGREGATE, SHALL BE LIMITED IN AMOUNT TO THE LICENSE FEES PAID BY LICENSEE TO LICENSOR FOR THE SPECIFIC COPY OR COPIES OF SOFTWARE. NOTWITHSTANDING THE FOREGOING, THE ABOVE LIMITATION ON THE AMOUNT OF DAMAGES SHALL NOT APPLY TO EITHER PARTY'S OBLIGATIONS WITH RESPECT TO THE INDEMNIFICATION PROVISIONS BELOW.

8 INDEMNIFICATION

8.1 Licensor's Indemnification - Infringement

Except as provided in other sections of this agreement, Licensor shall indemnify, defend and hold harmless Licensee against any action to the extent such action is based on a claim that Licensee's use of the Software or Documentation or any part thereof, excluding any Third Party Software and Documentation related thereto, under this Agreement, infringes a valid, enforceable United States patent or copyright, or misappropriates a trade secret, and Licensor shall pay all damages and costs (including reasonable attorneys' fees) awarded or agreed to in settlement by Licensor in respect of such action; provided that Licensor is given notice in writing of such claim within fifteen (15) calendar days of the date Licensee knows of such a claim. Licensor shall control the defense in any such action and, at its discretion, may enter into a stipulation of discontinuance and settlement thereof. Licensee shall cooperate with Licensor in any such defense and shall make available to Licensor all those persons, documents and things required by Licensor in the defense of any such action. Reasonable out-of-pocket expenses incurred by Licensee in providing such assistance will be reimbursed by Licensor. Licensee may, at its expense, assist in such defense.

8.2 Remedies

If, in such an action, the Software is held to constitute an infringement or misappropriation, or the use, demonstration, distribution, marketing, or sublicensing thereof is enjoined or restricted, Licensor shall, at its option, either procure for Licensee the right to continue using the Software, or modify the Software to permit Licensee to exercise its rights hereunder so long as modifications perform substantially the same as previous functionality.

8.3 Limitations of Indemnification

The foregoing indemnity shall not apply in respect of any infringement or misappropriation if such infringement or misappropriation resulted from Licensee's or any of its Users' use of the Software: (a.) in an operating environment other than that described in the Software Documentation or under this Agreement; (b.) in conjunction with an enhancement not created or owned by Licensor; (c.) with the use of a superseded release of the Software; (d.) in conjunction with other software not created or owned by Licensor; (e.) to the extent the Software is modified or merged with other programs as prohibited in Section 2.2 hereof; or (f.) if the Software is Third Party Software. The foregoing states the entire obligation of Licensor with respect to the infringement of patents and copyrights, and misappropriation of trade secrets.

8.4 Licensee's Indemnification - Infringement

Licensee shall, at its expense, indemnify, and hold harmless Licensor against any claim or action to the extent such claim or action is based on a claim that any enhancement or any part thereof provided or created by Licensee infringes a patent or copyright, or misappropriates a trade secret, and Licensee shall pay all damages and costs (including reasonable attorneys' fees) awarded or agreed to in settlement by Licensee in respect of such claim; provided that Licensee is given notice in writing of such claim within fifteen (15) calendar days of the date Licensor knows of such a claim. Licensee shall control the defense in any such action and, at its discretion, may enter into a stipulation of discontinuance and settlement thereof. Licensor shall cooperate with Licensee in any such defense and shall make available to Licensee all those persons, documents and things required by Licensee in the defense of any such action. Reasonable out-of-pocket expenses incurred by Licensor in providing such assistance will be reimbursed by Licensee. Licensor may, at its expense, assist in such defense.

9 SUPPORT

9.1 COMM Link

Licensee is required to establish a direct computer-to-computer (COMM) link with Licensor approved by Licensor before support is provided to Licensee. Licensee must assure that Licensor has access to Licensee's Designated Computer(s) via the COMM link. COMM link must meet Licensor's current specifications for connection to its customer support network. Licensor will provide the System Administrator with a telephone number to Licensor's Support Center, a COMM log-in to the Support Center's system, and instructions on how to establish the COMM link. Licensor will ensure that the Support Center's system will accommodate a COMM link with the Licensee's system. Licensee will bear all costs associated with establishing and maintaining the COMM link from Licensee's site to Licensor's customer

support network.

9.2 Required Development Environment

To assist in the resolution of Software Problem(s), Licensee is required to maintain the versions then-currently supported by Licensor, or versions compatible with the versions then-currently supported by Licensor, of operating system supported by Licensor. Licensee shall license and maintain an Open Database Compliance ("ODBC") driver then-currently supported by Licensor for its development environment. Licensee shall also maintain a tape drive on its development system, the format of which is compatible with the tape formats then-currently supported by Licensor, and make regular backups of its development systems. The requirements of this subsection are subject to reasonable change.

9.3 Support and Upgrade Fees

Licensee agrees to pay the current annual Support and Upgrade Fees as detailed in Appendix B. Subsequent years of Support and Upgrade Services are optional.

9.4 ProVal Software Support Specialist and System Administrator

Licensee must designate both a System Administrator and a ProVal Software Support Specialist who shall act as the primary contact between Licensee and Licensor.

9.5 Licensee's Responsibilities

Licensee agrees to assist and cooperate with Licensor, as reasonably required by Licensor, in the resolution of Software Problems. Such assistance and cooperation will facilitate quicker and more effective problem resolution by Licensor, and may include:

9.5.1 Consultation with the System Administrator and ProVal Software Support Specialist(s);

9.5.2 Providing documentation of the Software Problem(s), test data, and copies of the programs being used when the Software Problem(s) become apparent.

9.6 Support Services

The Support Services, which shall meet or exceed efforts and services provided to other Licensees, generally include resolution of Software Problem(s), support via electronic mail ("E-mail") and telephone, and upgrades and updates of the Software. Updates to existing procedures in the Software as required by Washington State law are also included in the Support Services. Installation, training, and modification of the Software are services not included as support services and must be contracted for separately.

9.7 E-Mail and Telephone Support

Licensor will provide assistance in identifying, confirming and providing a "workaround" for suspected Software Problem(s) in the standard, unmodified code of the Software. Licensor may require documentation of the Software Problem, test data, and copies of the programs being used before confirming and resolving Software Problem(s). E-mail can and should be used to communicate support requests.

9.8 Direct User Contact

Licensor personnel may use the direct COMM link to access Licensee's Computer to better analyze the suspected Software Problem and produce a solution or "workaround" to Software Problem(s). Licensor personnel may also directly communicate with Licensee regarding the suspected Software Problem(s) using a form of telecommunications.

9.9 Site Visits

In the event that: (i) data is corrupted, returned results are incorrect, or there is a severe feature malfunction without a "workaround", (ii) the Software Problem seriously disrupts Licensee's primary business operations, and (iii) Licensee and Licensor have made every reasonable attempt to correct the Software Problem, then Licensor agrees to use its best reasonable efforts to resolve the Software Problem first remotely through the COMM connection or otherwise provided Licensee has provided Licensor adequate remote access to Licensee's system, and then on-site if necessary to resolve the Software Problem(s).

9.10 Support Hours

Licensor support services, which includes direct telephone services, will be available to Licensee from 8AM to 5PM Pacific Time weekdays, excluding standard U.S. holidays.

9.11 Product Updates and Upgrades

Upon payment of Licensee's annual Support and Upgrade Fee (detailed in Appendix B), Licensor agrees to provide Licensee with the Product Updates and Product Upgrades produced by Licensor.

9.12 Current Version Supported

Licensor will provide Support only for the then-current version of the Software, and for the previous version of the Software for a period of twelve (12) months following the release of a new version.

9.13 Non-Supported Matters

Licensor will not provide Support and Upgrade Services for the following unless such services are otherwise agreed to:

- 9.13.1 Accounting, property valuation, assessment or taxation principles, theory, or practice;
- 9.13.2 Altered, modified or merged Software;
- 9.13.3 Client PC and Database Server configuration, operation or performance except for requirements of the Software;
- 9.13.4 Database administration, including but not limited to backup, recovery, space management, performance tuning, and other routine maintenance;
- 9.13.5 Consulting services, including application or report design or recommendation, recovery of lost data, any Licensee purchase recommendations, training, installation, implementation, or customization;
- 9.13.6 Software Problems resulting from hardware or database malfunction;
- 9.13.7 Software Problems created by Licensee's negligence or fault;

9.13.8 Software used on a computer system other than that specified on an ASIX order form, or as otherwise authorized by Licensor, or external entities such as mortgage and title companies, tax and escrow services that receive the Public Property Inquiry Folder via the Licensee's right to distribute the programs and its updates; or

9.13.9 Software not licensed by Licensor.

9.14 Language

Telephone and E-mail support will be provided in English unless otherwise agreed to in writing by Licensor.

9.15 Support Costs

In the event that an error is attributable to a cause other than an error in the Software, and is not due to the fault or negligence of the Licensor, Licensee agrees, upon Licensee's written approval, to pay airfare and reasonable expenses, including unusual or excessive telephone, shipping, handling, media, or Documentation expenses, if any, incurred by Licensor while providing Support to Licensee.

9.16 Training

Training in the use of Software is a service for which Licensor charges additional fees. Training services may be contracted through Licensor at the then-current fees.

10 GENERAL

10.1 Waiver, Amendment, or Modification

Any waiver, amendment, or modification of any of the provisions of this Agreement or of any right, power or remedy hereunder shall not be effective unless made in writing and signed by the parties. No failure or delay by either party in exercising any right, power or remedy with respect to any of its rights hereunder shall operate as a waiver thereof in the future.

10.2 Governing Law

This Agreement shall be governed by the laws of the State of Washington, and shall inure to the benefit of Licensor, its successors, administrators, heirs, and assigns. The United Nations Convention on the International Sale of Goods shall not apply to this Agreement.

10.3 Choice of Forum

The parties agree that King County in the State of Washington shall be the proper forum for any action, including arbitration, brought under this Agreement.

10.4 Attorney's Fees

In the event an action, including arbitration, is brought to enforce any provision of or declare a breach of this Agreement, the prevailing party shall be entitled to recover, in addition to any other amounts awarded, reasonable legal costs including attorneys' fees incurred thereby.

10.5 Limitation on Actions

No actions, regardless of form, arising from the transactions under the Agreement, may be brought by any party hereto more than four (4) years after the facts creating the cause of action become known to such party.

10.6 Severability

If any term, provision or part of the Agreement is to any extent held invalid, void, or unenforceable by a court of competent jurisdiction, the remainder of the Agreement shall not be impaired or affected thereby, and each term, provision and part shall continue in full force and effect.

10.7 Survival

The terms, conditions, and warranties contained in the Agreement that by their sense and context are intended to survive the termination thereof by the parties hereunder shall so survive the termination of the Agreement.

10.8 Notice

All notices or other communications hereunder shall be deemed to have been duly given when made in writing and delivered to the principal place of business of the other party.

10.9 Force Majeure

Neither party shall be in default nor liable for any failure in performance or loss or damage under this Agreement due to any cause beyond its control.

10.10 Taxes

Licensee shall pay all applicable sales, use, and other taxes or similar governmental charges or duties incurred in connection with the exercise of the licenses and rights granted herein to Licensee, except such taxes or charges based on the income of Licensor. Upon request, Licensee shall promptly provide Licensor with evidence of payment of any such tax. Licensee will reimburse Licensor for all such costs and taxes paid by Licensor on the Licensee's behalf, including any related penalty or interest charges on unpaid taxes, duties, or charges, levied upon Licensee by any such taxing or governmental authority within thirty (30) days after Licensee's receipt of Licensor's invoice therefore supported by appropriate documentation.

10.11 Enforcement of Compliance

If requested by Licensor at any time, Licensee will certify under oath that Licensee has fully and faithfully observed all of the terms and conditions of this Agreement. Licensor may at reasonable times inspect Licensee's premises and equipment to verify that all of the terms and conditions of this Agreement are being observed.

10.12 Acknowledgment

Licensee acknowledges that Licensee has read this Agreement, understands it, and agrees to be bound by its terms and conditions. Licensee also agrees that from the first anniversary date onward this Agreement is the complete and exclusive statement of agreement between the parties and supersedes all proposals or prior agreements, oral or written, and any other

communications between the parties relating to the licensing or support of the Software, except as set forth in Sections 2.14.9, 2.14.27, 2.14.30, and 2.14.33 33 of the agreement to provide the Comprehensive Appraisal Assessment and Treasury System executed by the Parties on the same date as this Agreement .

In Witness Whereof, the parties have duly executed and delivered this Agreement on the last date indicated below.

Snohomish County Approval

DATED at Everett, Washington, this 16th day of December, 1998.

County Executive

Jean M. Earl

Vendor Approval
ProVal Corporation

An Ohio Corporation

President, Sales

J. Wayne Moore
President 1/4/99

Approved As To Form

Cheal M. Miller Subject to Memo File
date to Jean Earl
Snohomish County Deputy Prosecutor 12-4-98
Date

Software Licensed (Statement of Product):

* Entitles Licensee to an initial combined total of 100 activator devices (1 required per User). Additional activator devices are available for a one time \$90.00 handling fee each.

Manufacturer: Hewlett Packard. Model # 9000.

Operating System: HP/UX Version: _____ System Node Name: _____

Address of Computer Site: Snohomish County

Department of Information Services

3000 Rockefeller Ave.

Everett, WA 98201-4046

Note: Software licensing to Client is restricted to a specific server or operating system.

EXHIBIT E, APPENDIX B - SUPPORT AND UPGRADE FEES

1. SUPPORT AND UPGRADE FEES

1.1 Support and Upgrade Fees

The annual Support and Upgrade Fees for licensed software listed in Appendix A are subject to an annual increase not to exceed six percent per year for the first four years. The Support and Upgrade Fees are due upon receipt of billing, and upon subsequent anniversaries of that date if Licensee elects to continue the Support and Upgrade Services.

1.2 Payment Terms

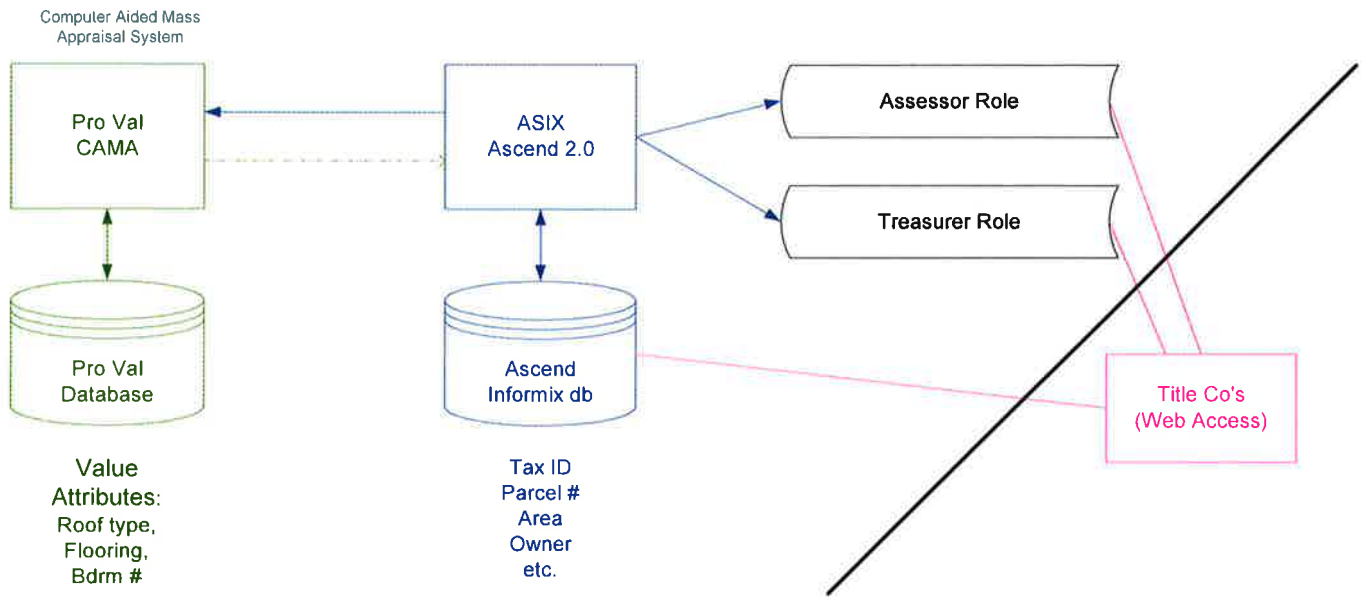
All license and support fees are to be paid within thirty (30) days following the Support anniversary date (i.e., NET 30) in U.S. Dollars unless otherwise agreed to by the parties.

Snohomish County / ASIX, Incorporated
Comprehensive Appraisal Assessment and Treasury System
Master Contract

- EXHIBIT F -

ProVal Source Code Escrow Agreement
(Attached Document Following)

Comprehensive Appraisal Assessment & Treasury System Intended Setup



Title/Public Access current & planned conversion

