



Award Winning California IT Services

Alvarez Technology Group

**Light & Motion**

*iTeam Essentials Managed Services Agreement*

Presented by:

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# EXHIBIT A to SERVICE AGREEMENT

## Essential Services



**Client Name:** Light & Motion

**Executive Summary**

The Alvarez Technology Group (ATG) iTeam™ Service Agreement provides a client with support for their information technology (IT) environment. The Essential program is designed for routine, remote maintenance support for the most critical components of a network, including servers and firewalls.

ATG will assign a dedicated team of professionals led by the technical account manager (TAM) to manage the Client's technology environment and user needs. ATG will install and maintain monitoring and management tools and configure all the covered devices to be monitored 7x24x365. (See *Onboarding* below.) The tools will alert ATG to any significant problems that arise which will be responded to during normal working hours of the ATG Operations Center (OpsCenter), 6 AM to 6 PM, Monday thru Friday, excluding published holidays. Issues that are identified outside of this time frame will be addressed during the next business day, although Client may request help after normal business hours as noted below.

All service work will be done by the technicians working from the OpsCenter. In addition to responding to alerts, the OpsCenter helpdesk is available to one designated Client contact, who may contact the helpdesk at any time for assistance and to ask questions. If the technician determines that the assistance requested is not covered by the agreement, Client will be asked to approve any billable work in advance of the work being performed.

If onsite support is required, then Client will be asked to approve any billable work in advance of the work being performed.

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## Covered Services

### ***Strategy and Management***

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| <b><i>Technical Account Manager</i></b> | Client will be assigned a dedicated Technical Account Manager (TAM) who will be the Client's champion within ATG. The TAM will meet regularly with Client, help identify IT needs, provide proposals and quotes for upgrades and new systems and also serve as the primary point of contact within ATG.        |
| <b><i>Annual IT Evaluation</i></b>      | After the contract is in effect, once a year on the anniversary of the contract or on a mutually agreeable date, the TAM and designated consultants will review Client's IT environment and create a detailed annual report on the state of existing technology deployments and recommend future enhancements. |
| <b><i>Custom Client Portal</i></b>      | Client will have access to an online portal customized to allow access to real-time information on the health of the IT environment as well as important metrics, service information and to check the status of ongoing service tickets   |
| <b><i>After-hours Hotline</i></b>       | Client will have access to support after normal business hours for an additional fee by contacting the 24x7 ATG Hotline. Client will be charged at a rate of \$200 an hour for all services rendered after hours, with a one-hour minimum.   |

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## **CyberProtect™ Basic**

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| <b>Endpoint Protection</b>  | ATG will install industry-leading, start-of-the-art endpoint software on all Windows and Macintosh workstations and servers to protect against malware, including viruses, Trojans and spyware. Endpoint device protection is also available for an additional fee.  |
| <b>CyberProtect™</b>  | Cloud-based network security to prevent access to known malware sites, minimize the likelihood of Ransomware attacks and otherwise protect all devices on the network from vulnerabilities like botnets and phishing using a DNS-based firewall powered by Cisco technologies.   |
| <b>iSafe™ Prime</b>   | Cloud-based email protection that eliminates spam, malware attachments and embedded viruses before those emails get into your inbox.   |
| <b>Patch Management</b>   | The OpsCenter will manage the installation of required operating system patches on the servers, ensuring vital security updates and performance-enhancing upgrades are installed as they are made available.   |
| <b>Security Management</b>  | ATG will manage the security systems client has in place to protect the network, from the firewall to end-points, including ensuring that the malware protection software installed on PCs and servers is updated in timely fashion. Recommendations for improvements will be made by the ATG Global Cyber Security Team (GCST).   |
| <b>Disaster Prevention and Limited Disaster Recovery</b>            | <p>ATG will use industry best practices to create a disaster prevention and recovery plan and policies to ensure optimal performance of the server or servers.</p> <p>In case of a disaster such as disk failure or virus outbreak, ATG will provide disaster recovery assistance limited to a total of <b>four hours</b> during any single incident, including remote and onsite support. Additional onsite services will be subject to billing at the reduced billing rates.</p>                                   |
| <b>RapidRecovery<sup>SM</sup> Business Continuity Server Backup</b> | <p>A business continuity and disaster recovery solution is deployed at the client site to allow image-based backups of each Windows server so that in case of a catastrophic hardware failure that incapacitates the server for any length of time, we can temporarily get the server up and running in hours instead of days.</p> <p>Client can also choose to add offsite backup to provide additional protection of data in case of a catastrophic loss of a facility or to abide by regulatory requirements.</p> |

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## **Infrastructure Monitoring and Management**

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|-----------------------------------|--|
| <b>Server Platform Monitoring</b> | The OpsCenter technicians will monitor the health and welfare of the server or servers running the management software. The servers will be configured to send alerts to the OpsCenter in case of significant problems. OpsCenter technicians will monitor the servers daily, responding automatically to any server alerts and resolving those issues remotely, if possible. If onsite service is required, the client will be contacted to authorize the onsite work at the reduced billing rates. |
|-----------------------------------|--|

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| <b>Network Infrastructure Monitoring</b> | At no additional cost, client will benefit from the onsite monitor of not only the servers, but all PCs and devices on the network. If alerts are generated by any of these systems, client will be contacted to authorize the work needed to resolve the problem at the reduced billing rates, either remotely or onsite. |
| <b>User Management</b>                   | Includes adding or deleting users, managing user access to server resources and monitoring user data on the servers.   |
| <b>Email Management</b>                  | The OpsCenter will monitor the health of email systems hosted on premise or hosted at a cloud-based datacenter, as well as adding or deleting users, managing organization-wide email lists and user quotas.   |
| <b>Backup Monitoring</b>                 | The OpsCenter will ensure that the server-based backup system works as intended. If problems arise, they will be resolved remotely. If onsite service is required, the client will be contacted to authorize the onsite work at the reduced billing rates.   |
| <b>Routine Maintenance</b>               | Server-side routine maintenance, such as deleting temporary files, defragmentation and managing file locations is included.  |
| <b>Application Management</b>            | Any applications installed on the server will be managed remotely by the OpsCenter. (Does not include resolving application specific problems. Client is required to have a separate support contract with the application vendor for such support.)   |
| <b>Reduced Onsite Rates</b>              | Remote and onsite services not covered by this contract will be billed at the reduced hourly rate of \$150 during normal business hours and \$200 outside of normal business hours.  |

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## Onboarding

In order to properly manage a client's IT infrastructure, steps must be taken to ensure that the network is stable and capable of being remotely managed during the initial 30 to 60 days of the agreement, a period called Onboarding.

The Onboarding process consists of an evaluation of the current state of the network systems, primarily focusing on the servers. The evaluation includes:

- Confirming the health of the server platform, including hardware and operating system.
- Ensuring the servers are patched up to the latest security and performance updates.
- Confirming that the backup system is operating as intended and that the backup system is adequate to the task.
- Confirming that the client's software is legitimately licensed.
- Document the client's network, including creating or updating a network diagram.
- Collect information on client's work environment, including users, phone numbers and other locations.
- Ensure that all CyberProtect™ software and services are installed and configured properly.
- Install and configure remote monitoring and management tools.

During the Onboarding, our engineers may identify simple, minor problems that can be corrected on the spot and will do so. However, any significant problems or issues will be brought to the attention of the client along with a proposal to remedy the problems on a time and materials basis, outside of the contract. If any of these problems are deemed to be serious enough to impact the management of the network, remediation must be accomplished prior to the contract going into effect.

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## Response Times and Service Level Agreement

ATG wishes to keep Client's IT Infrastructure in peak performance, therefore, we will strive to achieve the following service level agreement (SLA) targets at least 90% of the time:

- a. Low Priority Ticket: Respond within 4 business hours; Resolve within 3 business days
- b. Medium Priority Ticket: Respond within 2 hours; Resolve within 24 business hours
- c. High Priority Ticket: Respond within 1 hour; Resolve the problem within 8 hours

Note: These resolution times assume that replacement equipment is either on hand at Client's site or can be ordered and received such that labor can be performed to meet the SLA.

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## Exclusions

Client understands and agrees that services required to recover from failures and/or incidents caused by any of the following circumstances are not considered normal maintenance and not covered under this Agreement:

- a. Natural Disasters. This includes floods, storm damage, lightning strikes, earthquakes and other such acts of nature.
- b. Accidental or Intentional Acts. Inadvertent or intentional acts by Client, their employees or third-party contractors that cause damage to the network.
- c. Electrical Problems. Damage to the network as a result of power-related issues, such as spikes, surges and explosions, which reasonable protective measures, such as surge protectors and uninterrupted power supplies, fail to protect against. Note: Typically, the local power company reimburses all expenses related to these problems.

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## Fee Schedule

The initial monthly fee for the agreement is calculated based on the number of devices that going to be monitored and managed, including servers and firewalls. Any changes to the initial monthly fee will be based on the increase or decrease of the number of supported devices, subject to the minimum monthly fee of \$500 applicable to the Essential agreement.

Total Recurring Monthly Fee      \$    2,495.00

**CLIENT: Light & Motion**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

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

**Alvarez Technology Group, Inc.**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

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



# EXHIBIT B to SERVICE AGREEMENT Addendum



The changes noted below supersede, enhance or otherwise describe situations or services not included in the Service Agreement and/or Exhibit A.

**Light & Motion**

iTeam Essentials Managed Services

**Location:** 711 Neeson Rd, Marina, CA 93933

**Equipment**

Workstations: 30  
Physical Servers: 5  
Virtual Servers: 6  
Firewalls: 1

**iSafe CyberProtect Premium:** ATG strongly recommends iSafe CyberProtect Premium. Can be added to this agreement.

Anti-virus will be deployed to all systems. ATG will evaluate requirements during onboarding and will propose a Rapid Recovery backup solution.

**6-Month Relationship Review:**

Client and ATG agree to meet on or around the 6-month anniversary of the execution of this agreement to review the status of the relationship. Client may elect to provide 30-day notice to cure per the terms of this agreement if not satisfied with the performance of ATG. If relationship is terminated after cure period, Client will pay the prorated waived on-boarding fee of approximately \$1,767.

**One-time Fees:**

Managed Services Onboarding: ~~2,495.00~~ Waived\*

*\*Onboarding fee is waived with two (2) year agreement. If agreement is terminated early, the pro-rated cost of onboarding is due to ATG.*

**Light & Motion**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

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

**Alvarez Technology Group, Inc.**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

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



# SERVICE AGREEMENT



This Service Agreement ("Agreement") is entered into by and between Alvarez Technology Group, Inc. ("ATG") and **Light & Motion** ("Client"), on \_\_\_\_\_ ("Effective Date").

## **SERVICES**

ATG shall provide Client with those services described in **Exhibit A** and **Exhibit B** (optional), which is attached hereto and incorporated as part of this Agreement. ATG's fees for said services are also identified in **Exhibit A**.

## **TERM**

This Agreement shall be in effect and commence on the Effective Date and continue for a period of two years with automatic renewal for one year at the anniversary date of the contract thereafter.

## **PROJECTS**

Client may occasionally require services outside the scope of the services described herein. Those additional services will be called "Projects" and ATG will provide a detailed scope of work and labor quote, using discounted rates. If Client chooses to have the work done outside of normal onsite business hours discounted rates will increase. Client will sign off on the quote before any work is performed and understands that a separate invoice(s) will be generated for the Project work. Examples of such Projects include PC and server replacements, the installation of a new accounting software package, adding new network devices, the setting up of a new office and consulting. The parties acknowledge and agree that the provisions of this Agreement shall apply to any and all Projects.

## **TIME AND MATERIALS WORK**

Client may purchase third party products and ask ATG to install and configure those products. Because ATG did not provide the product it may not be able to provide a detailed labor quote and such work will be done on a time and materials basis without a scope of work, unless both parties agree otherwise.

## **CLIENT COOPERATION**

Client shall provide reasonable access to its premises and hardware installations to enable ATG the opportunity to maintain the IT Infrastructure. In addition, Client agrees to maintain all support agreements for critical software packages, to include at a minimum virus scanning, anti-spam protection and proprietary software applications as identified by ATG during the Optimization phase of the contract. Client also agrees to assign one employee to be a Liaison or contact person to ATG in order to make communications between both parties effective.

**Liaison: Ann-Elise Emerson**

**Phone: 831.233.6965**

## **CONFIDENTIALITY**

- A. ATG agrees to keep in confidence and not disclose to others the internal structure of Client or its' marketing strategies and the content and nature of any files on Client's network.
- B. ATG agrees that it will not access the content of, nor reproduce, any files stored on Client's network except with prior written authorization of Client, and then only as reasonably necessary to provide service to Client pursuant to this agreement.

- C. Client agrees to limit access to the IT Infrastructure to only those employees or consultants who require such access in order to use the Infrastructure in furtherance of the Client's business.
- D. Client shall take all reasonable precautions to maintain the confidentiality of the IT Infrastructure, but not less than what would be employed to protect its' own proprietary information.
- E. ATG conducts annual third-party audits to ensure its business processes and practices are in line with industry best practices. The Unified Communications Standard (UCS) audit results are available upon request.

#### **EXCEPTION TO CONFIDENTIALITY CLAUSE**

Consistent with federal and state laws, ATG will report to Client and law enforcement any suspected incidences of child abuse, including child pornography, that is discovered through our performance of services under this agreement. Client agrees to indemnify, defend and hold harmless ATG and its affiliates, officers, directors, employees, agents, successors and assigns, from and against all claims, demands, liabilities, damages and costs, including, without limitation, reasonable attorney's fees, arising from or relating to any report(s) made by ATG of any suspected incidents of child abuse, including child pornography, or any other potential violation of law of Client policies, to law enforcement of Client.

#### **WARRANTIES AND DISCLAIMERS**

THE PARTIES ACKNOWLEDGE AND AGREE THAT ATG MAKES NO WARRANTIES OF ANY KIND, EXPRESSED OR IMPLIED, REGARDING THE FUNCTIONALITY OF HARDWARE OR SOFTWARE, AND ALL IMPLIED WARRANTIES INCLUDING ANY WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE HEREBY DISCLAIMED. INSTEAD CLIENT SHALL RELY SOLELY ON THE WARRANTIES PROVIDED BY THE MANUFACTURER OF EACH PRODUCT.

#### **LIMITATION OF LIABILITY AND REMEDIES**

CLIENT ACKNOWLEDGES AND AGREES THAT UNDER NO CIRCUMSTANCES SHALL ATG BE LIABLE FOR SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF ANTICIPATED PROFITS OR LOSS RESULTING FROM CLIENT'S BUSINESS DISRUPTION DUE TO FAULTY EQUIPMENT, EVEN IF ATG HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. CLIENT AGREES THAT ITS RIGHT TO COLLECT DAMAGES ARISING IN CONTRACT FROM A BREACH OF ATG'S OBLIGATIONS UNDER THIS AGREEMENT IS CLIENT'S SOLE REMEDY FOR ANY DAMAGE, LOSS OR EXPENSE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

#### **INSURANCE**

ATG carries sufficient insurance as to ensure that it can protect itself and its employees, including General Liability, Cybersecurity, Worker Compensation and any other insurances as deemed necessary by ATG.

#### **DEFAULTS AND TERMINATION**

- A. Client's Termination For Cause. Client may terminate this Agreement if ATG fails to cure a Default within 30 days from the date that ATG receives written notice of Client's description and request to cure a Default as defined herein. For purposes of this Agreement, an ATG "Default" is defined as the occurrence of one of these events:



1. ATG becomes insolvent or is a party to any voluntary bankruptcy or receivership proceeding, makes an assignment for a creditor, or there is any similar action that affects the affairs or property of ATG;
  2. ATG is the subject of a petition or involuntary bankruptcy and such petition is not removed within ninety (90) days; or
  3. ATG fails to materially perform or comply with the terms and conditions of this Agreement.
- B. Client's Default and Termination Without Cause. Client shall be in "Default" if Client fails to make payment of any invoice within thirty (30) calendar days after it is rendered, or Client fails to materially perform or comply with the terms and conditions of the Agreement. A Default shall result in a "Termination Without Cause" by Client if Client fails to cure a Default within 30 days from the date that Client receives written notice of ATG's request to cure Client's Default.
- C. Remedies For Client's Termination Without Cause. Client acknowledges and agrees that ATG relies on Client's promises to pay for the entire duration of the Term when ATG is determining and negotiating its fee schedule. Accordingly, the parties agree that Client's Termination Without Cause will result in damages to ATG and entitle ATG to an award of the sum of all unpaid fees for the remaining balance of the Term, including the accrued interest, legal costs and attorneys' fees. The remedies described herein are cumulative and shall not exclude any other remedies or damages to which ATG may be lawfully entitled.

#### **NON-SOLICITATION OR HIRING OF ATG PERSONNEL PERFORMING SERVICES FOR CLIENT**

Client acknowledges and agrees that ATG has spent considerable time and expense in the recruitment, hiring, and training of qualified staff. Accordingly, Client agrees that during the term of this Agreement or any extension and for a period of twelve (12) months immediately following termination, Client shall not directly or indirectly hire, contract with or solicit for employment or contract any person employed by or contracted with ATG who performed services on Client's behalf during the term of this Agreement, or any extension. If Client hires or contracts with any person who performed services on Client's behalf during the period set forth in this paragraph, instead of requiring any proof of damages or losses, Client shall pay ATG the sum of Ten Thousand Dollars and No Cents (\$10,000) as liquidated damages (but not as a penalty.) Neither the breach of this paragraph nor the payment of liquidated damages by Client shall affect the continuing validity or enforceability of this Agreement.

#### **ARBITRATION**

Any dispute, claim, or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation, or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in Monterey County, California before one arbitrator. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures and in accordance with the Expedited Procedures in those Rules/JAMS' Streamlined Arbitration Rules and Procedures. Judgment on the award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction.

#### **NOTICES**

Any notice given by either party hereto to the other party shall be in writing and shall be signed by the party giving notice. Any notice or other document to be delivered to either party hereto by the other party shall be deemed delivered if mailed postage prepaid to the party to who directed at the address of such party stated as follows:

ATG: 209 Pajaro Street, Suite A Salinas, CA 93901  
Client: 711 Neeson Road, Marina, CA 93933

#### **FORCE MAJEURE**

ATG shall not be in default under this Agreement because of any failure to perform in accordance with this Agreement if such failure arises from causes beyond its control, including, but not restricted to, acts of God, acts of government, fires, floods, epidemics, quarantine, restrictions, strikes, embargoes, inability to secure raw materials or transportation facilities, acts or omissions of carriers, cyber-attacks or any and all causes beyond control of ATG.

#### **WAIVER**

No waiver of a breach, failure of any condition or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right or remedy.

#### **ATTORNEYS' FEES**

If it is necessary for ATG to employ attorneys for the collection of amounts owed and/or to engage in legal proceedings to enforce or interpret any of the provisions of this Agreement, ATG shall be entitled to recover all costs and expenses incurred, including without limitation, its attorneys' fees and legal costs, and said sums shall be added to the amount payable hereunder and be collected as a part thereof.

#### **GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed by and construed in accordance with the laws of the State of California. This Agreement was negotiated, formed and executed in the County of Monterey, California, and the parties agree that any litigation, action or proceeding arising out of or relating to this Agreement shall be instituted in the County of Monterey, California.

#### **ASSIGNMENTS**

Neither this Agreement nor any rights hereunder may be assigned except with the prior written consent of the other parties hereto.

#### **SEVERABILITY**

If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and unenforceability of the remaining provisions shall not in any way be affected or impaired thereby.

#### **JOINTLY DRAFTED**

The parties agree that any ambiguities in this Agreement shall be resolved by giving effect to the ascertained intent of the parties and that this Agreement shall be considered jointly drafted by all parties.

**LEGAL REPRESENTATION**

Each party represents that they have been advised to consult counsel of their own choosing with respect to this Agreement, and have either consulted counsel of their own choosing to advise them about the terms and effect of this Agreement, or that they have been given ample opportunity to do so, but have freely declined that opportunity.

**CAPTIONS AND HEADINGS**

The captions and headings are inserted in this Agreement for convenience only, and in no event be deemed to define, limit or describe the scope or intent of this Agreement, or of any provision hereof, nor in any way affect the interpretation of this Agreement.

**MODIFICATIONS**

This Agreement can only be modified by a written Agreement duly signed by authorized representatives of ATG and Client, and variances from or additions to the terms and conditions of this Agreement (in any order or other writing from the Client) will be of no effect. Moreover, in order to avoid uncertainty, ambiguity and misunderstandings in their relationships, ATG and Client have covenanted and agreed not to enter into any oral agreement or understanding inconsistent or in conflict with this Agreement; and ATG and Client further covenant and agree that any oral communication allegedly or purportedly constituting such an agreement or understanding shall be absolutely null, void and without effect.

**COUNTERPARTS**

This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed an original but which together shall constitute one and the same original. Signatures transmitted by facsimile or e-mail will have the same effect as original signatures.

**ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior contemporaneous written or oral agreements and representations between the parties with respect thereto. This Agreement shall not be deemed to extinguish or mitigate any payments, which are owed to ATG by Client pursuant to the terms of any previous or other existing agreements between ATG and Client.

**AUTHORITY**

Each Party executing this Agreement on behalf of its respective entity represents that he or she is duly authorized to execute and deliver this Agreement on behalf of said entity and that this Agreement is binding upon said entity in accordance with its terms.

THE PARTIES STATE THAT EACH HAVE CAREFULLY READ THIS AGREEMENT, UNDERSTAND THE CONTENTS HEREOF, AND SIGN THE SAME AS HIS OR HER OWN FREE ACT.

**CLIENT: Light & Motion**

**Alvarez Technology Group, Inc.**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

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

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