

SOFTWARE LICENSE AGREEMENT

THIS SOFTWARE LICENSE AGREEMENT ("Agreement") is made and entered into this 24th day of March, 2011, by and between Next Ten, a California non-profit organization ("Next Ten") and the City of Redlands ("Licensee").

RECITALS

A. Next Ten has developed the California Budget Challenge, a copyrighted nonpartisan educational Internet tool that enables users to better understand the California state budget (the "Budget Challenge"). This tool consists of certain proprietary software, graphics and content (the "Software") relating to the California budget.

B. Licensee wishes to license the Software for purposes of developing its own Internet tool relating to the city budget for the city of Redlands ("Licensee's City"). Next Ten is prepared to license the Software to Licensee on the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the following mutual promises, the parties agree:

AGREEMENT

1. Grant of Software License. Subject to the terms and conditions of this Agreement, Next Ten grants Licensee a non-exclusive, royalty-free license to reproduce, modify, access, execute and display the Software for the purpose of creating a version of the Budget Challenge for Licensee's City and for other nonpartisan educational and public policy purposes. In no event shall Licensee use the Software for any partisan advocacy purposes or to produce any product for resale. This license may not be transferred or sublicensed by Licensee without the prior written consent of Next Ten, which may be withheld in Next Ten's sole discretion.

2. Grant of Trademark License. Subject to the terms and conditions of this Agreement, Next Ten hereby grants to Licensee a non-exclusive, non-transferable, non-sublicensable license to use Next Ten trademarks, service marks, and logos, including without limitation "Next Ten" and "Budget Challenge" ("Next Ten Marks") solely in connection with Licensee's use of the Software as set forth in this Agreement.

3. Reservation of Rights. Licensee acknowledges and agrees that except for the non-exclusive license right granted in paragraph 1 above, Next Ten retains all right, title and interest in and to the Software and any intellectual property rights embodied therein. Licensee further acknowledges and agrees that the authorized use by Licensee of any Next Ten Marks pursuant to this Agreement shall not create any right, title or interest, in or to the use of the Next Ten Marks.

4. Delivery of Software. Next Ten has engaged Gravitek Labs to modify the Software to create a version of the Software that will allow Licensee to drop in content and graphics applicable to Licensee's City. Licensee acknowledges that the existing graphics and

content are California specific and that Licensee will need to provide city-specific graphics and content for Licensee's City. The Software will be delivered via an email link by 04/01/2011.

5. Enhancements. In the event that Licensee develops any improvements, enhancements, new features or functionality for the Software ("Enhancements"), it shall promptly provide a copy of such Enhancements to Next Ten. Licensee and Next Ten shall each own right, title and interest in and to such Enhancements, and may utilize such Enhancements as each sees fit. Notwithstanding the foregoing, however, Licensee may not license to any third party any enhanced product that incorporates the Software (in modified or unmodified form) nor shall Licensee use such product for partisan purposes or for resale. In the event that Next Ten develops Enhancements for the Software (or is provided with Enhancements by another licensee), Next Ten may, but shall have no obligation to, provide or license such Enhancements to Licensee. Next Ten shall have no obligation to provide Licensee with any updates to the Software.

6. Licensee Fee. Licensee shall pay to Next Ten a one-time fee of \$15,000.00 for this license, which payment shall be due upon delivery of the Software to Licensee. This license fee is non-refundable.

7. Term and Termination. This Agreement and the licenses granted hereby shall remain in effect perpetually, unless such licenses or this Agreement is terminated. Licensee may terminate this Agreement at any time upon written notice to Next Ten. Next Ten may terminate this Agreement upon any material breach of this Agreement by Licensee. If this Agreement is terminated for any reason, Licensee shall immediately cease using the Software. Any and all confidentiality obligations of Licensee shall survive termination of this Agreement.

8. Limited Warranty.

(a) Anti-Virus and Disabling Code. Next Ten warrants that to the best of Next Ten's knowledge, the Software, as delivered by Next Ten, will not contain any virus or computer software code, routines or devices designed to disable, damage, impair, erase, deactivate, or electronically repossess the Software or other software or data.

(b) EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION 8, THE SOFTWARE IS PROVIDED "AS IS" WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED FROM ITS USE. THE USE OF THE SOFTWARE IS ENTIRELY AT THE LICENSEE'S OWN RISK. NEXT TEN MAKES NO WARRANTIES EITHER EXPRESS OR IMPLIED AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION AND DATA LICENSEE DELIVER IN THE COURSE OF USING THE SOFTWARE, NOR DOES NEXT TEN WARRANT THE UNINTERRUPTED OR ERROR-FREE OPERATION OF THE SOFTWARE.

(c) Next Ten shall have no installation obligations, nor any obligation to provide any maintenance, support or training to Licensee relating to the Software.

9. Damage Limitation. IN NO EVENT WILL NEXT TEN BE LIABLE TO LICENSEE FOR ANY DAMAGES, INCLUDING ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, ARISING FROM THE USE OR THE INABILITY TO USE THE SOFTWARE, EVEN IF NEXT TEN HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

10. Confidentiality. The Software contains trade secrets and other proprietary information of Next Ten. Licensee agrees to hold the Software in confidence and to not disclose the Software to any third party without the prior consent of Next Ten, and such disclosure shall be contingent on such third party's agreement to maintain the confidential nature of the Software.

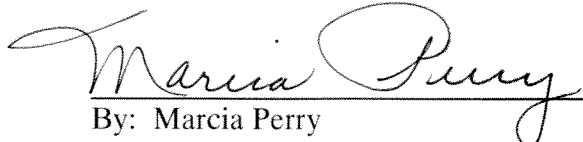
11. Publicity. Next Ten shall have the right to reference Licensee in press releases, feature articles and promotional campaigns, both in print and online. Licensee agrees to include in any press release announcing Licensee's version of the Budget Challenge a reference Next Ten and a link to Next Ten's website. In addition, Licensee agrees to include a reference to Next Ten and a link to Next Ten's website in an appropriate location within Licensee's Budget Challenge, such location to be mutually agreed with Next Ten.

12. General Provisions. This Agreement is the exclusive agreement between Next Ten and Licensee concerning its subject matter. This Agreement may be modified only by a written agreement signed by Next Ten and Licensee. No waiver of any provision of this Agreement shall be deemed a waiver of any other provision of this Agreement, or be deemed a continuing waiver. This Agreement is governed by the laws of the State of California, without regard to conflict of laws principles, and any dispute relating to this Agreement is subject to the exclusive jurisdiction of the federal and state courts located in the State of California.

13. Attorneys' Fees. In the event any action is commenced to enforce or interpret any of the terms or conditions of this Agreement the prevailing Party shall, in addition to any costs and other relief, be entitled to the recovery of its reasonable attorneys' fees, including fees for the use of in-house counsel by a Party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

NEXT TEN


By: Marcia Perry
Chief Financial Officer

LICENSEE


By: N. Enrique Martinez
City Manager

Attest:



Sam Irwin, City Clerk