CITY OF PALO ALTO CONTRACT NO. S09128168

AGREEMENT BETWEEN THE CITY OF PALO ALTO AND
PITNEY BOWES SOFTWARE, INC. FOR ACQUISITION OF SOFTWARE AND
RELATED SUPPORT SERVICES

This AGREEMENT is entered into October 7, 2008, by and
between the CITY OF PALO ALTO, a chartered city and a municipal
corporation of the State of California ("CITY"), and Pitney
Bowes Software Inc. ("PBSI") (formerly known as "Group 1
Software, Inc.") with offices located at 4200 Parliament Place,
Suite 600, Lanham, Maryland 20706-1844 ("CONTRACTOR").

RECITALS

The following recitals are a substantive portion of this
Agreement.

A. WHEREAS, CONTRACTOR and CITY previously entered into an
Agreement for Acquisition of Software and Related Services dated
June 28, 1999, including licensed DOC1 and e2 Vault and e2
present products from PBSI: CITY now desires to retain
CONTRACTOR to implement the Software in CITY's computer
environment for invoice preparation, archival, retrieval and
presentation, ("Services").

B. CONTRACTOR has represented that it and any subcontractors
have the necessary professional expertise, qualifications, and
capability, and all required licenses and/or certifications to
provide the Services.

C. CITY in reliance on these representations desires to engage
CONTRACTOR to provide the Services as more fully described in
Exhibit "A", attached to and made a part of this Agreement.

D. CONTRACTOR has agreed to perform the Services on the terms
and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the recitals,
covenants, terms and conditions, of this Agreement, the parties
agree:

AGREEMENT

SECTION 1. SCOPE OF SERVICES. CONTRACTOR shall perform the
Services described in Exhibit "A", Scope of Work, in accordance
with the terms and conditions contained in this Agreement. The
performance of all Services shall be to the reasonable
satisfaction of CITY.
SECTION 2. TERM. The term of this Agreement shall be from October 7, 2008, through October 6, 2009, unless terminated earlier pursuant to Section 21 of this Agreement. The City retains the option to renew for up to two additional one year periods.

SECTION 3. SCHEDULE OF PERFORMANCE. Time is of the essence in the performance of Services under this Agreement. CONTRACTOR shall complete the Services within the term of this Agreement and in accordance with the schedule set forth in Exhibit “B”, attached to and made a part of this Agreement. Any Services for which times for performance are not specified in this Agreement shall be commenced and completed by CONTRACTOR in a reasonably prompt and timely manner based upon the circumstances and direction communicated to the CONSULTANT. CITY’s agreement to extend the term or the schedule for performance shall not preclude recovery of damages for delay if the extension is required due to the fault of CONSULTANT.

SECTION 4. NOT TO EXCEED COMPENSATION. The compensation to be paid to CONTRACTOR, on a time and materials basis, for performance of the Services described in Exhibit “A”, including payment for applicable Software, License and support services and reimbursable expenses, shall not exceed three hundred thousand dollars ($300,000.00). The applicable rates and schedule of payment are set out in Exhibits “C”, entitled “COMPENSATION” and is attached to and made a part of this Agreement.

SECTION 5. INVOICES. In order to request payment, CONTRACTOR shall submit monthly invoices to the CITY describing the services performed and the applicable charges (including an identification of personnel who performed the services, hours worked, hourly rates, and reimbursable expenses), based upon the CONSULTANT’s billing rates. If applicable, the invoice shall also describe the percentage of completion of each task. The information in CONTRACTOR’s payment requests shall be subject to verification by CITY.

SECTION 6. QUALIFICATIONS/STANDARD OF CARE. All of the Services shall be performed by CONTRACTOR or under CONTRACTOR’s supervision. CONTRACTOR represents that it possesses the professional and technical personnel necessary to perform the Services required by this Agreement and that the personnel have sufficient skill and experience to perform the Services assigned to them. CONTRACTOR represents that it, its employees and subconsultants have and shall maintain during the term of this Agreement all licenses, permits, qualifications, insurance and
approvals of whatever nature that are legally required to perform the Services.

All of the services to be furnished by CONTRACTOR under this agreement shall meet the professional standard and quality that prevail among professionals in the same discipline and of similar knowledge and skill engaged in related work throughout California under the same or similar circumstances.

SECTION 7. COMPLIANCE WITH LAWS. CONTRACTOR shall keep itself informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this Agreement. CONTRACTOR shall procure all permits and licenses, pay all charges and fees, and give all notices required by law in the performance of the Services.

CONTRACTOR shall report immediately to the CITY’s project manager, in writing, any discrepancy or inconsistency it discovers in the laws, ordinances, regulations, orders, and/or guidelines in relation to the Project of the performance of the Services.

All documentation prepared by CONTRACTOR shall provide for a completed project that conforms to all applicable codes, rules, regulations and guidelines that are in force at the time such documentation is prepared.

SECTION 8. ERRORS/OMISSIONS. CONTRACTOR shall correct, at no cost to CITY, any and all errors, omissions, or ambiguities in the work product submitted to CITY, provided CITY gives notice to CONTRACTOR. If CONTRACTOR has prepared plans and specifications or other design documents to construct the Project, CONTRACTOR shall be obligated to correct any and all errors, omissions or ambiguities discovered prior to and during the course of construction of the Project. This obligation shall survive termination of the Agreement.

SECTION 9. (Not Applicable)

SECTION 10. INDEPENDENT CONTRACTOR. It is understood and agreed that in performing the Services under this Agreement CONTRACTOR and any person employed by or contracted with CONTRACTOR to furnish labor and/or materials under this Agreement, shall act as and be an independent contractor and not an agent or employee of the CITY. The manner and means of conducting the Services are the responsibility of and under the control of CONTRACTOR except to the extent they are limited by applicable law and the
express terms of this Agreement.

CONTRACTOR will be responsible for employing or engaging all persons necessary to perform the Services. All contractors and employees of CONSULTANT are deemed to be under CONTRACTOR’S exclusive direction and control. CONTRACTOR shall be responsible for their performance.

SECTION 11. ASSIGNMENT. The parties agree that the expertise and experience of CONTRACTOR are material considerations for this Agreement. CONTRACTOR shall not assign or transfer any interest in this Agreement nor the performance of any of CONTRACTOR’s obligations hereunder without the prior written consent of the city manager. Consent to one assignment will not be deemed to be consent to any subsequent assignment. Any assignment made without the approval of the city manager will be void.

SECTION 12. SUBCONTRACTING.

CONTRACTOR shall not subcontract any portion of the work to be performed under this Agreement without the prior written authorization of the city manager or designee.

CONTRACTOR shall be responsible for directing the work of any subcontractors and for any compensation due to subconsultants. CITY assumes no responsibility whatsoever concerning such compensation. CONTRACTOR shall be fully responsible to CITY for all acts and omissions of a subconsultant. CONTRACTOR shall change or add subcontractors only with the prior approval of the city manager or his designee.

SECTION 13. PROJECT MANAGEMENT. CONTRACTOR will assign Nancy Kurkjian as the project director to have supervisory responsibility for the performance, progress, and execution of the Services and as the project coordinator to represent CONSULTANT during the day-to-day work on the Project. If circumstances or conditions subsequent to the execution of this Agreement cause the substitution of the project director, project coordinator, or any other key personnel for any reason, the appointment of a substitute project director and the assignment of any key new or replacement personnel will be subject to the prior written approval of the CITY’s project manager. CONTRACTOR, at CITY’s request, shall promptly remove personnel who CITY finds do not perform the Services in an acceptable manner, are uncooperative, or present a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property.
The city manager will represent CITY for all purposes under this Agreement. Tom Auzenne is designated as the project manager for the CITY. The project manager will be CONTRACTOR's point of contact with respect to performance, progress and execution of the Services. The CITY may designate an alternate project manager from time to time.

SECTION 14. DUTIES OF CITY. To assist CONTRACTOR in the performance of the Services, CITY will furnish or cause to be furnished the specified services and/or documents described in Exhibit "A" and such other available information as may be reasonably requested by CONTRACTOR.

SECTION 15. OWNERSHIP OF MATERIALS/SERVICES.

15.1 CONTRACTOR shall assign to CITY, upon payment by CITY of all fees due hereunder, all rights, title and interest to any computer software and other deliverables developed as part of the Services (Service Deliverables). CITY shall not sell, license or otherwise provide such Service Deliverables to any Third party. The Service Deliverables shall not include any of CONTRACTOR’s proprietary software products or any other proprietary information developed by CONTRACTOR, or a third party prior to commencement of or independently of the Services. All drawings, plans, reports, specifications, calculations, CONTRACTOR retains the royalty-free right to develop software containing comparable functionality or a similar application for other parties, irrespective of the similarity, if any, of screen formats, structure, organization and sequence of such software.

15.2. CITY acknowledges that the Service Deliverables may have been facilitated by software development efforts previously performed by PBSI for other customers and the rights provided to CITY under this Agreement shall not constrain or prevent CONTRACTOR from providing similar services to other parties.

SECTION 16. AUDITS. CONSULTANT will permit CITY to audit, at any reasonable time during the term of this Agreement and for three (3) years thereafter, CONSULTANT's records pertaining to matters covered by this Agreement. CONSULTANT further agrees to maintain and retain such records for at least three (3) years after the expiration or earlier termination of this Agreement.

SECTION 17. INDEMNITY. To the fullest extent permitted by law, CONSULTANT shall protect, indemnify, defend and hold harmless CITY, its Council members, officers, employees and agents (each an "Indemnified Party") from and against any and all demands, claims, or liability of any nature, including death or injury to
any person, property damage or any other loss, including all costs and expenses of whatever nature including attorneys fees, experts fees, court costs and disbursements ("Claims") that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the CONSULTANT, its officers, employees, agents or contractors under this Agreement, regardless of whether or not it is caused in part by an Indemnified Party.

Notwithstanding the above, nothing in this Section 17 shall be construed to require CONSULTANT to indemnify an Indemnified Party from Claims arising from the active negligence, sole negligence or willful misconduct of an Indemnified Party.

The acceptance of CONTRACTOR’s services and duties by CITY shall not operate as a waiver of the right of indemnification. The provisions of this Section 17 shall survive the expiration or early termination of this Agreement.

SECTION 18. WAIVERS. The waiver by either party of any breach or violation of any covenant, term, condition or provision of this Agreement, or of the provisions of any ordinance or law, will not be deemed to be a waiver of any other term, covenant, condition, provisions, ordinance or law, or of any subsequent breach or violation of the same or of any other term, covenant, condition, provision, ordinance or law.

SECTION 19. INSURANCE.

19.1. CONSULTANT, at its sole cost and expense, shall obtain and maintain, in full force and effect during the term of this Agreement, the insurance coverage described in Exhibit "D". CONSULTANT and its contractors, if any, shall obtain a policy endorsement naming the City of Palo Alto as an additional insured under any general liability or automobile policy or policies.

19.2. All insurance coverage required hereunder shall be provided through carriers with Best’s Key Rating Guide ratings of A-:VII or higher which are admitted to transact insurance business in the State of California. Any and all contractors of CONSULTANT retained to perform Services under this Agreement will obtain and maintain, in full force and effect during the term of this Agreement, identical insurance coverage, naming CITY as an additional insured under such policies as required above.

19.3. Certificates evidencing such insurance shall be filed with CITY concurrently with the execution of this
Agreement. The certificates will be subject to the approval of CITY’s Risk Manager and will contain an endorsement stating that the insurance is primary coverage and will not be canceled, or materially reduced in coverage or limits, by the insurer except after filing with the Purchasing Manager thirty (30) days' prior written notice of the cancellation or modification, CONSULTANT shall be responsible for ensuring that current certificates evidencing the insurance are provided to CITY’s Purchasing Manager during the entire term of this Agreement.

19.4. The procuring of such required policy or policies of insurance will not be construed to limit CONSULTANT's liability hereunder nor to fulfill the indemnification provisions of this Agreement. Notwithstanding the policy or policies of insurance, CONSULTANT will be obligated for the full and total amount of any damage, injury, or loss caused by or directly arising as a result of the Services performed under this Agreement, including such damage, injury, or loss arising after the Agreement is terminated or the term has expired.

SECTION 20. WORKERS’ COMPENSATION. CONSULTANT, by executing this Agreement, certifies that it is aware of the provisions of the Labor Code of the State of California which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and certifies that it will comply with such provisions, as applicable, before commencing and during the performance of the Services.

SECTION 21. TERMINATION OR SUSPENSION OF AGREEMENT OR SERVICES.

21.1. The city manager may suspend the performance of the Services, in whole or in part, or terminate this Agreement, with or without cause, by giving ten (10) days' prior written notice thereof to CONSULTANT. Upon receipt of such notice, CONSULTANT will immediately discontinue its performance of the Services.

21.2. CONSULTANT may terminate this Agreement or suspend its performance of the Services by giving ten (10) days prior written notice thereof to CITY, but only in the event of a substantial failure of performance by CITY.

21.3. Upon such suspension or termination, CONSULTANT shall deliver to the City Manager immediately any and all copies of studies, sketches, drawings, computations, and other data, whether or not completed, prepared by CONSULTANT or its contractors, if any, or given to CONSULTANT or its contractors, if any, in connection with this Agreement. Such
materials will become the property of CITY.

21.4. Upon such suspension or termination by CITY, CONSULTANT will be paid for the Services rendered or materials delivered to CITY in accordance with the scope of services on or before the effective date (i.e., 10 days after giving notice) of suspension or termination; provided, however, if this Agreement is suspended or terminated on account of a default by CONSULTANT, CITY will be obligated to compensate CONSULTANT only for that portion of CONSULTANT's services which are of direct and immediate benefit to CITY as such determination may be made by the City Manager acting in the reasonable exercise of his/her discretion.

21.5. No payment, partial payment, acceptance, or partial acceptance by CITY will operate as a waiver on the part of CITY of any of its rights under this Agreement.

SECTION 22. NOTICES.

All notices hereunder will be given in writing and mailed, postage prepaid, by certified mail, addressed as follows:

To CITY: Office of the City Clerk
City of Palo Alto
Post Office Box 10250
Palo Alto, CA 94303

With a copy to the Purchasing Manager.

To CONTRACTOR: Attention of the project director
at the address of CONTRACTOR recited above

SECTION 23. CONFLICT OF INTEREST.

23.1. In accepting this Agreement, CONSULTANT covenants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services.

23.2. CONSULTANT further covenants that, in the performance of this Agreement, it will not employ subconsultants, contractors or persons having such an interest. CONSULTANT certifies that no person who has or will have any financial interest under this Agreement is an officer or employee of CITY; this provision will be interpreted in

23.3. If the Project Manager determines that CONSULTANT is a "Consultant" as that term is defined by the Regulations of the Fair Political Practices Commission, CONSULTANT shall be required and agrees to file the appropriate financial disclosure documents required by the Palo Alto Municipal Code and the Political Reform Act.

SECTION 24. NONDISCRIMINATION. As set forth in Palo Alto Municipal Code section 2.30.510, CONSULTANT agrees that in the performance of this Agreement, it shall not discriminate in the employment of any person because of the race, skin color, gender, age, religion, disability, national origin, ancestry, sexual orientation, housing status, marital status, familial status, weight or height of such person. CONSULTANT acknowledges that it has read and understands the provisions of Chapter 2.28 of the Palo Alto Municipal Code relating to Nondiscrimination Requirements and the penalties for violation thereof, and agrees to meet all requirements of Chapter 2.28 pertaining to nondiscrimination in employment, including completing the form furnished by CITY and set forth in Exhibit "E".

SECTION 25. MISCELLANEOUS PROVISIONS.

25.1. This Agreement will be governed by the laws of the State of California.

25.2. In the event that an action is brought, the parties agree that trial of such action will be vested exclusively in the state courts of California or in the United States District Court for the Northern District of California in the County of Santa Clara, State of California.

25.3. The prevailing party in any action brought to enforce the provisions of this Agreement may recover its reasonable costs and attorneys' fees expended in connection with that action.

25.4. This document represents the entire and integrated agreement between the parties and supersedes all prior negotiations, representations, and contracts, either written or oral. This document may be amended only by a written instrument, which is signed by the parties.

25.5. The covenants, terms, conditions and provisions of this Agreement will apply to, and will bind, the
heirs, successors, executors, administrators, assignees, and CONSULTANTS, as the case may be, of the parties.

25.6. If a court of competent jurisdiction finds or rules that any provision of this Agreement or any amendment thereto is void or unenforceable, the unaffected provisions of this Agreement and any amendments thereto will remain in full force and effect.

25.7. All exhibits referred to in this Agreement and any addenda, appendices, attachments, and schedules to this Agreement which, from time to time, may be referred to in any duly executed amendment hereto are by such reference incorporated in this Agreement and will be deemed to be a part of this Agreement.

25.8. This Agreement is subject to the fiscal provisions of the Charter of the City of Palo Alto and the Palo Alto Municipal Code. This Agreement will terminate without any penalty (a) at the end of any fiscal year in the event that funds are not appropriated for the following fiscal year, or (b) at any time within a fiscal year in the event that funds are only appropriated for a portion of the fiscal year and funds for this Agreement are no longer available. This Section 25.8 shall take precedence in the event of a conflict with any other covenant, term, condition, or provision of this Agreement,
IN WITNESS WHEREOF, the parties hereto have by their duly authorized representatives executed this Agreement on the date first above written.

CITY OF PALO ALTO

APPROVED AS TO FORM:

Asst. Senior City Attorney

APPROVED:

City Manager

Director of Administrative Services

PITNEY BOWES SOFTWARE, INC.

By: _______________________

Name: _____________________

Title: _____________________

(If corporation: President or Vice-President)

By: _______________________

Name: _____________________

Title: _____________________

Attachments:

EXHIBIT "A": SCOPE OF WORK
EXHIBIT "B": SCHEDULE OF PERFORMANCE
EXHIBIT "C": COMPENSATION
EXHIBIT "D": CERTIFICATE OF INSURANCE
EXHIBIT "E": CERTIFICATE OF NON-DISCRIMINATION
ATTACHMENT "A": LICENSED PRODUCTS
EXHIBIT A
SCOPE OF WORK

A. GENERAL PROVISIONS

1. Grant of License. PBSI hereby grants City a non-exclusive, non-transferable perpetual license to the software products identified in Attachment A (collectively, the “Licensed Products”), subject to the terms of this Agreement.

2. Scope of Use.

   a) The Licensed Products shall be installed and used only on the server or computer (the “Computer”) and operating system identified in Attachment A. CITY may add additional Processors to the Computer, transfer the Licensed Products to a different computer with more Processors than the Computer or utilize the Licensed Products with a different operating system only upon PBSI’s prior written consent, which consent may be conditioned upon payment by CITY to PBSI of applicable fees. Notwithstanding anything to the contrary in this section, CITY may, upon written notice to PBSI, transfer the Licensed Products to a new computer that utilizes the same operating system as the Computer and has equal to or less than the number of Processors as the Computer. For the purpose of this Agreement, “Processor” shall mean a single processing unit on a Computer with a single core.

   b) The Licensed Products shall be used or accessed only by CITY and installed at the location identified in Attachment A (the “Installation Site”). The Installation Site may be changed by CITY to another location in the United States upon written notice to PBSI. The Installation Site shall not be changed to any other location outside the United States without PBSI’s prior written consent. CITY shall not use the Licensed Products to provide services, including, without limitation, to design, archive, present, process and/or print bills, statements or other business documents; and/or perform any other data processing services, for any third party, such as an affiliate or other third party. Except as permitted under Sections 2(b) and 2(c) of Attachment A, CITY shall not use or access the Licensed Products or submit data or processing instructions, directly or indirectly, to the Licensed Products from any location other than the Installation Site via a server, network, Internet, independent software application or other means.

3. Training. No training shall be provided hereunder.

4. Maintenance. PBSI shall provide CITY with maintenance services for the Licensed Products for the initial term identified in Attachment A and for the fees set out therein. Thereafter, CITY may elect to purchase additional maintenance services for the Licensed Products in additional twelve (12) month terms at PBSI’s then-current rates to the extent such services are offered by PBSI. All maintenance services shall be provided in accordance with the Agreement.

5. Warranty. PBSI represents and warrants that the Licensed Products shall perform all material functions set out in PBSI’s current user and technical documentation for such Licensed Products and shall otherwise operate in substantial accordance with such documentation. This warranty is effective for ninety (90) days following delivery of the Licensed Products (the “Warranty Period”). If, during the Warranty Period, the Licensed Products fail to comply with the warranty set forth in this section, CITY shall notify PBSI in writing of any alleged errors or non-conformities with the Licensed Products. PBSI shall, thereafter, have thirty (30) days or an additional period of time as reasonably agreed to by the parties to correct such errors or non-conformities. If PBSI is unable to timely correct such errors or non-conformities, CITY may elect to terminate the license to such Licensed Products. If CITY terminates the license to such Licensed Products during the Warranty Period in accordance with this section, CITY shall, as its sole and exclusive remedy, receive a refund of all fees previously paid for such Licensed Products.

6. Delivery. Delivery of the Licensed Products shall be FOB point of origin. PBSI shall, however, be responsible for the payment of all shipping costs. PBSI may, upon notice to CITY, deliver the Licensed Products, updates thereto or key codes electronically via the Internet or, to the extent available, permit
CITY to download the Licensed Products, updates thereto or key codes from PBSI’s website.

7. Acceptibility. The Licensed Products shall be deemed accepted by CITY upon execution of this Agreement. No acceptance testing of the Licensed Products is applicable under this Agreement.

8. Services.

a) PBSI shall perform the Services set out in this Exhibit A.

b) Unless otherwise agreed to by the parties, PBSI shall commence performance of the Services fifteen (15) business days following execution of this Agreement and the Services shall be performed at PBSI’s offices. PBSI shall bill CITY for a minimum of eight (8) hours for each day that Services were performed at CITY’s offices or were scheduled to be performed at CITY’s offices and were cancelled by CITY, unless CITY provided PBSI with at least ten (10) business days written notice of the cancellation or such cancellation was due to a breach of the Agreement by PBSI.

c) PBSI estimates that the Services will be completed in approximately Seven Hundred and Twenty (720) hours. PBSI does not represent, however, that the Services will be completed within the number of hours specified herein or that there will be any Service Deliverables. CITY shall pay PBSI at the hourly rate set out in Exhibit C “COMPENSATION, attached to and made part of this Agreement, for all services performed under this Agreement.

d) All approved modifications, alterations or corrections to the Service Deliverables shall be performed on a time and materials basis at the fees set forth below.

e) PBSI retains all right, title and interest to the Service Deliverables provided hereunder. CITY’s license to the Service Deliverables is as set forth in Section 15 of this Agreement.


a) Any modifications to the Services described in this Agreement must be in writing and signed by authorized representatives of each party. The modifications may be set forth in a project change request or other document agreed to by the parties. If CITY desires to retain PBSI to perform any services in addition to the Services set out in this AGREEMENT, PBSI and CITY shall each execute a new statement of work.

b) Any estimates provided in this Agreement, including expected hours to complete the Services and any timeline provided by PBSI, are based on known functional requirements as of the date that this Agreement is executed.

10. Additional CITY Obligations.

a) Customer shall provide any assistance reasonably required by PBSI to perform the Services.

b) PBSI may provide Customer, for Customer’s execution, a time sheet or similar document identifying the number of hours of Services performed during the prior designated time period. The time sheet is not an invoice but is rather an acknowledgement that PBSI represents that it has performed the number of hours of Services identified therein. The time sheet is provided as a courtesy to Customer. Customer shall within five (5) business days either execute such time sheet or notify PBSI in writing why the time sheet will not be executed. The failure to sign such time sheet shall not relieve Customer of any obligations under this SOW.

c) Customer must have a valid license to any software required by PBSI to perform the Services and the right to permit PBSI to utilize the software.
Delivery of the Licensed Products shall be FOB point of origin. PBSI shall, however, be responsible for the payment of all shipping costs. PBSI may, upon notice to City, deliver the Licensed Products, updates thereto or key codes electronically via the Internet or, to the extent available, permit City to download the Licensed Products, updates thereto or key codes from PBSI’s website.
EXHIBIT C
COMPENSATION

1. **Fees, Payment Terms.** The license and initial maintenance services fees set out in Attachment A are due thirty (30) days from date of invoice. Taxes shall be paid in accordance with the Agreement. City shall pay a late charge of 1.5% per month on any fees not paid by the due date.

   a) CITY shall pay PBSI the amount of Two Hundred and Twenty-Five Dollars ($225.00) per hour for the Services performed under this Agreement in accordance with the payment terms set out in this Agreement. If PBSI performs Services at CITY’s request on a weekend or federal holiday in the United States, CITY shall pay PBSI one and a half (1.5) times the hourly rate set out herein for all Services performed on such weekend or federal holiday.

   b) CITY shall also pay for all travel-related and out-of-pocket expenses incurred by PBSI in the performance of the Services in accordance with the Agreement. In addition, if PBSI is required to perform any Services at CITY’s offices, CITY shall pay PBSI at fifty percent (50%) of the applicable hourly rate set forth in Section 2(a), above, for the travel time to CITY’s offices in excess of one (1) hour. PBSI shall adhere to its travel policy and guidelines in performing the Services.

   c) The fees due under this Agreement shall be paid to PBSI thirty (30) days following CITY’s receipt of an invoice.
## 1. PRODUCTS:

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<th>Licensed Products</th>
<th>Term</th>
<th>Number of Copies</th>
<th>Type of Operating System</th>
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<td>e2 Vault, includes:</td>
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<td>HP-UX</td>
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2. ADDITIONAL USE RESTRICTIONS:

a) City shall use e2 Vault to ingest and store only up to and including one hundred thousand (100,000) page images per month during the term of the Agreement. City shall provide to PBSI, upon PBSI’s request, a statement identifying the number of page images ingested into e2 Vault each month during the prior twelve (12) months or since PBSI’s prior request and the length of time each page image has been stored in e2 Vault.

b) City may access, via an Internet web browser from locations other than the Installation Site, subject to the monthly page limitation set forth in Section 2(a) of this Attachment A, e2 Service to view page images stored in e2 Vault, provided, however, City shall not permit any third party access to e2 Service to view page images stored in e2 Vault without PBSI’s prior written consent and payment by City to PBSI of applicable fees.

c) City may, subject to the monthly page limitation set forth in Section 2(a) of this Attachment A, permit its clients to access e2 Present, via an Internet web browser from locations other than the Installation Site to view the pages stored in e2 Vault.

3. FEES:

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<th>Licensed Products</th>
<th>License Fees</th>
<th>Maintenance Fees (12 months)</th>
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<tr>
<td>e2 Vault</td>
<td>$30,000</td>
<td>$4,500</td>
</tr>
<tr>
<td>e2 Service</td>
<td>$40,000</td>
<td>$6,000</td>
</tr>
<tr>
<td>e2 Present</td>
<td>$40,000</td>
<td>$6,000</td>
</tr>
<tr>
<td>Postscript Driver for Doc 1 Generate</td>
<td>$10,000</td>
<td>$1,500</td>
</tr>
<tr>
<td>TOTAL FEES:</td>
<td>$120,000</td>
<td>$18,000</td>
</tr>
</tbody>
</table>

4. COMPUTER:

<table>
<thead>
<tr>
<th>Manufacturer</th>
<th>Model Number</th>
<th>Serial Number</th>
<th>Number of Processors</th>
</tr>
</thead>
<tbody>
<tr>
<td>PC or Windows Server (e2 Vault, e2 Service and e2 Present)</td>
<td></td>
<td></td>
<td>Up to 2</td>
</tr>
</tbody>
</table>

5. INSTALLATION SITE: 250 Hamilton Avenue., Palo Alto California 94301-2531