

**Update & Support Agreement
Contract No. C136908**

This agreement ("Agreement") is made this 20th day of April, 2010 ("Effective Date"), by and between the City of Redlands (hereafter the User), and Azteca Systems, Inc. (hereafter Azteca Systems), a Utah corporation, with its principal place of business at 11075 South State Street, Suite #24 Sandy, Utah, 84070. Azteca Systems and the User have entered into a license agreement with respect to use of The Cityworks Software (the "Cityworks Software License Agreement"); and User also desires to secure software Cityworks update and support services from Azteca Systems with respect to such Software as more specifically enumerated in this Agreement.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

1.1 "Covered Software" shall mean the particular Software, scripts, interfaces and custom code identified in paragraph 9.2.

1.2 "Custom Applications" shall mean any scripts, interfaces, reports or program code requested by the Licensee, other than Program Modifications to the Cityworks applications that provide specific functionality uniquely designed for the Licensee. Any Custom Applications delivered to Licensee shall NOT become part of the Licensed Software unless otherwise specified in section 9.1. The Custom Applications scripts, interfaces, reports and program code shall be provided to the client as a deliverable and client shall have full ownership rights for the Custom Applications. However, Azteca Systems shall retain the right to utilize, modify and enhance the scripts, interfaces, reports or program code of the Custom Applications as Azteca Systems deems appropriate.

1.3 "Effective Date" shall mean the date on which User receives the Software Cityworks software from Azteca Systems in accordance with the Cityworks Software License Agreement, Contract No.C136908, between User and Azteca Systems dated April 20, 2010.

1.4 "Licensed Software" shall mean the particular Software identified in the Cityworks Software License Agreement.

1.5 "Program Fixes" shall mean minor corrections to the Licensed Software to correct deviations in the Licensed Software. Any Program Fixes delivered to User shall become part of the Licensed Software under the Cityworks Software License Agreement.

1.6 "Program Modifications" shall mean new versions of or additions to the Licensed Software, which adds to or alters the function(s) of the Licensed Software and new modules or products adapted to interface with the Licensed Software and add to or alter the function(s) of the Licensed Software, requested by the User. Any Program Modifications

delivered to User shall become part of the Licensed Software under the Cityworks Software License Agreement.

1.7 "Product Updates" are Program Fixes, Program Upgrades and Program Modifications.

1.8 "Program Upgrades" shall mean new versions of, or additions to, the Licensed Software prepared by Azteca Systems that improve its operating performance but do not add to or alter its basic function(s). Any Program Upgrades delivered to User shall become part of the Licensed Software.

1.9 "Software" shall mean Cityworks source code, machine-readable code, and related documentation.

1.10 "Update & Support Period" shall mean the initial Update and Support period commencing upon the Effective Date of this Agreement, as set forth in section 9.1, and any subsequent twelve-month period.

1.11 "Update & Support Agreement" or "Agreement" shall mean this Update & Support Agreement between Azteca Systems and User identified in paragraph 9.1, the terms and conditions of which are hereby incorporated by reference.

2. SUPPORT

2.1 The services to be provided during the Update & Support Period include Azteca Systems Product Updates to Azteca System's Cityworks applications including Program Fixes, Program Upgrades and Program Modifications (not Custom Applications). Azteca Systems will ensure upward compatibility for The Cityworks Software applications within a reasonable timeframe for minor and major ESRI® ArcGIS and Cityworks supported databases revisions. If identified as "Covered Software", Azteca Systems will ensure upward compatibility within a reasonable timeframe for Custom Applications when there are minor ArcGIS and Cityworks supported databases revisions (for example, from rev 9.1 to rev 9.2). Azteca Systems will not ensure upward compatibility for Custom Applications when there are major ESRI ArcGIS and Cityworks supported databases revisions (for example, from rev 9.x to rev 10.x), Azteca Systems will make all reasonable efforts to provide upward compatibility.

2.2 Azteca Systems shall, with out additional charge (except as allowed for in paragraph 3.4 and 7.3), during the term of this Agreement:

(a) Make all reasonable efforts to provide those Program Fixes, if any, that are necessary to assure the Covered Software is functioning properly; provided User provides Azteca Systems with written notice specifying particularity in narrative, non-technical terms to the best of User staff's ability the apparent error in the system and the manner in which the Covered Software is not functioning properly (as provided in Section 7); and

(b) Deliver to User any Program Upgrades relating to the Covered Software made available to others.

(c) Provide Telephone User Support, Email Support, Web Support, during normal business hours Monday through Friday (excepting Holidays) and after hour emergency support through messaging service, and other benefits deemed appropriate by Azteca Systems (as set forth in Section 7).

(d) Implement and maintain a means of secure, remote direct network access (VPN, Web-access, dial-up, etc) to the User's systems in order to perform thorough remote diagnostics and effect remote repairs, upgrades, and fixes.

2.3 The following items, among others, however, are specifically excluded as support services under this section of this Agreement:

(a) interpretation of program results;

(b) assistance with questions related to computer hardware and peripherals that are not related to the use of the Covered Software;

(c) assistance with computer operating system questions not directly pertinent to the Covered Software or Program Modifications;

(d) data debugging and/or correcting;

(e) services necessitated as a result of any cause other than authorized ordinary and proper use by the User of the Covered Software, including but not limited to neglect, abuse, unauthorized modification, unauthorized updates or electrical, fire, water or other damage; and

(f) consulting regarding Custom Applications created to function with the Covered Software unless the Custom Application is identified as Covered Software in paragraph 9.1.

3. CHARGES

3.1 For services hereunder, User shall pay Azteca Systems an annual fee. The annual fee for the initial Update & Support Period is set forth in paragraph 9.1, and shall be paid prior to the start of the initial Update & Support Period. The annual fee for successive Update & Support Periods (twelve-month periods commencing upon the anniversary of the initial Update & Support Period) shall become due prior to the end of the preceding paid-up Update & Support Period.

3.2 Upon 90 days written notice, the fee for Update and Support Periods listed in paragraph 9.1 subsequent to the third Update and Support Period may be adjusted by Azteca to reflect increases in costs of providing the services described herein and/or to reflect increases in

the population, users, size, usage, and other factors of User; provided, however, that (a) if the above factors remain constant the increase in the pricing shall not exceed the Consumer Price Index and (b) if any such proposed cost increase is in User's opinion excessive, User shall be entitled to terminate this Agreement prior to the start of the applicable Update & Support Period and shall not be liable for any further payment under this Agreement. Azteca will notify User of the new pricing no later than 90 days prior to the annual renewal date of the year preceding the year for which such adjusted pricing applies.

3.3 In addition to charges due under this Agreement, User shall pay amounts equal to any sales tax, duties, or other consumption taxes, however designated, which are levied or based upon such charges, or upon this Update & Support Agreement.

3.4 In the event User and Azteca Systems agree it becomes necessary for Azteca Systems to be on-site to provide support for the Covered Software, the User will reimburse Azteca Systems for reasonable and customary travel expenses directly related to the on-site work. Azteca Systems shall provide an estimate and get the prior approval of User before incurring any costs for which it shall seek reimbursement from User under this Section. Any reimbursement shall be subject to Azteca providing verifiable documentation of such expenses to User. User reserves the right to require an audit of any such cost related records of Azteca to the extent reimbursement has been made by User under the terms of this Section.

4. LIMITED WARRANTY

4.1 Azteca Systems will provide support services for the Cityworks Software, Enhancements to Cityworks Software and Custom Applications created by Azteca Systems identified as Covered Software in paragraph 9.1. The support services are provided as part of the Azteca Systems Update and Support services and will be in-force for the duration of this Agreement. Update & Support Periods beyond the initial Update & Support Period are renewable unless terminated as provided in Section 6 below. The Update and Support Services consists of software and documentation updates and access to technical support via telephone, email, web-based (MyCityworks.com) and after hours support via pager as set forth in Section 2 above. The User will provide Azteca Systems in writing the names of the User individuals who are authorized to contact Azteca Systems and request support services.

4.2 Azteca Systems warrants that trained personnel employed or contracted by Azteca Systems will perform the services performed hereunder in conformance with best industry standards.

4.3 With respect to the services provided hereunder and to the extent permitted by applicable law, this warranty is in lieu of all other warranties, whether written or oral, express or implied, including without limiting the generality of the foregoing, any warranty of non-infringement, merchantability or fitness for a particular purpose.

5. LIMITATION OF LIABILITY

5.1 The liability for Azteca Systems for damages arising under this Agreement shall be limited to the fees actually paid by User to Azteca Systems for the current Update and Support Period pursuant to Section 3 hereof. In no event shall Azteca Systems be liable for any incidental, indirect, special, or consequential damages whatsoever (including but not limited to lost profits) arising out of or related to the support and services provided hereunder by Azteca Systems, even though Azteca Systems may have been advised, know or should have known of the possibility of such damages, unless such damage is caused directly by Azteca System's actual negligence.

6. TERM AND TERMINATION

6.1 The effective date of this Agreement, as set forth in section 9.1, shall continue until terminated.

6.2 This Agreement shall be terminated upon termination of the Cityworks Software License Agreement and, after the initial Update & Support Period, may be terminated by either party upon 30 days' written notice prior to the end of the then current Update & Support Period. If termination occurs during a successive Update & Support Period for which the User has paid the renewal fee in full, Azteca Systems shall return a prorated portion of the renewal fee for that period to the User.

7. PROCEDURES FOR ACCESSING SUPPORT

7.1 All problem categories from routine, non-critical and critical that occur during normal business hours shall procedurally occur as follows: 1) User's system administration staff as first line of support, 2) Azteca Systems staff as the second line of support. Azteca Systems will make all reasonable efforts to acknowledge all requests for support during normal business hours within 4 hours.

7.2 Prior to calling Azteca Systems for support services, the User will first attempt to isolate any problems that occur with the System. The User will try to reduce the problem down to a specific software or system component. If it is determined that the problem is The Cityworks Software component the User will first try and resolve the problem without Azteca Systems' involvement. If the User cannot resolve the problem or isolate the problem, the User will call Azteca Systems directly.

7.3 For critical problems that occur outside of Azteca Systems' normal business hours (8 AM to 5 PM, Mountain Time) and cannot be isolated and resolved by the User, Azteca Systems will provide an after-hours phone number or pager number that will forward the call or page to the currently assigned Azteca Systems support staff. Azteca Systems will make all reasonable efforts to acknowledge and respond to the request for support for critical problems that occur outside of normal business hours within 4 hours of receipt of the call from a designated and authorized User representative. Critical problems are defined as problems that cause several users to be unable to perform their duties.

Depending upon the type of problem, Azteca Systems support staff may need to be sent from Azteca Systems offices to the User location. Azteca Systems project management will confer with the User's representative or project management before making this decision. The speed at which remote Azteca Systems staff can respond may be limited by the driving time or the airline flights that are available. The User will reimburse Azteca Systems for all reasonable and customary travel expenses associated with resolving the problem (pursuant to the provisions of paragraph 3.4). For routine and non-critical problems the User will submit support requests during normal business hours.

7.4 For all problems involving The Cityworks Software component that are resolved without Azteca Systems' involvement, the User will document the problem and the resolution and send a report to Azteca Systems so that it can be tracked, monitored, and historically recorded.

8. MISCELLANEOUS

8.1 Azteca Systems shall not be in default under this Agreement for its failure to perform or its delay in performing any obligation under this Agreement (other than the reimbursement of fees as set forth in paragraph 5.1) during any period of time during which such delay is due to fire, flood, earthquake, strike, labor trouble or other industrial disturbance, war (declared or undeclared), embargo, blockage, legal prohibition or governmental action, riot, insurrection, damage, destruction or any other cause beyond the control of Azteca Systems or any of its contractors preventing or delaying the performance of such obligation, provided that such obligation shall be performed immediately upon the termination of such cause preventing or delaying such performance; and provided further that the sole effect of any delay by Azteca Systems shall be a related delay in payment by the User pursuant to the relevant schedule.

8.2 The illegality, invalidity or unenforceability of any provision of the Agreement under the law of any jurisdiction shall not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision. The provisions of this Agreement shall be enforceable to the extent permissible under the laws of the State of California.

8.3 This Agreement constitutes the entire agreement between the parties with respect to the subject matter; all prior statements, negotiations, and undertakings are superseded hereby, and may not be amended, modified or supplemented except in a writing executed by both parties, expressly purporting to amend this Agreement.

8.4 This Agreement may not be assigned by either party without the prior written consent of the other party, which consent will not be unreasonably withheld. User may not sublicense or encumber the Licensed Software without prior written consent of Azteca Systems.

8.5 Section headings herein are for the sake of convenience only and are not intended to affect in any way the meaning of this Agreement or the related paragraphs.

8.6 This Agreement becomes effective only upon execution by both parties. One fully executed copy of this Agreement shall be delivered by User to Azteca Systems at its office in Sandy, Utah 84070.

8.7 Until further written notice, all payments and notices relevant to this Agreement shall be sent to the following addresses:

Azteca Systems: Azteca Systems, Inc.
11075 South State St.
Suite 24
Sandy, UT 84070
Attention: Brian L. Haslam

User: The address set forth in paragraph 9.1.

9. IDENTIFICATION AND AMOUNTS

(a) User Name: City of Redlands, CA
(b) User Contact: Philip Mielke
Number and Street: 35 Cajon Street
City/Province/Zip/Country: Redlands, CA 92373
Phone: (909)335-4784 x1 Email - pmielke@cityofredlands.org

9.1 Update and Support for the First year due at invoice. Future Update and Support will be invoiced on the below identified implementation date, on its anniversary dates.

Fee: \$37,600.00

From: May 5, 2010 (Implementation Date)

To: May 5, 2011

Renewal Date: Successive twelve-month periods from the Renewal Date specified below, subject to termination as provided in paragraph 6.2.

Renewal Date: May 4, 2011

9.2 Description of Covered Software: Cityworks Anywhere & Desktop, Server MMS, and Permitting Citywide Site License.

10. ENTIRE AMOUNT

10.1 This Agreement represents the entire agreement of the parties hereto with respect to its subject matter and all prior verbal or written agreements between the parties regarding the same are hereby agreed to as void, unenforceable and of no effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective, valid, and binding upon the parties as of the date below as executed by their duly authorized representatives.

Accepted and Agreed:

The City of Redlands, CA

By: Pat Gilbreath
Pat Gilbreath
Mayor, City of Redlands

Azteca Systems, Inc.

By: Brian Halen
Authorized Signature

ATTEST:

[Signature]
City Clerk, City of Redlands