CGI TECHNOLOGIES AND SOLUTIONS INC.

PROPRIETARY SOFTWARE MAINTENANCE AGREEMENT

This is a Proprietary Software Maintenance Agreement ("Agreement") dated as of _____, 2013, (the "Effective Date") by and between County of San Mateo, California ("Customer") having a place of business at 400 County Center, Redwood City, California, 94063-1662,and CGI Technologies and Solutions Inc., formerly CGI-AMS Inc. and American Management Systems, Incorporated ("CGI"), a Delaware corporation having its principal place of business at 4050 Legato Road, Fairfax, Virginia, 22033.

1. **DEFINITIONS**

    Capitalized terms used in this Agreement will have the meanings given below or in the context in which the term is used, as the case may be.

    A. "Documentation" means the documentation provided by CGI for the Software pursuant to the License Agreement.

    B. "Enhancements" means changes or additions to the Software which CGI develops and makes available at no additional charge to all licensees of the Software who are under then-current maintenance agreements.

    C. "Software incident" means a material deviation of the Software from the specifications for the Software identified in the License Agreement.

    D. "License Agreement" means the license agreement specified in *Exhibit A* pursuant to which CGI licensed the Software to Customer.

    E. "Maintenance Period" means the initial term of this Agreement or any subsequent renewal period. The initial term and each renewal period is a separate Maintenance Period. The initial Maintenance Period is specified in *Exhibit A*. Each renewal Maintenance Period, if any, will be a period of twelve (12) months.

    F. "Software" means the software specified in *Exhibit A*.

2. **MAINTENANCE**

    A. CGI Standard Support and Maintenance Services provide the Customer with the required ongoing enhancements to the Software to address functional and technical changes. Specifically, the Standard Support and Maintenance Services provide these major components:

    ▪ Internet access through our secure web site, *e*Access (www.ams.com/access), to a variety of 24x7 support materials.

    ▪ Help Desk Support with direct phone, email, and web support on the baseline products through the CGI Client Support Center. Standard hours of operation are 8 am EST to 9 pm EST Monday-Friday. CGI can be reached at 800-321-0267 via phone and www.ams.com/access via our online support website.

- Software incident corrections to the Software.

- Software releases are provided periodically to address technical and functional compatibility with system software and ongoing regulatory changes and changes to business practices. Documentation updates are provided as part of each release. Additional Software incident corrections will be included in releases, as dictated by testing requirements and the magnitude of the required change.

- Enhancements to the Software are provided in new releases of the AMS Advantage solution.

- Membership to the AMS Advantage User Group. Membership provides the option to participate in various user group activities such as the annual CGI Forum, regional User Group meetings and voting for the User Group Steering Committee that works closely with CGI on a variety of customer issues and concerns. Membership also provides each site the option of proposing a candidate for election to the User Group Steering Committee.

CGI will support the following features of the AMS Advantage solution:

- The system components that the Customer is currently contracted for and is paying maintenance on;

- The third-party software component releases that are compatible with the currently supported version of the AMS Advantage solution;

- The documented features of the AMS Advantage Software, as listed on the delivered on-line documentation and help files;

- All standard baseline features of the system, including configuration tables (e.g. Required Elements) of the AMS Advantage Software, that DO NOT include infrastructure or other programming code changes. Any customer-specific configuration tables will not be supported.

- Prioritizations of all issues and software incidents according to the following schedule:

Severity	Definition
1 - Critical	A problem with CGI supported Software causing critical impact to the customer's business operation. No workaround is immediately available and work using the Software can not continue.
2 - Serious	A problem with CGI supported Software causing significant impact to the customer's business operation. A workaround is available but is unacceptable on a long term basis.
3 - Moderate	A problem with CGI supported Software that impairs some functionality, but a practical workaround exists.
4 - Minor	A problem that does not affect any functionality of the Software.

B.   CGI may, at its option, investigate and correct suspected software incidents at CGI's offices to the extent possible. If CGI's personnel travel to Customer's place of business at Customer's request to perform maintenance services, Customer will pay CGI for the travel time and the reasonable travel and other out-of-pocket expenses of CGI's personnel. If a suspected software incident is attributable to a cause other than the Software as delivered by CGI, then Customer will pay for CGI's work on a time-and-materials basis. If the Software module containing the software incident has been modified by non-CGI personnel, CGI will charge Customer on a time-and-materials basis at CGI's then-current hourly rates for analyzing and fixing the software incident in Customer's version, and for any installation assistance Customer requires.

C.   At the expiration of the initial Maintenance Period stated in this Agreement, Customer may buy maintenance services for the Software for subsequent Maintenance Periods in which CGI is offering maintenance services, at CGI's then current prices. Customer may obtain such maintenance services only if (i) Customer has paid the maintenance fee for all prior Maintenance Periods; and (ii) Customer incorporates into the Software all releases, corrections, and Enhancements to the Software that CGI has made available to Customer, no less than two minor software releases prior to current release.

D.   All Enhancements and corrections to the Software and Documentation provided by CGI pursuant to this Agreement will become a part of the Software and Documentation for the purposes of the License Agreement at the time they are provided to Customer and are hereby licensed to Customer as part of the Software and Documentation pursuant to all of the terms and conditions of the License Agreement.

E.   CGI further agrees to the terms and conditions set forth in Exhibit B attached hereto.

3.   PAYMENT TERMS

A.   Customer will pay, upon execution of this Agreement, the maintenance fees as detailed in Maintenance Period set forth in *Exhibit A*. CGI will provide Customer with written notice of and an invoice for the maintenance fees for each subsequent Maintenance Period at least thirty (30) days prior to the expiration of the then-current Maintenance Period. CGI will not be obligated to provide maintenance services in any Maintenance Period (including the initial Maintenance Period) unless the maintenance fees for the Maintenance Period have been paid in full.

B.   All fees and expenses are to be paid to CGI in United States Dollars, by wire transfer of funds to an account designated by CGI or by check sent to CGI at 15038 Collections Center Drive, Chicago IL 60693. CGI's invoices are due and payable in full within thirty (30) days from the date Customer receives them. If Customer does not pay an invoice within thirty (30) days after receipt, CGI may add an interest charge of one and one-half percent (11/2%) per month, or the maximum rate allowed by law if less; this interest will begin to accrue on the

thirty-first (31st) day after Customer's receipt of CGI's invoice and will accumulate on the outstanding balance on a daily basis until paid in full.

C.   Customer agrees to pay directly or reimburse CGI for any taxes arising out of this Agreement or CGI's performance under this Agreement, excluding taxes on CGI's net income. The maintenance fees specified in *Exhibit A* are exclusive of all taxes.

D.   Notwithstanding the foregoing, in no event shall the Customer's total fiscal obligation under this Agreement exceed One Hundred Forty-Five Thousand Eight Hundred Twenty dollars ($145,820).

4.   WARRANTIES AND REMEDIES FOR BREACH OF WARRANTY

A.   CGI warrants that the maintenance services will be performed in a workmanlike manner consistent with industry standards reasonably applicable to the performance of such maintenance services. If Customer believes there has been a breach of this warranty and so notifies CGI in writing stating in reasonable detail the nature of the claimed breach within thirty (30) days after the maintenance services are delivered to Customer by CGI, then CGI will promptly investigate the matter. If it is determined that there has been a breach of this warranty, then CGI's sole obligation, and Customer's exclusive remedy, will be for CGI to correct or re-perform any affected maintenance services as necessary to cause them to comply with this warranty. There will be no additional charge to Customer for the investigation and correction efforts performed by CGI, except as provided in section 2.B. If CGI is unable to correct a breach of this warranty after repeated efforts, Customer will be entitled to recover its actual damages subject to the limitations and exclusions set forth in section 5.

B.   CGI warrants that the Software and Documentation do not, to CGI's knowledge, infringe any third party copyrights, patents or trade secrets that exist on the Effective Date and that arise or are enforceable under the laws of the United States of America.

(1)   If a third party brings an action against Customer making allegations that, if true, would constitute a breach of this warranty, then CGI will, at its own expense, settle the claim or defend Customer in such proceeding and CGI will pay all settlements, costs, damages and legal fees and expenses finally awarded provided that Customer promptly notifies CGI in writing of the proceeding, provides CGI a copy of all information received by Customer with respect to the proceeding, cooperates with CGI in defending or settling the proceeding, and allows CGI to control the defense and settlement of the proceeding, including the selection of attorneys. Customer may observe the proceeding and confer with CGI at its own expense.

(2)   If such a proceeding is brought or appears to CGI to be likely to be brought, CGI may, at its sole option and expense, either obtain the right for Customer to continue using the allegedly infringing item(s) or replace

or modify the item(s) to resolve such proceeding. If CGI finds that neither of these alternatives is available to it on commercially reasonable terms, CGI may require Customer to return the allegedly infringing item(s), in which case Customer will receive a refund of the amounts paid by it for the returned item(s), depreciated on a straight-line basis over a five (5) year period commencing on the date the allegedly infringing item(s) were delivered to Customer by CGI.

This section 4.B states CGI's entire obligation to Customer and Customer's sole remedy with respect to any claim of infringement.

C.   CGI is not responsible for any claimed breaches of the foregoing warranties caused by: (i) modifications made to the Software or Documentation by anyone other than CGI and its subcontractors working at CGI's direction; or (ii) the combination, operation or use of the Software or Documentation with any items that CGI did not supply to Customer; or (iii) Customer's failure to use any new or corrected versions of the Software or Documentation made available by CGI; or (iv) CGI's adherence to Customer's specifications or instructions.

D.   CGI does not warrant that the Software will be error-free or that its operation will be uninterrupted. Customer acknowledges that it alone is responsible for the results obtained from use of the Software, including without limitation the completeness, accuracy and content of such results. Customer acknowledges further that it alone is responsible for independent verification and testing of any such results prior to using them in its business.

E.   THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ANY IMPLIED WARRANTIES ARISING FROM STATUTE, COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE.

5.   LIMITATION OF LIABILITY

A.   If Customer should become entitled to claim damages from CGI (including without limitation, for breach of contract, breach of warranty, negligence or other tort claim), CGI will be liable only for the amount of Customer's actual direct damages, not to exceed (in the aggregate for all claims) the amounts paid by Customer to CGI for the Maintenance Period with respect to which the claims arise. This limit also applies to CGI's licensors. It is the maximum liability for which CGI and its licensors are collectively responsible.

B.   In no event will CGI or any person or entity involved in the creation, manufacture or distribution of any Software, services or other materials provided under this Agreement be liable for: (1) any damages caused by the failure of Customer or its affiliates or suppliers to perform their responsibilities; (2) any claims or demands of third parties (other than those third party claims covered by section 4.B(1)); or (3) any lost profits, loss of business, loss of use, lost savings or other

consequential, special, incidental, indirect, exemplary or punitive damages, even if CGI has been advised of the possibility of such damages. CGI will not be held responsible, or to have failed to meet its obligations under this Agreement, if it either delays performance or fails to perform as a result of any cause beyond its reasonable control.

C.   The foregoing limitations do not apply to the payment of settlements, costs, damages and legal fees referred to in section 4.B(1). The limitations of liability set forth in this section 5 will survive and apply notwithstanding the failure of any limited or exclusive remedy for breach of warranty set forth in this Agreement. The parties agree that the foregoing limitations will not be deemed to limit any liability to an extent that would not be permitted under applicable law.

6. TERMINATION

A.   Either party may terminate this Agreement upon thirty (30) days' prior written notice if the other has materially failed to comply with any of the terms and conditions of this Agreement. If the License Agreement is terminated for any reason, this Agreement will automatically terminate on the effective date of the termination of the License Agreement.

B.   Customer may terminate this Agreement for convenience at any time upon thirty (30) days' prior written notice to CGI. If Customer has not paid the maintenance fee for the then current annual Maintenance Period in full, Customer must pay to CGI the remaining balance of such annual maintenance fee prior to terminating this Agreement.

C.   Any provision of this Agreement that imposes or contemplates continuing obligations on a party will survive the expiration or termination of this Agreement, including but not limited to section 5.

7. LAW AND DISPUTES

A.   This Agreement will be governed by the laws of the State of California, without regard to any provision of California law that would require or permit the application of the substantive law of any other jurisdiction.

B.   Both CGI and Customer agree to comply fully with all relevant export laws and regulations of the United States to ensure that no information or technical data provided pursuant to this Agreement is exported or re-exported directly or indirectly in violation of law.

C.   At the written request of either party, the parties will attempt to resolve any dispute arising under or relating to this Agreement through the informal means described in this section 7.C. Each party will appoint a senior management representative who does not devote substantially all of his or her time to performance under this Agreement. The representatives will furnish to each other all non-privileged information with respect to the dispute that the parties believe to be appropriate and germane. The representatives will negotiate in an effort to resolve the dispute without the necessity of any formal proceeding. Formal

proceedings for the resolution of the dispute may not be commenced until the earlier of: (i) the designated representatives conclude that resolution through continued negotiation does not appear likely; or (ii) thirty (30) calendar days have passed since the initial request to negotiate the dispute was made; provided, however, that a party may file earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or to apply for interim or equitable relief.

D. No proceeding, regardless of form, arising out of or related to this Agreement may be brought by either party more than two (2) years after the accrual of the cause of action, except that (i) proceedings related to violation of a party's proprietary rights or any duty to protect Confidential Information may be brought at any time within the applicable statute of limitations, and (ii) proceedings for non-payment may be brought up to two (2) years after the date the last payment was due.

8. GENERAL

A. Any legal notice or other communication required or permitted to be made or given by either party pursuant to this Agreement will be in writing, in English, and will be deemed to have been duly given: (i) five (5) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested; (ii) when transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine and a copy of the notice is promptly sent by another means specified in this section; or (iii) when delivered if delivered personally or sent by express courier service. All notices will be sent to the other party at its address as set forth below or at such other address as the party may specify in a notice given in accordance with this section.

In the case of Customer:	with a copy of legal notices to:

County of San Mateo
555 County Center, 4th Floor
Redwood City, California, 94063-1662
Attn: Jim Saco
       Budget Director
Fax: (650) 556-1751
Phone: (650) 363-4439
E-Mail: jsaco@smcgov.org
	County of San Mateo
	400 County Center, 6th Floor
	Redwood City, CA 94063-1662
	Attn: Paul Okada
	      Chief Deputy County Counsel
	Fax: (650) 363-4034
	Phone: (650) 363-4647
	E-Mail: pokada@smcgov.org

In the case of CGI:	with a copy of legal notices to:
CGI Technologies and Solutions Inc. 11325 Random Hills Road Fairfax, Virginia 22030 Attn: Daniel A. Keene Vice President Fax: (703) 267-5111 E-Mail: Daniel.keene@cgi.com	CGI Technologies and Solutions Inc. 11325 Random Hills Road, 8th Floor Fairfax, Virginia 22030 Attn: Office of General Counsel Fax: (703) 267-7161 Phone: (703) 267-8000

B.	Neither party may assign or otherwise transfer any right or obligation set forth in this Agreement without the other party's prior written consent, except that if the License Agreement is properly assigned pursuant to the provisions of the License Agreement, this Agreement will be deemed to be assigned to the assignee of the License Agreement. Any purported assignment in violation of the preceding sentence will be void and of no effect. This Agreement will be binding upon the parties' respective successors and permitted assigns.

C.	This Agreement constitutes the entire agreement between the parties, and supersedes all other prior or contemporaneous communications between the parties (whether written or oral) relating to the subject matter of this Agreement. This Agreement may be modified or amended solely in a writing signed by both parties.

D.	The provisions of this Agreement will be deemed severable, and the unenforceability of any one or more provisions will not affect the enforceability of any other provisions. In addition, if any provision of this Agreement, for any reason, is declared to be unenforceable, the parties will substitute an enforceable provision that, to the maximum extent possible in accordance with applicable law, preserves the original intentions and economic positions of the parties.

E.	No failure or delay by either party in exercising any right, power or remedy will operate as a waiver of such right, power or remedy, and no waiver will be effective unless it is in writing and signed by the waiving party. If either party waives any right, power or remedy, such waiver will not waive any successive or other right, power or remedy the party may have under this Agreement.

F.	During the term of this Agreement and for twelve months after its expiration or termination, neither party will, either directly or indirectly, solicit for employment by itself (or any of its affiliates) any employee of the other party (or any of its affiliates) who was involved in the performance of the party's obligations under this Agreement, unless the hiring party obtains the written consent of the other party.

G. Exhibits A and B referred to in and attached to this Agreement are made a part of it as if fully included in the text.

Each party has caused its authorized representative to execute this Agreement as of the Effective Date.

CGI Technologies and Solutions Inc. (CGI)

County of San Mateo, California (Customer)

By:

By:

Name: Daniel A. Keene

Name:

Title: Vice President

Title:

EXHIBIT A

CGI TECHNOLOGIES AND SOLUTIONS INC.
Proprietary Software Maintenance Agreement

1. **Maintenance Period**. The Maintenance Periods are stated in the table below.

2. **Maintenance Fee**. The fee for the maintenance period specified above shall be:

	July 1, 2013 – June 30, 2014	July 1, 2014 – June 30, 2015	July 1, 2015 – June 30, 2016
Maintenance Fee	$47,176.97	$48.592.28	$50,050.04
Quarterly Payment	$11,794.24	$12,148.07	$12,512.51
Early Termination Fee	$916.06	$1,859.60	0

If Client terminates this Agreement for any reason other than an uncured default by CGI, Client will reimburse CGI the amounts provided in the above table as Early Termination Fees as compensation for the multi-year discount.

Maintenance is billed quarterly in advance. Payment is due thirty (30) days after invoice date.

3. **Software**. The maintenance services under this Agreement are provided with respect to the following Software:

> AMS ADVANTAGE BRASS
>
> Bundled Software: Finite Matters

Client may buy maintenance services for the Software for subsequent Maintenance Periods in which CGI is offering maintenance services, at CGI's then current prices

4. **License Agreement**. The Software was provided to Customer pursuant to the terms and conditions of that certain Software License Agreement executed between Budgeting Technology, Inc ("BTI") and Customer on November 24, 1992 and assigned to CGI on February 19, 1999.

Agreed to and initialed for identification by:

_____   _____

(Customer)   (CGI)

1. Hold Harmless

Contractor shall indemnify, defend and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description, brought by a third party for, or on account of: (A) injuries to or death of any person, including Contractor, or (B) damage to any property of any kind whatsoever caused by Contractor and to whomsoever belonging, resulting from the negligence or willful misconduct of the Contractor during the performance of any work required of Contractor pursuant to this Agreement, provided that this shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct. County will provide Contractor a copy of any and all notices and cooperate with Contractor in defending the proceeding.

The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

2. Insurance

The Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this paragraph has been obtained and such insurance has been approved by Risk Management, and Contractor shall use diligence to obtain such insurance and to obtain such approval. The Contractor shall furnish the County with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the contractual liability assumed by the Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to the County of any pending change in the limits of liability or of any cancellation or modification of the policy.

(1) **Worker's Compensation and Employer's Liability Insurance** The Contractor shall have in effect during the entire life of this Agreement Workers' Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, the Contractor certifies, as required by Section 1861 of the California Labor Code, that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.

(2) **Liability Insurance** The Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him/her while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from contractors operations under this Agreement, whether such operations be by himself/herself or by any sub-contractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall be not less than the amount specified below.

Such insurance shall include:
(a) Comprehensive General Liability $1,000,000

(b) Motor Vehicle Liability Insurance $1,000,000
(c) Professional Liability $1,000,000

County and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to the County, its officers, agents, employees and servants shall be primary insurance to the full limits of liability of the policy, and that if the County or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, the County of San Mateo at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

3. Non-Discrimination and Other Requirements
A. *Section 504 applies only to Contractor who is providing services to members of the public.* Contractor shall comply with § 504 of the Rehabilitation Act of 1973, which provides that no otherwise qualified handicapped individual shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of this Agreement.
B. *General non-discrimination.* No person shall, on the grounds of race, color, religion, ancestry, gender, age (over 40), national origin, medical condition (cancer), physical or mental disability, sexual orientation, pregnancy, childbirth or related medical condition, marital status, or political affiliation be denied any benefits or subject to discrimination under this Agreement.
C. *Equal employment opportunity.* Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Contractor's equal employment policies shall be made available to County of San Mateo upon request.
D. *Violation of Non-discrimination provisions.* Upon a finding of a court of law that Contractor has been found to have violated applicable federal, state or local employment laws in regards to employees working under this particular Agreement, violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the County Manager, including but not limited to

   i)   termination of this Agreement;
   ii) disqualification of the Contractor from bidding on or being awarded a County contract for a period of up to 3 years;
   iii) liquidated damages of $2,500 per violation;
   iv) imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

Contractor agrees to notify the County if any court of law make a judgment against Contractor based on findings of unlawful discrimination against Contractor's employees supporting this Agreement respect to compliance with this paragraph and/or to set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other Contract between Contractor and County.

Contractor shall report to the County Manager any judgment against Contractor by the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other lawful entity within 30 days of such judgment.

E.   *Compliance with Equal Benefits Ordinance.* With respect to the provision of employee benefits, Contractor shall comply with the County Ordinance which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.

F.   The Contractor shall comply fully with the non-discrimination requirements required by 41 CFR 60-741.5(a), which is incorporated herein as if fully set forth.

4.   Compliance with Contractor Employee Jury Service Ordinance

Contractor shall comply with the County Ordinance with respect to provision of jury duty pay to employees and have and adhere to a written policy that provides that its employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service in San Mateo County. The policy may provide that employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the employees' regular pay the fees received for jury service.

Agreed to and initialed for identification by:

_____   _____

(Customer)   (CGI)