

MASTER PROPRIETARY SOFTWARE MAINTENANCE AGREEMENT

This Master Proprietary Software Maintenance Agreement (together with the Exhibits and other attachments hereto, "Agreement") is dated effective as of April 7, 2008 (the "Effective Date") by and between the County of Monterey ("Customer"), a political subdivision of the State of California having a place of business at 1260 S. Main Street, Salinas, CA 93901, and CGI Technologies and Solutions Inc. ("CGI"), a Delaware corporation having its principal place of business at 4050 Legato Road, Fairfax, Virginia, 22033. In consideration of the premises and the mutual covenants set forth herein, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. DEFINITIONS

The following capitalized terms have the respective meanings given below when used in this Agreement:

- A. "Affiliate" means: (i) with respect to CGI, any entity that controls, is controlled by, or is under common control with, CGI, where for this purpose, and without limiting the foregoing, any person or entity that owns more than fifty percent (50%) of the outstanding voting securities (or other equity interests) of any other entity shall be deemed to control such other entity; and (ii) with respect to Customer, any of those agencies, bodies, boards, or other governmental entities or organizations (including organizations such as, for example, special districts (e.g., school districts and fire districts), courts, hospitals, joint power agencies, employee retirement boards, etc.) located in whole or in part within the jurisdictional boundaries of the County of Monterey, California (or otherwise having a reasonable connection to such County) and for which, at any given time, Customer or any agency, department, or office of Customer's (including, for example, the Monterey County Auditor-Controller's Office) provides information technology services, support, or operation or otherwise serves the information technology needs of, currently including those entities identified in Exhibit B to the License Agreement, which Exhibit is incorporated herein by this reference.
- B. "Documentation" means the Documentation (as defined in the License Agreement) for the Software for which, at any given time, CGI is then obligated to provide Maintenance Services hereunder.
- C. "Enhancements" means changes, additions, patches, fixes, upgrades, enhancements, modifications, new versions, maintenance releases to the Software that CGI develops and makes generally available, at no additional charge to all licensees of the Software who are under then-current maintenance agreements with CGI.
- D. "Go Live Date" means the date on which Customer first uses any given Software in a live, operational environment.
- E. "License Agreement" means that certain Master Proprietary Software License Agreement executed by Customer and CGI as of even date herewith and pursuant to which the Software and the Documentation are licensed by CGI to Customer.
- F. "Maintenance Period" means a specified period of time during which Maintenance Services are to be provided by CGI with respect to specific Software under this Agreement, with: (i) the Implementation Maintenance Period being as defined in Exhibit A; (ii) the Initial Maintenance Period for the Software being as defined in Exhibit A; and (iii) each successive period of twelve (12) consecutive months that, in accordance with this Agreement, follows the Initial Maintenance Period being a separate Maintenance Period.

- G. “Maintenance Services” means the Standard Support and Maintenance Services described in Section 2 of this Agreement.
- H. “Software” means the Software (as defined in the License Agreement) specified in Exhibit A.
- I. “Software Incident” means a material deviation of the Software from the Specifications for such Software that are identified or described in the License Agreement (or in Exhibit A thereto) and to the Documentation for such Software.

2. MAINTENANCE SERVICES

- A. Throughout each Maintenance Period, CGI shall provide the “Standard Support and Maintenance Services” for the Software to Customer as described herein and shall provide Customer with Enhancements to the Software to address functional and technical changes. Specifically, the Standard Support and Maintenance Services that CGI shall provide or make available to Customer hereunder shall include, but shall not necessarily be limited to, the following major components:
 - (i) Internet access by Customer, through CGI’s secure Web site, *eAccess* (<https://support.cgi-ams.com//advantage/>), on a “24x7” basis (i.e., twenty-four hours a day), to a variety of support materials for the Software;
 - (ii) Help desk support, with direct telephone, email, and Web support access (“Help Desk Support”), provided by CGI on the Software, through CGI’s “Client Support Center,” during the standard hours of operation of from 8:00 a.m., U.S. Eastern time, to 9:00 p.m., U.S. Eastern time, each Monday through Friday, during each Maintenance Period (“Support Hours”), by telephone, at 800-321-0267, via email, and through CGI’s online support Web site (<https://support.cgi-ams.com//advantage/>);
 - (iii) Corrections for Software Incidents that occur or arise with regard to the Software;
 - (iv) New or updated Software releases shall be provided periodically to address technical and functional compatibility with system software and ongoing regulatory changes, and changes to business practices, with Documentation updates being provided to Customer as part of each such new release. Further, CGI shall, periodically and upon request, provide Customer with information regarding new releases, versions, and Enhancements of the Software as well as information regarding related operating systems and database software. Additional Software Incident corrections will be included in releases, as reasonably dictated by testing requirements and the magnitude of the required change;
 - (v) Enhancements to the Software shall be provided in new releases of the Software; and
 - (vi) Membership to the “AMS Advantage User Group,” which shall provide Customer with: (a) the option to participate in various user group activities, such as the annual “CGI Forum” and regional user group meetings; (b) the opportunity to vote for the “User Group Steering Committee” that works closely with CGI on a variety of customer issues and concerns; and (iii) the option of proposing a candidate for election to the User Group Steering Committee.

- B. As part of Standard Support and Maintenance Services, CGI will support the following features of the Software and provide the following services:
- (i) the Software that is currently licensed to Customer and that Customer is currently paying for Standard Support and Maintenance Services on;
 - (ii) the releases of the bundled product components that are compatible with the currently supported version of the Software;
 - (iii) the documented features of the Software, as listed on the Documentation that is delivered “on-line” (or electronically) and in help files;
 - (iv) all standard baseline features of the Software, including, but not limited to, configuration tables (e.g., the “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 by CGI as part of Standard Support and Maintenance Services; and
 - (v) prioritizing all issues and Software Incidents according to the following schedule:

Severity	Definition
1 - Critical	A problem with the Software causing critical impact to Customer’s or its Affiliates’ business operations. No workaround is immediately available and work using the Software cannot reasonably continue.
2 - Serious	A problem with the Software causing significant impact to Customer’s or its Affiliates’ business operation. A workaround is available but is unacceptable on a long term basis.
3 - Moderate	A problem with the Software that impairs some functionality, but a reasonable and practical workaround exists.
4 - Minor	A problem that does not affect any functionality of the Software.

- C. CGI may, at its option, investigate and correct suspected Software Incidents at CGI’s offices to the extent reasonably possible. If CGI’s personnel travel to Customer’s place of business at Customer’s request to perform Standard Support and Maintenance Services, Customer will pay CGI for the travel time and the reasonable travel and other out-of-pocket expenses of such personnel, in accordance with Section 3.C. If a suspected Software Incident is attributable to a cause other than the Software as delivered by CGI, Customer shall pay for all CGI’s work on such Software Incident, on either a time and materials basis or as otherwise mutually agreed upon by the parties, in excess of the first twelve (12) person-hours expended by CGI on each such Software Incident. If it is determined that a suspected Software Incident is attributable to a cause other than the Software as delivered by CGI, CGI shall promptly inform Customer thereof, and if Customer requests or directs CGI to continue to work on the Software Incident after being informed thereof, Customer will pay for CGI’s continued work on a time-and-materials basis. If the Software module to which the Software Incident relates has been modified other than by or as authorized by CGI and the Software Incident is attributable to such modifications, 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 the modified version of the Software module and for any installation assistance that Customer requests from CGI.

- D. At the expiration of the Initial Maintenance Period stated in this Agreement, Customer may buy Standard Support and Maintenance Services for the Software for subsequent Maintenance Periods in which CGI is offering maintenance services, at CGI's then current prices, unless other pricing applies under Exhibit A. Customer may obtain such Standard Support and Maintenance Services for subsequent Maintenance Periods 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. Unless otherwise terminated in accordance with Section 9 of this Agreement, and pursuant to conformance with the provisions of this Agreement, Standard Support and Maintenance Services will be renewed annually upon expiration of the Initial Maintenance Period.
- E. 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. At any given time, CGI shall support and provide Standard Support and Maintenance Services with respect to, for the Software, no less than the two Minor Releases (as defined below) of such Software that were issued or made generally available immediately prior to the then-current Minor Release. As used herein, the term "Minor Release" means a release that contains both functional and technical enhancements to the Software, and that enhances the application's functional and technical capabilities and responds to legislative or regulatory requirements, without introducing a wholesale change in the application. In addition to functional and technical enhancements, a Minor Release also contains corrections for software incidents reported from the prior release.

3. PAYMENT TERMS

- A. **Maintenance Fees.** Customer will pay the maintenance fees for the Initial Maintenance Period as 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. Except as expressly otherwise provided in this Agreement, the maintenance fees payable for any given Maintenance Period are inclusive of all costs and expenses, and CGI shall not be entitled under this Agreement to any additional or separate compensation or reimbursement, other than such maintenance fees and any expenses that, as expressly provided for in this Agreement, may be reimbursable to CGI in connection with providing Maintenance Services onsite at Customer's facilities. Any invoice submitted by CGI hereunder shall set forth the amounts claimed by CGI, together with an itemized basis for the amounts claimed and such other information pertinent to the invoice as Customer may require. Customer's designee shall promptly (within ten (10) days after receipt) review and, if acceptable, approve each invoice, notifying CGI of any errors that are discovered with any invoice, and with CGI promptly resubmitting a corrected invoice in such a case. Once approved, Customer's designee shall promptly (within ten (10) days) submit such invoice to Customer's Auditor-Controller for payment. Any invoiced amounts not disputed in good faith by Customer are due and payable within thirty (30) days after Customer's Auditor-Controller receives the certified invoice for payment.

- B. **Payments.** 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 reasonably in advance of when payment is due or by check sent to CGI at P.O. Box 101043, Atlanta, Georgia 30392.
- C. **Reimbursable Expenses.** If CGI incurs any expenses that, as expressly provided for in this Agreement, are to be separately reimbursed by Customer, then CGI shall comply with Customer's and its Affiliates' policies concerning travel and related expenses, as provided or made available to CGI by Customer from time to time. Unless otherwise provided in such policies, Customer shall be required to pay or reimburse CGI for expenses reasonably incurred by CGI in such travel at rates no greater than the following: (i) actual airfare at coach rates, using non-refundable fares, discount or low-cost airlines or carriers, and advance-purchase fares whenever possible; (ii) actual ground transportation; (iii) a daily (or per diem) fee for lodging, meals, and incidental expenses equal to the per diem rates for such items then reimbursed by agencies of the federal government through the United States General Services Administration ("GSA") for the area in which Customer's facilities are located, as posted for the relevant period of time on the GSA's Web site (www.gsa.gov); and (iv) any charges for any non-routine supplies and equipment specified as to be provided by CGI and expressly approved in writing by Customer or its Affiliates.
- D. **Taxes.** If Customer at any time qualifies as a tax exempt entity, Customer will provide CGI with a copy of Customer's tax exemption certificate. Otherwise, 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 or property and all employer reporting and payment obligations with respect to CGI's (or any of its subcontractors') personnel. The maintenance fees specified in Exhibit A are exclusive of all taxes.
- E. **Set-off.** Customer may set off against any and all amounts otherwise to be paid to CGI pursuant to any of the provisions of this Agreement any amounts claimed in good faith by Customer to be owed by CGI to Customer in respect of this Agreement or of any other written agreement between the parties. Within thirty (30) days after any set-off by Customer pursuant to this Section, Customer shall provide CGI with a detailed written accounting of such set-off and a written statement of the reasons for such set-off.

4. NONDISCLOSURE

- A. **Definition.** As used in this Agreement, "Confidential Information" means, with respect to either party, information belonging to such party or to which such party otherwise has rights outside of this Agreement, that is, or that should reasonably under the circumstances be understood to be, confidential or trade secret or that is marked or identified as "proprietary," "confidential", "trade secret", or in some similarly obvious manner, at the time it is furnished or disclosed in connection with this Agreement. Confidential information shall include, but shall not be limited to, any technical information, formulas, materials, data, reports, programs, documentation, diagrams, ideas, concepts, techniques, processes, inventions, knowledge, know-how, and trade secrets that are at any time developed, created, or acquired by either party. Confidential Information may be provided: (i) in tangible form and either marked or designated in writing in a manner to indicate it is confidential or a trade secret or otherwise of a nature that a reasonable person would understand it to be confidential or a trade secret; or (ii) in intangible form and either be of a nature that a reasonable person would understand it to be confidential or a trade secret or be identified as confidential or a

trade secret in a writing provided to the receiving party within thirty (30) business days after disclosure. Confidential Information includes, but is not limited to, any information meeting the above requirements that pertains to: (i) with respect to CGI, CGI's information and materials and the Software and associated training materials and Documentation; or (ii) with respect to Customer: (a) any information and data relating to or describing Customer's or its Affiliates' practices, personnel, agents, subcontractors, clients, customers, constituents, patients, suppliers, products, services, orders, operations, business, financials, costs, or margins, that is not generally known or available to the public; and (b) any other records, data, information, and other materials in the control of CGI, or created, collected, processed, handled, stored, transmitted, or received by either party, in any form or media, in connection with this Agreement, the disclosure of which is prohibited, whether by law, statute, governmental regulation, or ordinance; and (iii) with respect either party, but subject to all applicable laws and regulations (including, but not limited to, by the California Public Records Act (i.e., CAL. GOV'T CODE §§ 6250 et seq.) or the Ralph M. Brown Act (i.e., CAL. GOV'T CODE §§ 54950 et seq.)), this Agreement and the terms and conditions hereof.

- B. **Restrictions.** The Confidential Information of each party shall remain the property of such party, and neither party shall be deemed by virtue of this Agreement, or by any access to the other party's Confidential Information, to have acquired any right, title or interest in or to the other party's Confidential Information, except as expressly provided for in this Agreement. Each party agrees: (i) to hold the Confidential Information of the other party in strict confidence; (ii) to limit disclosure of any Confidential Information of the other party to those employees and third-party service providers, consultants, and contractors of such party (and, with respect to Customer, its Affiliates) who are subject to written obligations of confidentiality substantially similar to those set forth herein (or who are otherwise subject to a legal duty to protect such information) and who have a reasonable need to know such Confidential Information for the purposes of performing their duties for such party; (iii) not to disclose any Confidential Information of the other party to any third party except as expressly permitted hereunder; (iv) to use the Confidential Information of the other party solely and exclusively in accordance with the terms of this Agreement, as necessary and appropriate to carry out its obligations and exercise its rights under this Agreement; (v) to afford the Confidential Information of the other party at least the same level of protection against unauthorized disclosure or use as such party normally uses to protect its own information of a similar character, but in no event less than reasonable care; and (vi) to notify the other party promptly upon becoming aware of any unauthorized use or disclosure of any Confidential Information of the other party and to cooperate with and assist the other party in every reasonable way to stop or minimize any such unauthorized use or disclosure. A party receiving Confidential Information of the other party assumes full responsibility and liability for the acts or omissions of its employees, service providers, consultants, and contractors or subcontractors (and the employees of such service providers, consultants, and contractors or subcontractors) with respect to such Confidential Information.
- C. **Exceptions.** Notwithstanding the foregoing provisions of this Section 4, the obligations of confidentiality and non-disclosure imposed under this Section 4 shall not apply to, and Confidential Information shall not include, information that a party can demonstrate: (i) was published or otherwise made a part of the public domain after disclosure to such party, through no breach of this Agreement by such party; (ii) was in the public domain at the time of disclosure to such party, through no breach of this Agreement by such party; (iii) was already in the possession of such party, without such

party being under any obligations of confidentiality with respect thereto, at the time of disclosure by the other party hereunder; (iv) was received or obtained by such party, without such party assuming any obligations of confidentiality with respect thereto, from a third party who had a lawful right to disclose such information to such party; (v) was independently developed by such party without reference to Confidential Information of the other party and not in connection with this Agreement or performance hereunder; or (vi) constituted public records, or records otherwise required by law to be open or available to the public, under applicable law (including, but not limited to, under the California Public Records Act (i.e., CAL. GOV'T CODE §§ 6250 et seq.) or the Ralph M. Brown Act (i.e., CAL. GOV'T CODE §§ 54950 et seq.)).

- D. **Required Disclosures.** Either party may disclose Confidential Information of the other party to the extent disclosure is required by law (including, but not limited to, by the California Public Records Act (i.e., CAL. GOV'T CODE §§ 6250 et seq.) or the Ralph M. Brown Act (i.e., CAL. GOV'T CODE §§ 54950 et seq.)) or by order of a court or governmental agency. The party that is subject to such law or order shall use all commercially reasonable efforts to: (i) maintain the confidentiality of the Confidential Information of the other party by giving the other party prompt notice of the required disclosure; and (ii) cooperate with the other party to protect the confidentiality of such Confidential Information. The party who owns such Confidential Information (or to whom such Confidential Information otherwise pertains) shall have the right to seek, with the other party's assistance and cooperation, a protective order or otherwise protect the confidentiality of such Confidential Information.
- E. **Injunctive Relief.** Each party acknowledges and agrees that, in the event of any breach of any provision of this Section 4 by that party, or by its personnel, agents, subcontractors, or service providers, such breach may cause immediate and irreparable injury to the other party that cannot be adequately compensated for in damages, and that, in the event of any such breach and in addition to, and not in lieu of, any other rights and remedies available at law or in equity, the other party shall be entitled to seek injunctive relief from any court of competent jurisdiction, without bond or other security, and other measures restraining further attempted or threatened breaches of such provisions.
- F. **Return.** Upon any termination or cancellation of this Agreement, and upon the request of the other party, each party shall promptly return, or, at the other party's option, destroy, all of the other party's Confidential Information (and all copies thereof) in such party's possession or control to which continuing rights are not otherwise granted hereunder (except that Customer shall be entitled to retain a copy of CGI's Confidential Information only to the extent required by applicable law and CGI may retain one (1) copy of all of its work product (including working papers) produced under the Contract Documents for archival purposes). Notwithstanding anything to the contrary in this Section 4.F, to the extent and for so long as such return or destruction is infeasible (e.g., with regard to Confidential Information of the other party retained in the memories of a party's employees), the protections of this Section 4 shall continue to apply to such Confidential Information. In the event that the return or destruction of Confidential Information of the other party is infeasible, the party unable to return or destroy such Confidential Information shall promptly notify the other party in writing, indicating the reason for such inability, the expected duration, and the specific Confidential Information to which such inability applies.
- G. **Duration.** The duties and obligations of confidentiality set forth in this Agreement shall survive in perpetuity after termination or cancellation of this Agreement unless

otherwise limited by applicable law, in which case, such duties and obligations shall survive for the longest period of time permitted under applicable law.

5. REPRESENTATIONS AND WARRANTIES

- A. **Authority.** CGI represents that: (i) it is a corporation duly formed and in good standing under the laws of the State of Delaware; (ii) it is qualified and registered to transact business in the State of California and all other locations where the performance of its obligations hereunder would require such qualification; (iii) it has all necessary rights, power, and authority to enter into, to fulfill its obligations, and to grant the rights it purports to grant, under this Agreement, (iv) the execution, delivery, and performance of this Agreement by CGI have been duly authorized by all necessary action; (v) the execution and performance of this Agreement by CGI shall not knowingly violate any domestic or foreign law, statute, or regulation and shall not knowingly breach any agreement, covenant, court order, judgment, or decree to which CGI is a party or by which it is bound; and (vi) CGI has, and warrants and covenants that it shall maintain in effect, all governmental licenses and permits necessary for its performance under this Agreement.
- B. **Pending Litigation.** CGI represents that, as of the Effective Date, there is no outstanding or currently pending or threatened litigation, arbitrated matter, or other dispute to which CGI is a party, that, if decided unfavorably to CGI, would reasonably be expected to have a material adverse effect on CGI's ability to fulfill its obligations hereunder, and that, as of the Effective Date, CGI knows of no basis that might give rise to any such litigation, arbitration, or other dispute in the United States.
- C. **Conflicts of Interest.** CGI represents, warrants, and covenants that neither CGI nor any of its subcontractors, nor any employee of either of the foregoing, has, shall have, or shall acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with CGI's performance of its duties and obligations under this Agreement, or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement, and CGI shall promptly inform Customer of any such interest that may be incompatible with the interests of Customer.
- D. **Compliance with Laws.** CGI warrants that the Maintenance Services provided by CGI pursuant to this Agreement shall comply, and that performance by CGI under this Agreement shall comply, with all applicable laws, regulations, and ordinances of all relevant jurisdictions and all applicable policies of Customer.
- E. **Disabling Devices.** CGI warrants that, at the time of delivery to Customer, the Maintenance Services and all other data, software, and other materials prepared, developed, or provided by CGI in connection with performance under this Agreement, shall not contain, or result in the creation or insertion of, any timer, clock, counter, virus, disabling device, or other limiting code, design, or routine (including, but not limited to, spy-ware, ad-ware, pop-up screens and windows, and the like) that is designed to erase data or programming, that materially impairs the performance thereof, or that causes any Software, Enhancement, or Documentation, or any other applications, systems, or data of Customer's or its Affiliates', to be erased, made inoperable, or otherwise made incapable of being used by Customer and its Affiliates in accordance with the applicable documentation or specifications, for all intended purposes or after being used a certain number of times, after the lapse of a certain period of time, or after the occurrence or lapse of any other triggering event, including, but not limited to, the transferring of any Software or Enhancement from the computer

equipment on which it was originally installed to any other computer equipment having a different serial number, model number or other identification (any such device, code, design, or routine, a “Disabling Device”). In the event of any breach of the warranties provided in this Section 5E, Customer’s exclusive remedy, and CGI’s sole obligation, will be limited to re-performance, repair, or replacement of the nonconforming Maintenance Services so that they conform to such warranties and all other requirements of this Agreement.

- F. **No Sunset.** CGI warrants that it shall continue to offer and, if requested by Customer, provide Maintenance Services with respect to the then-current releases of the Software licensed to Customer hereunder for the first five (5) years after the Effective Date and that, after expiration of such period, CGI shall notify Customer in writing at least one (1) year in advance of any cessation to offer such Maintenance Services.
- G. **Quality of Services.** CGI warrants that the Maintenance Services shall be performed in a safe, skillful, professional, and workmanlike manner consistent with industry standards reasonably applicable to the performance of such services. If Customer believes there has been a breach of this warranty, it may so notify CGI in writing, stating in reasonable detail the nature of the alleged breach. Any claim of breach of such warranty with respect to any given Maintenance Services shall only be valid if CGI is so notified by Customer within the first sixty (60) days after the performance of such Maintenance Services (with the foregoing warranty not applying to claims that CGI is not notified of, in accordance with this Section, within the timeframe described in this sentence). If 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.C. If CGI fails to correct a breach of this warranty after repeated efforts or within a reasonable period of time, Customer shall be entitled: (i) to an equitable adjustment in CGI’s charges for the Maintenance Services in question (up to the total amount of such charges for the applicable Maintenance Period, with CGI promptly refunding to Customer any applicable amounts), to reasonably reflect any reduction in the value of the Maintenance Services to Customer as a result of the uncorrected breach of warranty; (ii) to terminate Maintenance Services with respect to the applicable Software, and (iii) to recover its and its Affiliates associated damages, subject to the limitations and exclusions set forth in Section 6.
- H. **Intellectual Property.** CGI warrants that the Maintenance Services, the Software and the Documentation developed or provided by CGI in connection with performance under this Agreement, as delivered or provided to Customer, shall not infringe upon or misappropriate any third-party copyrights, patents, trademarks, trade secrets, or other intellectual property or proprietary rights that exist on the date such materials are delivered or provided to Customer and that arise or are enforceable in the United States of America.
- (i) If a third party brings an action against Customer or any of its Affiliates making allegations that, if true, would constitute a breach of this warranty, then CGI shall, at its own expense and subject to the provisions of Section 7.B, defend, indemnify, and hold the Customer Indemnitees (as defined in Section 7.A) harmless from and against such allegations and any related claims and proceedings, and CGI shall pay all settlements, costs, damages and legal fees resulting therefrom, as described in Section 7.B.

- (ii) If such an action or allegations as described above are brought or appear to CGI to be likely to be brought, CGI shall promptly, at its sole option and expense, either: (i) obtain the right for Customer and its Affiliates to continue using the allegedly infringing items; or (ii) replace or modify the allegedly infringing items to resolve such claim or proceeding (i.e., so that they are non-infringing), with any such replacement or modified items being required to provide Customer and its Affiliates with substantially the same functionality, features, and performance as the items that were replaced or modified. If neither of these alternatives are available to CGI on commercially reasonable terms after the exercise of commercially reasonable efforts, CGI may require Customer to return the allegedly infringing items, in which case CGI shall promptly refund to Customer the amounts paid by Customer for the associated Maintenance Period, less a reasonable adjustment for depreciation of the returned items, based on straight-line depreciation over an expected useful life of twenty-five (25) years.

This Section 5H, together with Section 7.B, states CGI's entire obligation to Customer, and Customer's exclusive remedy, with respect to any claim of infringement by the Software, Documentation, or Maintenance Services provided hereunder and is in lieu of any implied warranties of non-infringement or non-interference with use and enjoyment of information.

- I. **Exclusions.** CGI is not responsible for any claimed breaches of the warranties set forth in this Agreement to the extent caused by: (i) modifications made to the Software or Documentation by anyone other than CGI and its subcontractors (or any other party) working at CGI's direction; (ii) the combination, operation or use of the Software or Documentation with any items that CGI did not supply, approve, or recommend in writing or that were not contemplated to be used with the Software or Documentation by the Documentation, the Specifications, or the applicable document pursuant to which the Software or Documentation is licensed to Customer; (iii) Customer's failure to use in a timely manner any new or corrected versions of the Software or Documentation made available by CGI; or (iv) CGI's adherence to any written specifications or instructions that Customer expressly requires be followed by CGI, provided that CGI informed Customer in advance and in writing of any known risks associated therewith.
- J. **Exceptions.** CGI does not warrant that the Software will be free of errors that do not materially and adversely affect its use, operation, or performance or that its operation will be entirely uninterrupted. Without limiting the warranties set forth above, Customer acknowledges that it is responsible for the results obtained from its use of the Software, as applicable in and to Customer's unique environment and its business operations.
- K. **Disclaimer of Warranties.** THE WARRANTIES SET FORTH ABOVE IN THIS SECTION 5, ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND ANY IMPLIED WARRANTIES ARISING FROM STATUTE, COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE.

6. LIMITATION OF LIABILITY

- A. **Limitations.** EXCEPT AS OTHERWISE PROVIDED BELOW IN THIS SECTION 6, IF EITHER PARTY SHOULD BECOME ENTITLED TO CLAIM DAMAGES FROM THE OTHER IN CONNECTION WITH THIS AGREEMENT (INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR BREACH OF WARRANTY, NEGLIGENCE OR OTHER TORT CLAIM), SUCH PARTY SHALL BE LIABLE ONLY FOR THE AMOUNT OF THE OTHER PARTY'S ACTUAL DIRECT DAMAGES, NOT TO EXCEED (IN THE AGGREGATE FOR ALL CLAIMS) AN AMOUNT GREATER THAN THAT PAID BY CUSTOMER TO CGI UNDER THIS AGREEMENT AS A MAINTENANCE FEE FOR THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO LIABILITY. FOR THE AVOIDANCE OF DOUBT, AND NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH ABOVE IN THIS SECTION OR ELSEWHERE IN THIS AGREEMENT, THE REASONABLE, ACTUAL, OUT-OF-POCKET ADDITIONAL COSTS THAT CUSTOMER INCURS OR EXPENDS TO PROCURE REPLACEMENT PRODUCTS OR SERVICES OF SUBSTANTIALLY EQUIVALENT CAPABILITY, FUNCTION AND PERFORMANCE, FROM AN ALTERNATIVE SOURCE (OR IN PROVIDING SERVICES ITSELF) AS A RESULT OF ANY DEFAULT, BREACH, OR REPUDIATION OF THIS AGREEMENT BY CGI, TO THE EXTENT IN EXCESS OF THE FEES THAT CUSTOMER WOULD OTHERWISE HAVE PAID TO CGI PURSUANT TO THIS AGREEMENT, SHALL CONSTITUTE AND BE CONSTRUED AS DIRECT DAMAGES, AND NOT AS INCIDENTAL, CONSEQUENTIAL, OR OTHER INDIRECT DAMAGES, HEREUNDER. SUCH REASONABLE COSTS INCURRED BY CUSTOMER SHALL BE SUBJECT TO THE CAP APPLICABLE TO DIRECT DAMAGES SPECIFIED ABOVE IN THIS SECTION. CGI SHALL NOT BE LIABLE HEREUNDER FOR ANY INCREASED QUANTITY, QUALITY, SCOPE, FUNCTIONALITY, SERVICE LEVELS OR ANY OTHER ASPECTS OF THE SUBSTITUTE SERVICES OVER THE AFFECTED SERVICES THAT WERE TO HAVE BEEN PROVIDED UNDER THIS AGREEMENT. IN THE EVENT THAT IT IS SUBSEQUENTLY DETERMINED IN ACCORDANCE WITH THE DISPUTE RESOLUTION PROVISIONS HEREIN THAT THE CIRCUMSTANCES CLAIMED BY THE CUSTOMER TO CONSTITUTE A DEFAULT, BREACH OR REPUDIATION OF THIS AGREEMENT BY CGI, AND THAT FORMED THE BASIS OF CUSTOMER'S TERMINATION HEREUNDER, DO NOT CONSTITUTE SUCH A DEFAULT, BREACH OR REPUDIATION, THEN CUSTOMER SHALL BE DEEMED TO HAVE TERMINATED THIS AGREEMENT FOR ITS CONVENIENCE.
- B. **No Liability for Certain Damages.** EXCEPT AS OTHERWISE PROVIDED BELOW IN THIS SECTION 6, IN NO EVENT SHALL EITHER PARTY, TOGETHER WITH SUCH PARTY'S AFFILIATES AND ANY THIRD PARTIES INVOLVED BY SUCH PARTY IN SUCH PARTY'S PERFORMANCE UNDER THIS AGREEMENT, BE LIABLE FOR ANY CLAIMS OR DEMANDS OF THIRD PARTIES (OTHER THAN THOSE THIRD PARTY CLAIMS COVERED BY SECTION 7) OR FOR ANY CONSEQUENTIAL, SPECIAL, INCIDENTAL, INDIRECT, EXEMPLARY OR PUNITIVE DAMAGES (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS OR LOSS OF BUSINESS), EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

- C. **Exceptions.** THE LIMITATIONS OF LIABILITY SPECIFIED IN SECTION 6.A AND THE EXCLUSIONS OF CERTAIN TYPES OF DAMAGES SPECIFIED IN SECTION 6. B, SHALL NOT APPLY TO: (I) ANY THIRD-PARTY CLAIMS SUBJECT TO INDEMNIFICATION PURSUANT TO SECTION 7 OR ANY OTHER PROVISIONS OF THIS AGREEMENT AND THE PAYMENT OF SETTLEMENTS, COSTS, DAMAGES AND LEGAL FEES REFERRED TO IN SECTION 7; (II) ANY CLAIMS FOR BREACHES OF OBLIGATIONS OF CONFIDENTIALITY OR NON-DISCLOSURE UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THE OBLIGATIONS SET FORTH IN SECTION 4; (III) ANY CLAIMS ARISING OUT OF THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE, OF EITHER PARTY; AND (IV) ANY CLAIMS BASED UPON A WILLFUL ABANDONMENT OR REPUDIATION OF THIS AGREEMENT BY CGI (EXCEPT THAT THE MAXIMUM, CUMULATIVE, AND AGGREGATE LIABILITY OF CGI FOR ANY SUCH CLAIMS AS ARE DESCRIBED IN THIS CLAUSE (IV) SHALL BE LIMITED TO TWICE THE SUM OF: (A) THE TOTAL AMOUNT THAT CUSTOMER HAS THEN PAID CGI UNDER THIS AGREEMENT, PLUS (B) IF NOT YET PAID, THE TOTAL AMOUNT PAYABLE OR EXPECTED TO BECOME PAYABLE BY CUSTOMER TO CGI FOR THE MAINTENANCE PERIOD WITH RESPECT TO WHICH THE CLAIMS ARISE). The limitations of liability set forth herein will survive any termination of this Agreement 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 of liability will not be deemed to limit any liability to an extent that such limitation would not be permitted under applicable law.
- D. **Force Majeure.** Neither party shall be responsible for delays or failures in its performance under this Agreement to the extent such delays or failures result from causes beyond the reasonable control of such party (“Force Majeure”), to the extent that such delays or failures, or the results or consequences thereof, could not reasonably have been foreseen, prevented, avoided, or mitigated by such party through the use of technology or practices common and prevalent in the industry. Such causes shall include but not be limited to, acts of God, riots, acts of war, epidemics, strikes, fire, floods, earthquakes, and other natural disasters. A party whose performance hereunder is materially delayed or impeded by Force Majeure shall promptly notify the other party of such Force Majeure and the extent and expected duration of its impact on such party’s performance, and, in such a case, the time for such party’s performance of any materially affected services or activities shall be extended to the extent of the delay caused by the applicable Force Majeure, plus a reasonable amount of time to resume the performance of such affected services or activities hereunder.

7. INDEMNIFICATION

- A. **Bodily Injury; Property Damage.** CGI shall, at its own expense and subject to the provisions of Section 7.D, defend, indemnify and hold Customer and its Affiliates, and the respective officers, agents, and employees of the foregoing (all of the foregoing, collectively, the “Customer Indemnitees”) harmless from and against all liabilities, claims, losses, damages, costs and expenses (including reasonable attorneys’ fees incurred by CGI in the defense of such claims or by Customer in cooperating with CGI in defense of such claims) arising out of third party claims for damage to or loss of tangible personal or real property, or for injuries to or death of persons (including, but not limited to, any persons, firms, or corporations furnishing or supplying work, services, materials, or supplies in connection with performance under this Agreement),

resulting from or arising out of CGI's (or that of any person or entity under direction or control of CGI) wrongful, willful, or negligent act or omission in connection with this Agreement, except to the extent such claims, liabilities, or losses arise out of the negligence or willful misconduct of Customer.

- B. **Intellectual Property**. CGI shall, at its own expense and subject to the provisions of Section 7.D, defend, indemnify and hold the Customer Indemnitees harmless from and against all liabilities, claims, losses, damages, costs and expenses (including reasonable attorneys' fees incurred by CGI in the defense of such claims or by Customer in cooperating with CGI in defense of such claims) arising out of or based upon any third party claim for infringement, misappropriation, or violation of any patent, copyright, trademark, trade secret, or other intellectual property or proprietary right of any third party that is enforceable in the United States of America.
- (i) *Exceptions*. Notwithstanding anything to the contrary in this Section 7.B, CGI shall have no obligation with respect to indemnification of Customer's Indemnitees under this Section 7.B regarding any claim or action to the extent that it is based upon: (i) a modification made to the item in question by anyone other than CGI or any third-party subcontractors working at CGI's direction or that was not otherwise approved or authorized by CGI in writing; (ii) the combination, operation, or use of the item in question with other items that CGI (or CGI's subcontractors) did not supply, approve, or recommend in writing; (iii) Customer's failure to use in a timely manner any new or corrected versions of the item in question that were made available by CGI to Customer; or (iv) CGI's adherence to any written specifications or instructions that Customer expressly requires by followed by CGI, provided that CGI informed Customer in advance and in writing of any known risks associated therewith.
- (ii) *Remedy*. If a claim or proceeding subject to this Section 7.B is brought or appears to CGI to be likely to be brought, CGI shall promptly, at its sole option and expense, either: (i) obtain the right for Customer and its Affiliates to continue using the allegedly infringing items; or (ii) replace or modify the allegedly infringing items to resolve such claim or proceeding (i.e., so that they are non-infringing), with any such replacement or modified items being required to provide Customer and its Affiliates with substantially the same functionality, features, and performance as the items that were replaced or modified. If neither of these alternatives are available to CGI on commercially reasonable terms after the exercise of commercially reasonable efforts, CGI may require Customer to return the allegedly infringing items, in which case CGI shall promptly refund to Customer the amounts paid by Customer for the returned items, less a reasonable adjustment for depreciation of the returned items, based on straight-line depreciation over an expected useful life of twenty-five (25) years.
- C. **Third Party Services**. CGI shall, at its own expense and subject to the provisions of Section 7.D, defend, indemnify and hold the Customer Indemnitees harmless from and against all liabilities, claims, losses, damages, costs and expenses (including reasonable attorneys' fees) arising out of or based upon any claim brought by any employee of CGI or CGI's subcontractors based upon an alleged breach by CGI of this Agreement or of any agreement with such employee of CGI or CGI's subcontractors in connection with this Agreement (e.g., an employment agreement or a subcontracting agreement).
- D. **Procedures**. CGI's indemnification obligations specified within this Agreement are conditioned upon Customer promptly notifying CGI in writing after becoming aware of

any proceeding or claim for which CGI is obligated to indemnify Customer under this Section 7, providing CGI with a copy of all notices received by Customer with respect to the proceeding or claim, and cooperating with CGI in the defense and settlement of the proceeding or claim, except that failure by Customer to provide such notice shall reduce CGI's indemnification obligations hereunder only in the event and to the extent that CGI is prejudiced thereby. CGI shall have sole control over the defense and settlement of any claim or proceeding that is subject to indemnification by CGI under this Section 7, provided that CGI shall consult with Customer and obtain Customer's advance consent (not to be unreasonably withheld) in the event any such settlement would operate to impose liability on Customer, or otherwise require Customer to pay money damages to any third-party claimant. Customer may observe the proceeding or claim, at its own expense and using attorneys of its own choice.

8. INSURANCE

- A. **Insurance Coverage Requirements.** Without limiting CGI's duties to indemnify the Customer Indemnitees pursuant to Section 7, CGI shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with at least the following minimum limits of liability:
- (i) Commercial general liability insurance (including, but not limited to, coverage for premises and operations and for bodily injury and property damage, personal injury, contractual liability, broad form property damage, independent contractors, products, and completed operations), with a combined single limit for bodily injury and property damage of not less than \$1,000,000 per occurrence.
 - (ii) Business automobile liability insurance covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in performance under this Agreement, with a combined single limit for bodily injury and property damage of not less than \$1,000,000 per occurrence.
 - (iii) Workers' compensation insurance that is in accordance with California Labor Code § 3700 and with employer's liability limits not less than \$1,000,000 each person, \$1,000,000 each accident, and \$1,000,000 each disease.
 - (iv) Professional liability insurance, if required for any professional services being provided under this Agreement (e.g., as required for those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If such professional liability insurance is written on a "claims-made" basis, rather than an "occurrence" basis, CGI shall, upon the termination of this Agreement, obtain extended reporting coverage (or "tail coverage") with at least the same minimum liability limits as are set forth above. Any such tail coverage shall continue for at least three years following the termination or cancellation of this Agreement.
- B. **Other Insurance Requirements.**
- (i) All insurance that CGI is required to carry by this Agreement shall be with a company acceptable to Customer and issued and executed by an admitted insurer authorized to transact insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if any given policy is not written on an occurrence basis,

such policy and the coverage required herein shall continue in effect for a period of three years following the termination of this Agreement.

- (ii) Each liability policy required hereunder shall provide that Customer shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CGI and additional insureds with respect to claims arising from each subcontractor, if any, engaged by CGI in performance under this Agreement, or CGI shall be required to provide Customer with a certificate of insurance from each such subcontractor showing such subcontractor has insurance coverage at least meeting the above requirements.
- (iii) The commercial general liability and automobile liability policies required hereunder shall provide an endorsement naming the County of Monterey and its officers, agents, and employees as additional insureds with respect to liability arising out of CGI's work, including ongoing and completed operations, and each such endorsement shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by Customer and that the insurance of the additional insureds shall not be called upon to contribute to a loss covered by CGI's insurance. The required endorsement form that CGI shall use for commercial general liability additional insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form that CGI shall use for automobile additional insured endorsement is ISO Form CA 20 48 02 99.
- (iv) Prior to the execution of this Agreement, CGI shall have filed certificates of insurance with Customer's contract administrator and Customer's contracts/purchasing division, showing that CGI has in effect the insurance required by this Agreement. CGI shall file a new or amended certificate of insurance with Customer's contract administrator and Customer's contracts/purchasing division within five calendar days after any change is made in any insurance policy which change would alter the information on the certificate then on file with Customer. Acceptance or approval of insurance shall in no way modify or change CGI's obligations of indemnification under this Agreement, which obligations shall continue in full force and effect.
- (v) CGI shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Section 8 and shall send, without demand by Customer, certificates to Customer's contract administrator, and to Customer's contracts/purchasing division, annually. If any such certificate is not received by the applicable anniversary of the Effective Date or by the expiration date of the applicable insurance policy, Customer may notify CGI, and upon receiving any such notification, CGI shall send such certificate to Customer within five calendar days, with such certificate evidencing that there was no lapse in coverage. Failure by CGI to maintain the insurance required by this Section 8 shall constitute a material breach and default of this Agreement by CGI that entitles Customer to, in its sole discretion, terminate this Agreement immediately.

9. TERM AND TERMINATION

- A. **Term.** This Agreement shall take force and effect as of the Effective Date and shall continue in force and effect until terminated in accordance with this Section 9 or another express provision of this Agreement or another written agreement between the

parties that references this Agreement. In addition, if the License Agreement is terminated for any reason by either party, this Agreement shall automatically terminate on the effective date of the termination of the License Agreement.

- B. **Termination by Customer for Convenience.** 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 Maintenance Period in full, Customer must pay to CGI the remaining balance of such maintenance fee prior to terminating this Agreement.
- C. **Termination for Breach.** If either party believes that the other party has materially breached a material term of this Agreement (a "Breach"), then that party may provide written notice to the breaching party describing the alleged Breach in reasonable detail and containing a reference to this Section 9C. If the breaching party does not either (i) cure the Breach within thirty (30) days after receiving such written notice, or (ii) if the Breach is not one that can reasonably be cured within thirty (30) days, develop a plan reasonably acceptable to the other party to cure the Breach within a reasonable period of time and then diligently proceed in accordance with the accepted plan until the Breach has been cured, then the non-breaching party may terminate this Agreement for cause by providing written notice thereof to the breaching party. Termination of this Agreement pursuant to this Section 9.C will be in addition to, and not in lieu of, any other rights and remedies available to the terminating party under this Agreement, at law, or in equity. If Customer materially breaches the restrictions imposed under Section 3 or its nondisclosure obligations under Section 4, CGI will have the right, without affecting any other rights and remedies CGI may have, to terminate this Agreement immediately upon written notice to Customer. Termination of this Agreement will be in addition to, and not in lieu of, other remedies available to the terminating party under this Agreement
- D. **Effects of Termination.** In addition to each parties duties under Section 4.F, within thirty (30) days after any termination of this Agreement for any reason, Customer shall, at CGI's option, either deliver to CGI or destroy the original and all copies (including partial copies) of the Software, the Documentation, and all of CGI's Confidential Information (including copied portions thereof contained in derivative works that have been created by Customer) provided by CGI to Customer under this Agreement that are then in Customer's possession or control, and certify in writing to CGI that Customer has performed its obligations under this paragraph.
- E. **Survival.** Any provision of this Agreement that imposes or contemplates continuing obligations on a party, or that, by its nature or terms, would be reasonably understood to have been intended to survive and continue in force and effect after termination of this Agreement, shall survive the termination of this Agreement for so long as intended, including, but not limited to, the provisions of Sections 4, 5, 6, 7, 8 (to the extent provided for therein), 9, 10, and 11.

10. GOVERNING LAW AND DISPUTES

- A. **Law and Venue.** This Agreement will be governed by and construed in accordance with the laws of the State of California, without regard to any provision of law that would require or permit the application of the substantive law of any other jurisdiction. Notwithstanding anything to the contrary (including, but not limited to, CAL. CIV. PROC. § 384): (i) the exclusive forum and venue for all actions or proceedings arising out of, or related to, this Agreement shall be in either a state or federal court, as applicable, located in Monterey County, California; (ii) each party hereby expressly

consents to the jurisdiction of such courts over themselves and the subject matter of any such actions or proceedings and irrevocably waives any claim or objection that such courts represent an inappropriate or inconvenient venue; and (iii) each party expressly and irrevocably waives any rights to request that any action be transferred to any court or forum in any other jurisdiction.

- B. **Dispute Resolution.** 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 10.B. Upon such a request, each party will promptly appoint a senior management representative who does not devote substantially all of his or her time to performance under this Agreement to attempt to resolve the dispute. These representatives will then promptly furnish to each other all non-privileged information with respect to the dispute that the parties believe to be appropriate and germane to the resolution of the dispute. The representatives will then attempt to negotiate a resolution of the dispute without the necessity of any formal legal proceeding. Except as otherwise provided below in this Section, formal proceedings for the resolution of any dispute that either party requests be subject to the informal process described in this Section 10.B may not be commenced until the earlier of: (i) the parties' designated representatives mutually concluding that resolution through continued negotiation does not appear likely; or (ii) thirty (30) calendar days having passed since the initial request to submit the dispute to the informal process described in this Section 10.B was made. Notwithstanding the foregoing provisions of this Section, a party shall not be required to comply with the process set forth in this Section 10.B, and may take or pursue other available action before the expiration of the period described in the immediately preceding sentence, as reasonably necessary to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or to apply for interim, injunctive, or other equitable relief.
- C. **No Suspension or Interruption.** As the Maintenance Services are integral to Customer's and its Affiliates' business operations, CGI shall in no event nor for any reason, except as otherwise set forth below, interrupt, suspend, or cease its performance hereunder, refuse to perform hereunder, take any action to disable, interrupt, impair, suspend, prevent, or otherwise interfere with Customer's and its Affiliates' use of the Maintenance Services in accordance with this Agreement or Customer's and its Affiliates' ability to conduct their business operations (other than minimal, routine interruptions necessary in order for CGI to provide the Maintenance Services), or intentionally permit or cause any embedded mechanism to disable or impair the functionality, operation, or performance of the Maintenance Services, unless: (i) authority to do so is granted by Customer or conferred by a court of competent jurisdiction; (ii) the applicable Maintenance Period or has expired or the term of this Agreement has been terminated pursuant to Section 9.B or 9.C; (iii) Customer has materially breached its obligations of payment as specified in Section 3 (Payment Terms) and has failed to cure such breach with fifteen (15) days after CGI provided Customer with written notice of such breach; or (iv) Customer has materially breached its obligations of confidentiality specified in Section 4 (Nondisclosure) and CGI has commenced an action seeking injunctive or equitable relief from such breach in a court of competent jurisdiction.

11. GENERAL

- A. **Notices.** Any notice or other communication that is required or permitted to be made or given by either party pursuant to this Agreement and intended to have legal effect shall be in writing, in English, and shall 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 that a confirmation of successful transmission is produced by the sending facsimile machine and a copy of the notice is promptly sent to the intended recipient by another means specified in this Section; or (iii) when delivered, if delivered personally or sent by a nationally recognized express courier service. All notices shall be sent to the intended party at its address set forth below or at such other address as the party may specify from time to time in a notice given in accordance with this Section.

In the case of Customer:	with a copy of notices to:
The County of Monterey, California	The County of Monterey, California
1260 S. Main Street, First Floor	168 W. Alisal Street, Third Floor
Salinas, CA 93901	Salinas, CA 93901
Attn: Greg Head, ERP Project Director	Attn: Mike Derr, Contracts / Purchasing Manager
Fax: 831-785-5656	Fax: 831-755-4969
Phone: 831-755-5091	Phone: 831-755-4992
E-Mail: headgd@co.monterey.ca.us	E-Mail: derrm@co.monterey.ca.us
In the case of CGI:	with a copy of notices to:
CGI Technologies and Solutions Inc. 4050 Legato Road Fairfax, Virginia 22033 Attn: Pat Colacicco, Vice President Fax: 703.267.8641 Phone: 703.267.8943	CGI Technologies and Solutions Inc. 4050 Legato Road Fairfax, Virginia 22033 Attn: Office of General Counsel Fax: 703.267.7161 Phone: 703.267.8000

- B. **Assignment.** Neither party may assign or otherwise transfer this Agreement without the other party's prior written consent, which will not be unreasonably withheld. Any purported assignment in violation of the preceding sentence shall be void. This Agreement will be binding upon the parties' respective successors and permitted assigns. CGI shall not use subcontractors in its performance under this Agreement without the prior written approval of Customer, on a case-by-case basis. Notwithstanding any such subcontracting, CGI shall continue to be responsible and liable for the performance of all of its duties and obligations under this Agreement, and CGI shall be fully responsible and liable for the acts, omissions, and negligence of any subcontractors that it uses hereunder and all of CGI's and such subcontractors' respective employees and agents.
- C. **Entire Agreement.** 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. Nothing in this Agreement shall prevent Customer and its Affiliates from obtaining any

products and services similar to those to be provided by CGI hereunder, or any other products or services, from any other vendor or service-provider, or from providing any products or services for themselves, at any time.

- D. **Construction of Agreement.** Customer and CGI agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the construction and interpretation of this Agreement or any to amendment to this Agreement.
- E. **Interpretation of Conflicting Provisions.** In the event and to the extent of any conflict or inconsistency between the provisions of Sections 1 through 11 of this Agreement and the provisions of any Exhibit or other attachment to this Agreement, the provisions of Sections 1 through 11 of this Agreement shall prevail and control (except that any terms specifically identified in a particular Exhibit to this Agreement as modifying or amending terms of Sections 1 through 11 of this Agreement shall control over those provisions of this Agreement for that Exhibit only).
- F. **Attorneys' Fees.** In the event of a dispute, claim, or litigation regarding a breach or an alleged breach of this Agreement, the non-prevailing party shall reimburse the prevailing party for all of its costs and expenses (including reasonable attorneys' fees) incurred in connection with such dispute, claim or litigation, including those incurred in any appeal therefrom.
- G. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.
- H. **Severability.** The provisions of this Agreement shall be deemed severable, and the unenforceability of any one or more provisions of this Agreement shall not affect the enforceability of any other provisions hereof. In addition, if any provision of this Agreement, for any reason, is declared to be unenforceable by a court of competent jurisdiction, the parties will mutually agree upon and substitute for such provision an enforceable provision that, to the maximum extent possible under applicable law, preserves the original intentions and economic positions of the parties.
- I. **Exhibits.** The Exhibits referred to in and attached to this Agreement are made a part of it as if fully included in the text.
- J. **Policies and Procedures.** CGI shall at all times comply with and abide by all policies and procedures of Customer that reasonably pertain to it or to CGI's performance hereunder (to the extent that such policies and procedures, as they may exist or be revised or established by Customer from time to time, have been provided or made available to CGI, in writing or electronically, in advance of when compliance is required, such that CGI has a reasonable opportunity to comply therewith), including, but not limited to, all such policies as pertain to conduct on Customer's or its Affiliates' premises, use or possession of contraband, the access to, or use or security of, Customer's information technology, data, or resources, or related systems, networks, equipment, property, or facilities, or use and disclosure of confidential information of Customer.
- K. **Waiver.** No failure or delay by either party in exercising any right, power or remedy shall operate as a waiver of such right, power or remedy, and no waiver shall be effective unless it is in writing and signed by the waiving party. If a party waives any

right, power or remedy, such waiver shall not waive any successive or other right, power or remedy the party may have under this Agreement.

- L. **Non-Exclusive Remedies.** No right or remedy granted or provided for in this Agreement with respect to either of the parties is intended to be, nor shall be, exclusive of any other right or remedy, except as expressly stated herein, and each and every right and remedy shall be cumulative and in addition to any other right to remedy given hereunder, or otherwise available at law or in equity, or now or hereafter.
- M. **No Third-Party Beneficiaries.** This Agreement is an agreement between the parties, and neither: (i) confers any rights upon any of either party's respective employees, agents, or contractors, or upon any other person or entity not a party hereto; or (ii) precludes any actions or claims against, or rights of recovery from, any person or entity not a party hereto.
- N. **Non-Solicitation.** During the term of this Agreement and for twelve (12) months after its termination or cancellation, neither party shall, either directly or indirectly, solicit for employment or employ (except as otherwise permitted by this Section) 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 prior written consent of the other party. Notwithstanding the foregoing provisions of this Section, each party acknowledges and agrees that this Agreement will not prohibit solicitations through general advertising or other publications of general circulation by either party and the employing, hiring, or engaging of any individuals as a result thereof.
- O. **Governmental Immunity.** Notwithstanding anything to the contrary set forth elsewhere in this Agreement, Customer has not, and in no event shall be construed to have, in or by virtue of this Agreement, waived any rights or defenses of governmental immunity that it may have with respect to any matters arising out of this Agreement or performance hereunder.
- P. **Exhibits.** The Exhibits referred to in and attached to this Agreement are made a part of it as if fully included in the text.
- Q. **Non-Discrimination.** During the performance of this Agreement, CGI and its subcontractors shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, in employment practices, in the furnishing of services to recipients, or in any other way. CGI shall ensure that the evaluation and treatment of its employees and applicants for employment, and all persons receiving and requesting services from CGI, are free of such discrimination. CGI and its subcontractors hereunder shall, in the performance under this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to any given target population, as such may be designated in this Agreement, shall not be deemed to be prohibited discrimination. CGI acknowledges that any breach by it or its subcontractors of this Section shall subject CGI to any penalties imposed under applicable law for a violation of anti-discrimination laws or regulations.
- R. **Governmental Grants.** If this Agreement has been or will be funded with monies received by Customer pursuant to a contract by Customer with, or pursuant to a grant by, any state or federal government or any agency thereof, CGI shall comply with the

provisions of said contract or grant, to the extent CGI has been provided with a copy (or otherwise informed by Customer in writing) of such provisions and such provisions are applicable to CGI, and, in such a case, said provisions shall be deemed a part of this Agreement, as though fully set forth herein.

- S. **Maintenance and Audits of Records.** CGI shall prepare, maintain, and preserve all records, reports, documents, and books of account that may be required by federal, state, and local rules and regulations relating to this Agreement or performance hereunder, or that are required to verify the accuracy of any invoices submitted by CGI hereunder or CGI's compliance with the terms of this Agreement and applicable laws and regulations. CGI shall maintain such records, reports, documents, and books for a period of at least three (3) years after the termination of this Agreement, and if any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of such three year period, then CGI shall retain said records, reports, documents, and books until such action is resolved. CGI shall also cause each of its subcontractors to prepare, maintain, and preserve reports, documents, and books of account in the same manner as CGI is required to do so hereunder. Customer shall have the right to examine and audit all such reports, documents, and books of account of CGI and its subcontractors related to this Agreement from time to time. In addition, consistently with applicable law (e.g., as required pursuant to CAL. GOV'T CODE § 8546.7), at the request of Customer or as part of any state audit of Customer, from time to time during the period described above, CGI shall make its books and records, and shall cause its subcontractors to make their respective books and records, relating to this Agreement that it is required to maintain hereunder available for examination and audit by the State Auditor of the State of California. If any audit conducted hereunder reveals an overcharge (net of any undercharges) to Customer with respect to the fees or other charges hereunder, then CGI shall promptly refund such overcharge, and, if such overcharge represents more than three percent (3%) of the amounts that Customer should have been charged, then CGI shall promptly refund to Customer, or at Customer's option, issue to Customer a credit for, the cost of such audit. In the event that any such audit reveals a failure by CGI or its subcontractors to comply with the terms hereof, or with applicable laws or regulations, and performance hereunder is ongoing, then CGI shall promptly and fully correct such failure to comply and any effects thereof.
- T. **Federal Access to Records.** If and to the extent that Section 1861(v)(1)(i) of the Social Security Act (42 United States Code Section 1395x(v)(1)(i)) is applicable to this Agreement, CGI shall, during the term of this Agreement and for a period of four (4) years following the termination of this Agreement, maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Comptroller General of the United States, or to any of their authorized representatives, the books, documents and records of CGI that are necessary to verify the nature and extent of the costs of services provided hereunder. Furthermore, if CGI provides any of the services to be provided hereunder through any subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve month period with a related organization (as that term is defined under Federal law), CGI shall cause each such subcontract to require the subcontractor to maintain and make available its books, documents and records relating to such subcontract in the same manner as CGI is required to do so hereunder.
- U. **Independent Contractor.** In the performance of its work, duties, and obligations under this Agreement, CGI shall at all times be acting and performing as an

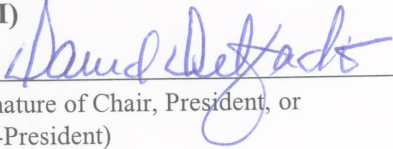
independent contractor and not as an employee of Customer or its Affiliates. No offer or obligation of permanent employment with Customer or its Affiliates is intended hereby or hereby made in any manner, and CGI shall not become entitled, by virtue of this Agreement, to receive from Customer or its Affiliates any form of employee benefits, including, but not limited to, sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CGI shall be solely liable for, and shall be obligated to pay directly, all applicable taxes, including, but not limited to, federal and state income taxes and social security, arising out of CGI's performance in connection with this Agreement. In connection therewith, CGI shall defend, indemnify, and hold the Customer Indemnitees harmless from any and all liability which the Customer Indemnitees may incur because of CGI's failure to pay such taxes.

- V. **Publicity.** Each party shall submit to the other all advertising, written promotional materials, press releases, and other publicity matters relating to this Agreement, or the execution hereof, that mention or contain the other party's name or mark or that contain language from which said name or mark may be inferred or implied, and neither party shall publish or disclose any such advertising, promotional materials, press releases, or publicity matters without the prior written approval of the other party. Nevertheless, each party may disclose the other party's name and the fact of the existence of this Agreement whenever required by applicable laws or regulations, and CGI may reference the name of Customer as a part of its general client list without the need to first obtain Customer's prior written approval.
- W. **Signature Authority.** The individual executing this Agreement on behalf each party hereby represents that he or she has the requisite authority to enter into this Agreement on behalf of such party and to bind such party to the terms and conditions of this Agreement.

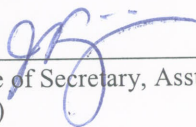
[SIGNATURE PAGE FOLLOWS]

Each party has caused its authorized representative whose name and signature appears below to execute this Agreement, effective as of the Effective Date.

**CGI Technologies and Solutions Inc.
(CGI)**

By: 
(Signature of Chair, President, or Vice-President)

Name: DAVE DELGADO
Title: VICE PRESIDENT
Date: 3/11/08

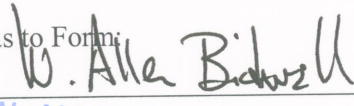
By: 
(Signature of Secretary, Asst. Secretary, CFO, or Asst. Treasurer)

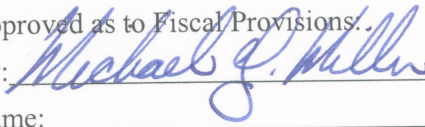
Name: Joseph Figini
Title: Asst. Secretary
Date: 3/9/08

**The County of Monterey, California
(Customer)**

By: 

Name: Michael P. Darr
Title: Contracts/Purchasing Manager
Date: 4-3-08

Approved as to Form:
By: 
Name: W. ALLEN BIDWELL
Title: County Counsel Deputy
Date: 03-21-2008

Approved as to Fiscal Provisions:
By: 
Name: _____
Title: Auditor / Controller
Date: March 27, 2008

Approved as to Liability Provisions:
By: _____
Name: _____
Title: Risk Management (if applicable)
Date: _____

EXHIBIT A

Standard Support and Maintenance Services

1. **Maintenance Period and Fees.** The “Implementation Maintenance Period” and the “Initial Maintenance Period” for which Standard Support and Maintenance Services shall be provided under this Agreement shall be as indicated in the table below. The Implementation Maintenance Period shall consist of the four (4) phases indicated in the table below (each, a “Phase”), with each Phase commencing on the Go Live Date for the Software specified below with respect to such Phase. The Software for which Maintenance Services are to be provided during each different Phase of the Implementation Maintenance Period, and each different annual period of the Initial Maintenance Period, is also as provided in such table. The periods of time specified in the table below represent the respective time periods that it is currently anticipated that each different Phase of the Implementation Maintenance Period, and each different annual period of the Initial Maintenance Period, will cover. If the applicable Go Live Dates do not occur as currently anticipated, the parties shall mutually agree to a written amendment to this Agreement that reasonably and appropriately adjusts the dates to be covered by, and, if applicable, the fees to be payable with respect to, the applicable Phases of the Implementation Maintenance Period and the annual periods of the Initial Maintenance Period.

Phase or Annual Period of Maintenance Period	Software Covered	Expected Period of Time	Maintenance Fees
Implementation Maintenance Period (with its four (4) Phases)			
IMP-Debt	SymPro Debt	8/01/08 – 12/31/09	\$16,632
IMP-PB	AMS Advantage Performance Budgeting (Performance Budgeting & Formulation, Salary & Benefit Forecasting, Budget Book Publishing) AMS infoAdvantage	11/1/08 - 12/31/09	\$54,880
IMP-FM	AMS Advantage Financial Management (General Ledger, Accounts Payable, Billing and Account Receivable, Asset Management, Project & Grants Accounting, Treasury Accounting) AMS Advantage Procurement (Professional, Vendor) SymPro Investment Bundled Products	7/1/09 - 12/31/09	\$240,974
IMP-Training	Meridian Learning Management	4/01/09 – 12/31/09	\$13,770
Initial Maintenance Period			
Initial Maintenance Period Year 1	All Software from IMP-Debt, IMP-PB, IMP-FM and IMP-Training AMS Advantage Human Resources Management (Human Resources, Position Control, Benefits Administration, Time & Attendance, Payroll Management, Employee Self Service)	1/1/10 - 12/31/10	\$570,732
Initial Maintenance Period Year 2	All Software from Initial Maintenance Period Year 1	1/1/11 - 12/31/11	\$570,732
Initial Maintenance Period Year 3	All Software from Initial Maintenance Period Year 2	1/1/12 - 12/31/12	\$570,732



Upon expiration of the Initial Maintenance Period, Customer may buy Standard Support and Maintenance Services for the Software for subsequent Maintenance Periods in which CGI is offering Standard Support and Maintenance Services for annual maintenance fees no more than five percent (5%) greater than the previous year's maintenance fees, for, as requested by Customer, each of the subsequent consecutive five (5) annual Maintenance Periods. Thereafter, Customer may buy Standard Support and Maintenance Services for the Software for subsequent Maintenance Periods in which CGI is offering Standard Support and Maintenance Services, at CGI's then current prices.

2. **Software.** The Standard Support and Maintenance Services shall be provided for the following Software, Bundled Products and Third Party Products, as licensed to Customer pursuant to the License Agreement:

AMS Advantage® Financial Management System 3

- Financial Management Base System
- Asset Management
- Project and Grants Management
- Treasury Accounting

AMS Advantage Procurement System including the following modules:

- Professional
- Vendor

AMS Advantage Performance Budgeting:

- Performance Budgeting and Formulation
- Salary and Benefit Forecasting
- Budget Book Publishing

AMS Advantage Human Resource Management System including the following modules:

- Human Resources
- Position Control
- Benefits Administration
- Time and Attendance
- Payroll Management
- Employee Self Service
- Learning Management (powered by Meridian)

AMS infoAdvantage Server Bundle

Adobe Present Central Pro Output Server– 1 production and 1 non-production printer output license

Adobe Present Output Designer – 2 named user license

Adobe RoboHelp® Office – 1 named user license

Pervasive® Data Integrator Pro Developer™ 2 named user license

Pervasive Data Integrator Pro Engine™ 2 CPU production and 2 CPU non-production license (Single threaded)

1099 Convey – Network A, 3 workstation license, 1-5,000 1099s processed annually

Business Objects Application Specific Server Bundle – 1 production and 1 pre-production license which each include:

- Business Objects Web Intelligence Server Professional– 4 CPU, unlimited users
- Broadcast Agent Publisher – 4 CPU, unlimited users
- Business Objects WEBI – 4 CPU, unlimited users

Business Objects Enterprise Desktop Intelligence– 2 named user license

Finite Matters, Ltd. PatternStream® – 1 runtime/developer license, includes Adobe Framemaker – 1 user license

Versata Logic Server – 1 application specific site license

Versata Designer Studio – 4 named user license

IBM WebSphere – 2,800 PVU (IBM Processor Value Units)

IBM WebSphere Portal Express – 200 PVU

IBM WebSphere Enterprise Service Bus – 400 PVU

IRI CoSort – 1 non-production licenses for Intel Xeon / 8 CPU / 32 GB and 1 production licenses for Intel Xeon / 2 CPU / 8 GB



Micro Focus Net Express (Windows) – 1 named user license

Micro Focus Application Server for Net Express (Windows) – 1 Server License for up to 10 concurrent batches/users license

Monsell EDM DeltaXML – 1 site license

Meridian Global – up to 5,000 users

SymPro Investment

SymPro Debt

NGEDOCS: 1402716.13