



Annual Support Agreement

Renewal Notification

DATE: November 14, 2006
TO: Mr. Tom Steele
CLIENT: City of Redlands

The Annual Support Agreement, hereinafter referred to as the "Agreement" between SunGard Bi-Tech Inc., hereinafter referred to as "SunGard", and City of Redlands, hereinafter referred to as "Customer", providing for Customer Support and Software Updates for the Software licensed to Customer by SunGard will expire on November 19, 2006. To ensure that Customer does not experience a lapse in support from SunGard, a signed copy of this Agreement must be returned, along with the applicable fee, no later than 30 days after the expiration of the existing Annual Support Agreement. Support will be suspended if the applicable fee is not received within 90 days of the expiration of the existing Annual Support Agreement.

1. DEFINITION OF TERMS (The definition of Terms used in this Agreement, if not defined herein, shall be as defined in the Software License Agreement now in effect between Customer and SunGard.)

1.1 "Account" means a single and unique combination of database and Software.

1.2 "Including" means including but not limited to.

1.3 "Concurrent User" or "Active User" means the list of authorized individuals simultaneously using the Software during the busiest ten (10) minute interval of the year, whether use is via modem, direct connection, LAN connection, or intranet connection.

1.4 "Confidential Information" means all business information disclosed by one party to the other in connection with this Agreement unless it is or later becomes publicly available through no fault of the other party or it was or later is rightfully developed or obtained by the other party from independent sources free from any duty of confidentiality. Without limiting the generality of the foregoing, Confidential Information shall include Customer's data and the details of Customer's computer operations and shall include SunGard's Proprietary Items. Confidential Information shall include the terms of this Agreement, but not the fact that this Agreement has been signed, the identity of the parties hereto or the identity of the products licensed under a Software License Agreement.

1.5 "Delivery Stream Option(s)":

- a. "Express": The Delivery Stream Option that will provide the Customer with up to two primary Software Updates per year, plus the year end payroll tax, W2, 1099 and Financial Aid update(s).
- b. "Mainstream": The Delivery Stream Option that will provide the Customer with one major consolidated Software Update per year, plus the year end payroll tax, W2, 1099 and Financial Aid update(s).

1.6 "Latest Software Update" means those Software Updates which SunGard has made generally available to its Customers within the preceding twelve months under the Customer's selected Delivery Stream Option.

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- 1.7 "Proprietary Item(s)" means, collectively, the Software and Documentation, the object code and the source code for the Software, the visual expressions, screen formats, report formats and other design features of the Software, all ideas, methods, algorithms, formulae and concepts used in developing and/or incorporated into the Software or Documentation, all future modifications, revisions, updates, releases, refinements, improvements and enhancements of the Software or Documentation, all derivative works based upon any of the foregoing, and all copies of the foregoing.
- 1.8 "Software Update" means such Software modifications, revisions and updates to the Software which SunGard, in its sole discretion, incorporates into the Software and provides to Customer as part of the Annual Support Agreement.

2. CUSTOMER ASSISTANCE

- 2.1 **Remote Assistance.** SunGard shall provide to Customer, from 5a.m. to 5p.m. PT, Monday through Friday (SunGard Holidays excepted), telephone, fax, and e-mail supported assistance regarding Customer's authorized use of the Latest Software Update. Customer agrees to attempt to locate information provided in Documentation prior to use of Remote Assistance. In addition, SunGard shall provide self service-based assistance via SunGard's web based Support Online. The Customer agrees to stay current on the Latest Software Update for their chosen Delivery Stream Option (Express or Mainstream). SunGard will provide help desk support for a single production account and, at a reduced priority, a single test account.

2.2 Remote Support.

Group A

All Clients currently using IFAS 7i, Student modules, Degree Works modules or any PC or Web applications:

The Customer agrees to maintain, for the duration of this Agreement one of the following approved methods of connectivity:

Option 1. SafetyNet – consists of a dedicated pre-configured server that resides at the client site, utilizing Microsoft Virtual Private Network. This option restricts the firewall opening to an authenticated port, and establishes a connection between SunGard, Bi-Tech Inc. and the client site only. In addition the SafetyNet Server allows the establishment of a VPN tunnel where the encryption of data passing through the Internet safeguards the authentication and data transfer. This option is the best solution for premium support and is necessary for access to PC/Web-based products as well as access to multiple servers onsite.

Customer is responsible for the costs related to maintaining the SafetyNet Engine.

Option 2. Microsoft VPN, dedicated to IFAS.

Option 3. CISCO VPN with two-way tunneling enabled.

Any exceptions to this must be authorized by VP Client Services & Support or SunGard, Bi-Tech Inc. President.

Group B

For Clients only using classic IFAS with no web (7i, TimeCard Online, Employee Online, Campus Online, Degree Works) or PC products (Insight, Click, Drag & Drill report writer) :

The Customer agrees to maintain, for the duration of this Agreement:

Option 1: SafetyNet

Option 2: Microsoft VPN - implement a Microsoft compliant VPN on a dedicated server of your choosing. Because of the administrative overhead involved in supporting the ever-increasing number of VPN solutions, we will not support other VPN solutions that require specific client software.

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Option 3: RAS Pool/Modem Access – Remote Access Service Pool offers a modem-like dial up point of authentication. Both the RAS and Modem access are reasonable for host based support only. PC/Web product support is considered too slow and is not acceptable.

Option 4: Telnet/SSH/ftp access – This method allows access to the UNIX or MPE host by opening selected ports for telnet, NS/VT (on MPE), or SSH access (on UNIX). SSH provides for encrypted traffic and is a more secure option. SunGard Bi-Tech needs the ability to access our FTP site from the client's host. Inbound access, where we can ftp from SunGard directly to your site is appreciated but not required. This solution provides support for host based applications only. While this solution is more secure when implemented over a dial-up modem, the slowdown in performance hinders the timely resolution of support issues; therefore the performance of the Internet is generally preferred.

2.3 Resolution Assistance.

Customer shall provide to SunGard reasonably detailed documentation and explanation of issues to be resolved, together with underlying data, to substantiate any problem or failure and to assist SunGard in its efforts to diagnose, reproduce and correct the problem or failure.

2.4 Non Software Assistance.

Non Software Assistance requests (e.g. requests for assistance with hardware, operating systems, database management systems, networks, printer configuration, etc.) are outside the scope of this Annual Support Agreement. However, at Customer's request, Non Software Assistance may be provided on a time and materials basis, as available, at the sole discretion of SunGard.

3. SOFTWARE UPDATES

3.1 Customer agrees to remain current on the Latest Software Update for customer's chosen Delivery Stream Option (Express or Mainstream). Customer must be on a release that is not more than one year older than the latest release. If outside the supported releases customer may be assessed a 10% uplift or incur temporary termination of support until arrangements are completed to become current. (Please reference ifas Insider at <http://support.bi-tech.com> under Updates)

3.2 MPE clients will receive updates to be kept current with Financial Aid and Tax/Year-End Updates as required along with any updates necessary to migrate to UNIX or SQL through 2006. MPE clients with Student modules; updates and additions will be provided by magnetic tape media or via remote on-line access, including file downloads by the user from the SafetyNet BBS / Web Site. **If Maintenance is required on the MPE version of IFAS post 2006, arrangements must be made in advance. Please notify Account Manager or Finance no later than August 2006.**

3.3 From time to time, new optional features may be added to the Software as a result of a Software Update. Optional features may require the use of third party software or hardware. Customer shall have the option to procure or not to procure such third party products to enable such optional features. In addition, future Software Updates may require Customer to procure specific third party software and/or hardware to allow Customer to receive the Latest Software Update.

3.4 **Delivery of Software Updates:** SunGard shall provide to the Customer Software Updates for the application server based Software via Hassle Free Support™ (HFS). HFS means that SunGard will log-on to Customer's designated server, with authorization from Customer, and load the server-based Software Update into a single Account for the Customer. HFS is strictly Internet delivered. Therefore, the exchange of magnetic/optical media for server-based Software Updates is not available. If SunGard, in its sole discretion, determines that delivery of the server-based Software Update via Internet is not practical, then Customer will receive magnetic/optical media along with instructions on assisting SunGard in applying the server based Software Update. For

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Software Updates for Windows™ based Software, media will be sent to Customer, including Customer loading instructions. Software Updates shall be accompanied by updates to the Documentation on optical media whenever SunGard determines, in its sole discretion, that such updates are necessary. In addition, between Software Updates, service packs may be available for Customer download and installation. For those Customer's that choose not to utilize the HFS method of Software Update delivery; the Software Updates are available for download by the Customer from SunGard's FTP site.

- 3.5 The Customer agrees to maintain, for the duration of this Agreement, one of the Internet connection options (as described in Section 2.2 of this agreement) to facilitate Software Updates and to maintain remote control software (as specified by SunGard) to support the Windows™ based Software. Security will be based solely upon SunGard's unique range of IP addresses. If, after a good faith effort, Customer cannot maintain an Internet connection, then SunGard will provide Software Updates to Customer on magnetic/optical media. A nominal handling charge will apply to cover the cost of the media and shipping charges. Customer agrees to maintain at least a 33600 baud modem connection to Customer's server system and to make available competent personnel to assist SunGard in transferring the Software Updates to the server. Customer assistance may be required during non-standard work hours, such as evenings, weekends and/or holidays.

For those Customers taking advantage of SunGard's ASP program, the requirement for an Internet connection to the UNIX server does not apply.

- 3.6 SunGard shall provide Customer with Software Updates to maintain the compatibility of the Software with new releases of the operating system under which the Software is licensed for UNIX and Windows only.
- 3.7 Any modifications not made by SunGard, and the results caused thereby to the Software, shall be the sole responsibility of the Customer.
- 3.8 SunGard will use commercially reasonable efforts to provide Software Updates to cause the Software to continue to substantially conform to GASB and GAAP requirements, and to maintain accurate Federal and State payroll tax tables (as published by the taxing authorities) and their related calculation processes. In the event that original programming is required to meet any other mandated Software change (including State, Federal, or Local mandated changes), the development costs will be borne by all Customers who utilize that Software change.



4 ANNUAL SUPPORT FEES

Listed below are the IFAS modules and Web/PC Products for which Annual Support will be provided during the period of:

11/20/06- 11/19/07

Standard IFAS Modules	Concurrent Users	Prior Support Amount	Annual Increase* 4.7%	New Support Amount
General Ledger				
Nucleus				
Accounts Payable/Encumbrances				
Accounts Receivable/Cash Receipts				
Bank Reconciliation				
Person/Entity Database				
Fixed Assets Inventory System				
Job Ledger/Project Ledger				
Budget Item Detail				
Purchasing				
Stores Inventory				
Bid Management				
Quote Management				
Payroll				
Human Resources				
Position Budgeting				
Easy Laser Forms				
Image Enabler				
Click, Drag and Drill				
NetSight				
Image Runtime				
Hassle Free Support (One Account)				
Total:	25	37,899.17	1,781.26	39,680.43
3rd Party Products:				
OpenLink ODBC Driver	25	1,257.94	59.12	1,317.06
Applicable sales tax:	7.75%			3,177.31
Less 50% CA Sales Tax				(1,588.65)
			Total Annual Support Fee Due	42,586.14

* Increase based on the terms stated in the License and Support Agreement

5 CONFIDENTIALITY AND OWNERSHIP RIGHTS

- 5.1** All Confidential Information as defined in Section 1, of one party ("Disclosing Party") in the possession of the other ("Receiving Party"), whether or not authorized, shall be held in strict confidence, and the Receiving Party shall take all steps reasonably necessary to preserve the confidentiality thereof. One party's Confidential Information shall not be used or disclosed by the other party for any purpose except as necessary to implement or perform this Agreement, or except as required by law, provided that the other party is given a reasonable opportunity to obtain a protective order. The Receiving Party shall limit its use of and access to the Disclosing Party's Confidential Information to only those of its employees whose responsibilities require such use or access. The Receiving Party shall advise all such employees, before they receive access to or possession of any of the Disclosing Party's Confidential Information, of the confidential nature of the Confidential Information and require them to abide by the terms of this Agreement. The Receiving Party shall be liable for any breach of this Agreement by any of its employees or any other person who obtains access to or possession of any of the Disclosing Party's Confidential Information from or through the Receiving Party.
- 5.2** The Proprietary Items, as defined in Section 1, are trade secrets and proprietary property of SunGard, having great commercial value to SunGard. All Proprietary Items provided to Customer under this Agreement are being provided on a strictly confidential and limited use basis. Customer shall not, directly or indirectly, communicate, publish, display, loan, give or otherwise disclose any Proprietary Item to any person, or permit any person to have access to or possession of any Proprietary Item. Title to all Proprietary Items and all related patent, copyright, trademark, trade secret, intellectual property and other ownership rights shall remain exclusively with SunGard, even with respect to such items that were created by SunGard specifically for or on behalf of Customer. This Agreement is not an agreement of sale, and no title, patent, copyright, trademark, trade secret, intellectual property or other ownership rights to any Proprietary Items are transferred to Customer by virtue of this Agreement. All copies of Proprietary Items in Customer's possession shall remain the exclusive property of SunGard and shall be deemed to be on loan to Customer during the term of this Agreement.

6 OPTIONAL SERVICES

- 6.1 Maintenance Plus Program:** Customer has the option to participate in SunGard's Maintenance Plus Program. Participation in the Maintenance Plus Program entitles the Customer with up to three (3) blocks of forty (40) additional Professional Service hours per block per Annual Support period. Minimum of 40 hours, maximum of 120 hours. The additional hours may be used for most Professional Service otherwise offered by SunGard. This would include, but is not limited to, training, programming and accounting assistance. Maintenance Plus hours may not be used for Computer Services, Project Management or Business Process Reengineering. Any unused hours at the end of the Annual Support period expire and are not carried over to the next period.

If the Customer chooses to use the hours for assistance at the Customer's site, the Customer may schedule a trip, which will utilize at least 16 Maintenance Plus hours. All travel, meals, and lodging costs are borne by the Customer and will be billed as incurred.

Customer can choose to come to SunGard's location for assistance, with an hour being charged against the Maintenance Plus hours for each hour spent with a SunGard employee. All travel costs in this case are borne by the Customer.

Customer can choose to use the hours for Distant Learning sessions. Each Distance Learning session consists of a two-hour (2.0) remote training (plus approximately 45 minutes set-up/follow-up) beginning with a call from the Licensee.

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Excluding Distance Learning, the minimum charge for services performed under this Program is four hours. Any service that requires more than four hours will be charged the actual number of hours used.

The scheduling of Maintenance Plus hours must be done at least 30 days in advance. Any services that are scheduled and then subsequently changed or canceled may be subject to a change fee.

Requests that include Software changes will require that SunGard determine an estimated completion date, which may be greater than thirty days from receipt of the request. SunGard reserves the right to refuse to make Software changes that, in its sole discretion, are not compatible or otherwise appropriate with the Software.

The fee for the Maintenance Plus Program is five thousand, five hundred dollars (\$5,500.00) per 40 hour block per Annual Support period. This fee is subject to change at each Annual Support renewal date.

The Maintenance Plus Program is being offered for a limited time only and the terms and conditions are subject to change, other restrictions may apply.

Number of hours desired: ☐ 0 ☐ 40 ☐ 80 ☐ 120.

6.2 Additional Accounts Customer has the option of requesting that SunGard apply IFAS Software Updates, via HFS, to one additional Account on the Customer's UNIX/MPE server (i.e. a Test account). If Customer chooses to have SunGard apply Software Updates to an additional Account (beyond the single account defined in Section 3.1 above); the procedures and terms specified in the Software License Agreement and in this Renewal Agreement will apply to the additional Account on the same Delivery Stream Option as selected for the Customer's primary Account.

The fee for the additional Account to receive IFAS Software Updates via HFS is three thousand dollars (\$3,000.00) per Annual Support period. This fee is subject to change at each Annual Support renewal date.

If Customer desires more than two accounts, additional maintenance fees will apply. Contact your SunGard Account Manager.

Customer does choose to have an additional Account Updated: ☐

Customer does NOT choose to have an additional Account Updated: ☐

6.3 Additional Services

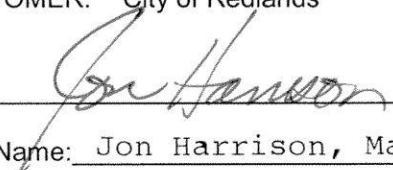
SunGard offers additional support services, including "off-hours" pager support and on-site assistance on a time and materials basis and the new Remote Service Provider service, which is billed on a monthly basis. Customer should contact their Account Manager if they desire any additional support services or desire more information on their support options.



MAINTENANCE RENEWAL

By signing below, Customer agrees to pay for Annual Support for the period designated herein. The terms and conditions are as specified herein and as specified in the Software License Agreement now in effect between SunGard and Customer. Questions concerning this Agreement should be directed to your Account Manager. Billing questions can be directed to Theresa McDonald at (530) 879-2795.

CUSTOMER: City of Redlands

BY:  _____

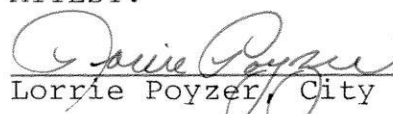
Print Name: Jon Harrison, Mayor

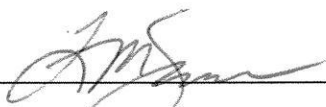
Date: December 5, 2006

PO# (if required) _____

PROVIDER: SunGard Bi-Tech

ATTEST:


Lorrie Poyzer, City Clerk

BY:  _____

Linda Simmons, Controller