

LICENSE AND ANNUAL SERVICE AGREEMENT

This Agreement ("AGREEMENT") made by and between Principal Decision Systems International ("PDSI") that has its principal place of business at 625 The City Drive South, Suite 190, Orange, CA 92868, and The City of Miami Beach, Florida on behalf of the Miami Beach Fire Department ("CUSTOMER"), that has its principal place of business at 1700 Convention Center Drive, Miami Beach, FL 33139, shall be subject to the following terms and conditions:

Whereas, PDSI has developed a telecommunications/computer technology which consists of certain software known as [REDACTED] and

Whereas, PDSI imposes certain license requirements on customers desirous of purchasing a license for [REDACTED] and

Whereas, CUSTOMER wishes to contract with PDSI to: (1) implement a license to use [REDACTED] (2) train CUSTOMER on its configuration and use, and (3) as applicable, implement all licenses necessary to use [REDACTED] and

Whereas, PDSI is willing to contract with CUSTOMER to: (1) grant CUSTOMER a license to use [REDACTED] (2) train CUSTOMER on its configuration and use, and (3) as applicable, grant all licenses necessary to use [REDACTED]

Now, therefore, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, PDSI and CUSTOMER do hereby agree as follows:

1. **Ownership and License of [REDACTED]**

Except as provided herein at paragraph 2(b), PDSI hereby grants to CUSTOMER a license to use [REDACTED] in object code form. CUSTOMER shall abide by the terms and conditions of this license as stated herein. The parties recognize and acknowledge that ownership of [REDACTED] shall remain with PDSI

2. **Copyright and Proprietary Protection.**

(a) [REDACTED] is owned by PDSI, and is protected by United States and international copyright laws and international trade provisions. CUSTOMER must treat [REDACTED] like any other copyrighted material. This License and CUSTOMER's right to use [REDACTED] shall terminate automatically if CUSTOMER violates any part of this AGREEMENT. In the event of termination for any reason other than non-renewal of Service and Support as described herein at Section 10, CUSTOMER must immediately [REDACTED] TELESTAFF and accompanying documentation to PDSI.

(b) CUSTOMER shall not:

(i) [REDACTED] TELESTAFF and/or merge it into another program for CUSTOMER use except by express, written permission from PDSI. Any portion [REDACTED] TELESTAFF merged into another program following the express, written permission from PDSI will be subject to the terms of this AGREEMENT;

(ii) Reverse engineer, disassemble, decompile, or make any attempt to discover the source code or methodology [REDACTED] TELESTAFF.

3. **Execution Date.** The Execution Date is defined as the date this AGREEMENT is signed by an authorized agent of CUSTOMER.

4. **Term.** This AGREEMENT is effective and binding upon PDSI and CUSTOMER upon the Execution Date as defined in paragraph 3 herein and shall remain in effect for a term of one (1) year, unless terminated as provided herein. On each anniversary date thereafter, this AGREEMENT shall automatically renew for a term of one (1) year, unless otherwise terminated as provided herein.

5. **Product Options.** The following constitutes a list [REDACTED] TELESTAFF components and associated fees that CUSTOMER does hereby agree to purchase from PDSI available in connection with the use [REDACTED] TELESTAFF. See Appendix A for the definition [REDACTED] TELESTAFF Hardware Components and Appendix B for the definition of Implementation Services.

<u>Initial</u>	<u>Fee</u>
[REDACTED] TELESTAFF Software License for 300 Staff Members	\$ 42,000
[REDACTED] WEBSTAFF - PDSI Hosted Setup and First Year Service	\$ 2,500
[REDACTED] Implementation Services	\$ 17,000
[REDACTED] Sybase Database Concurrent Connections Qty: 16	\$ 2,000
[REDACTED] Gateway Qty: 1	\$ 5,000
Total Initial Acquisition Cost	\$ 68,500
Discount	\$ 3,601
New [REDACTED] Total	*\$ 64,899

6. **Pricing.** PDSI agrees to the fees reflected above in paragraph 5 until December 31, 2005. [REDACTED] list price for a department of 300 is normally \$71,533.

7. **Payments.** CUSTOMER agrees that all pricing and amounts due hereunder are based on United States currency and that all amounts remaining unpaid for more than thirty (30) days following the date of the invoice shall be subject to an interest charge at the monthly rate of 1.5%. CUSTOMER does hereby agree to the payment terms for each component.

<u>Initial</u>	<u>Component</u>	<u>Due</u>
	TELESTAFF Software License and Gateway	On Execution Date
	WEBSTAFF - PDSI Hosted Setup and First Year Service	Net 30 Days from Execution Date
	TELESTAFF Implementation Services	Net 60 Days from Execution Date
	Sybase Concurrent Connections	Net 60 Days from Execution Date

8. **Travel Expenses.** CUSTOMER agrees to pay for all travel expenses related to TELESTAFF implementation and training services as defined in Appendix B.
9. **Implementation Services.** Implementation Services include configuration of TELESTAFF as defined in Appendix B. CUSTOMER acknowledges that additional training and/or reconfiguration requested by CUSTOMER will be at an additional cost.
10. **Annual Service and Support.** Service and Support of TELESTAFF is provided at no additional charge during the first twelve (12) months following the Execution Date. See Appendix C for the definition of Service and Support. CUSTOMER does hereby acknowledge that on each anniversary of the Execution Date, CUSTOMER may renew service and support under the following events:

<u>Initial</u>	<u>Event</u>	<u>Payment</u>
	TELESTAFF - 1st Anniversary of the Execution Date	\$ 8,200
	Subsequent anniversaries during term	5% maximum increase over previous period

Should CUSTOMER elect not to renew Service and Support on the anniversary of the Execution Date, CUSTOMER acknowledges that any subsequent re-enrollment for Service and Support will only be accepted by PDSI after CUSTOMER cures the previous lapse in Service and Support by paying PDSI the Service and Support fee for the lapsed periods. In addition, CUSTOMER acknowledges that PDSI may assess CUSTOMER a Service and Support re-instatement fee that will not exceed ten percent (10%) of the Service and Support fee for the lapsed periods. PDSI reserves the right to discontinue Service and Support of previous releases of TeleStaff and WebStaff as defined in Appendix C.

11. **WebStaff Usage:** Access to TeleStaff via the web is provided through the WebStaff application hosted by PDSI. CUSTOMER does hereby acknowledge that on each event and for the fee specified below, CUSTOMER can renew access to WebStaff:

<u>Initial</u>	<u>Event</u>	<u>Payment</u>
	1st Anniversary of the Execution Date	\$ 5,760
	Subsequent anniversaries during term	5% maximum increase over previous period

Should CUSTOMER elect not to renew WebStaff access or fail to pay the usage fee specified above in advance the subsequent 12 month period, CUSTOMER acknowledges that PDSI will disable CUSTOMER access to WebStaff.

12. **Limited Warranty.** PDSI WARRANTS TELESTAFF TO BE FREE FROM DEFECTS IN MATERIALS AND WORKMANSHIP UNDER NORMAL USE AND TO OPERATE IN REASONABLE ACCORDANCE WITH TELESTAFF USER MANUALS. HOWEVER, PDSI DOES NOT WARRANT THAT THE FUNCTIONS CONTAINED IN TELESTAFF WILL MEET CUSTOMER'S REQUIREMENTS OR THAT THE OPERATION OF TELESTAFF WILL BE UNINTERRUPTED OR ERROR FREE. THE LIMITED WARRANTY SET FORTH HEREIN IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

13. **Limitation of Liability.** PDSI'S ENTIRE LIABILITY AND CUSTOMER'S EXCLUSIVE REMEDIES SHALL BE THE REPLACEMENT OF TELESTAFF UPON NOTIFICATION OF REPORTED DEFICIENCIES. IN NO EVENT WILL PDSI BE LIABLE TO CUSTOMER, OR ANY THIRD PARTY, FOR ANY CLAIMS OR DAMAGES, INCLUDING ANY LOST WAGES, LOST PROFITS, LOST SAVINGS OR OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES, ARISING OUT OF THE USE OR INABILITY TO USE TELESTAFF EVEN IF PDSI HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

14. **Indemnification.** PDSI shall hold CUSTOMER harmless and indemnify CUSTOMER, and its directors, officers, employees and agents, from/for any and all liability claims, losses, and/or damages suffered by the CUSTOMER, arising from or directly related to this Agreement, which is/are attributable to the negligent or intentional misconduct of PDSI.

15. **Termination.** This AGREEMENT shall terminate upon the following events:

- (a) In the case of an event of default (if CUSTOMER or PDSI fails to satisfy any of its respective covenants, duties or obligations under this AGREEMENT), the non-defaulting party shall have the option to terminate this AGREEMENT. In the event of default, the non-defaulting party shall give written notice to the defaulting party of the alleged default and give such party at least thirty (30) days in which to cure the alleged default. If the defaulting party does not satisfactorily cure its default, the non-defaulting party has the right to terminate upon thirty (30) days additional written notice stating the defaulting party's failure to cure the default;
- (b) By mutual consent between both parties;

(c) After the initial term of the AGREEMENT, upon ninety (90) days written notice to the other party.

16. **Miscellaneous Provisions.**

- (a) Amendments. This AGREEMENT shall not be modified or amended except by another agreement in writing executed by the parties hereto.
- (b) Entire Agreement. This AGREEMENT, including Appendices A, B, and C attached hereto, supersedes all prior discussions, understanding and agreement between the parties with respect to the matters contained herein, and constitutes the entire agreement between the parties with respect to the matters contemplated herein.
- (c) Governing Law. This AGREEMENT shall be construed and enforced in accordance with the laws of the State of Florida.
- (d) Notices. All notices, requests, demands and/or other communications required or permitted to be given or made by this AGREEMENT shall be in writing and shall be delivered by commercial overnight delivery services which provides for receipt, or mailed by certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses referenced above. Any party may change its address for purposes of this AGREEMENT by notice in writing to the other party.
- (e) No Waiver. No failure on the part of any party hereto to exercise, and no delay in exercising any right, power or remedy or partial exercise of any right, power or remedy by any party will preclude any other or future exercise of any other right, power or remedy or partial right, power or remedy. No express waiver of assent by any party hereto to any default in any term or condition of this AGREEMENT shall constitute a waiver of or an assent to any succeeding default in the same or any other term or condition hereof.
- (f) Assignability. This AGREEMENT shall inure to the benefit of and be binding upon the parties hereto, their respective heirs, successors, assigns and personal representatives.

IN WITNESS WHEREOF, the parties have signed this AGREEMENT on the day and year first above written.

PDSI
 By: [Signature]
 Title: National Account Executive

Date: 10/27/2005

PDSI
 By: [Signature]
 Title: Vice President

Date: 10/27/2005

City of Miami Beach Florida (CUSTOMER)
 By: [Signature]
 Title: MAYOR

Attested by: [Signature]
 Date: 11/18/05

Agreed and accepted by Miami Beach Fire Department
 By: [Signature]
 Title: ASSISTANT FIRE CHIEF

Date: 11.15.05

APPROVED AS TO FORM & LANGUAGE & FOR EXECUTION

[Signature] 11/3/05
 City Attorney Date

Appendix A – TeleStaff Hardware Components

Computers purchased through PDSI are manufactured by Dell Computer Corporation. Each computer is built to the specifications required by TeleStaff and includes components necessary to operate the features of each TeleStaff product model. Each computer is quality tested by Dell and is delivered to CUSTOMER ready to operate as intended.

Following are the basic features and components included for each TeleStaff computer hardware option:

TeleStaff Basic Server

- Intel Pentium 2 GHz processor or better
- 512 MB or greater RAM
- 40 GB or larger Hard Drive
- 48x CD-ROM Drive
- 17" SVGA Monitor
- V.90 Data/Fax Modem
- Multimedia with speakers and microphone
- Keyboard and mouse
- Microsoft Windows XP Pro License
- Iomega 250M Zip Drive
- 4 hours 7 x 24 onsite service (3 years)

TeleStaff Telephony Server

- TeleStaff Basic Server plus:
- 4 port Dialogic Telephony system
- Telephony system dongles (4 port)

TeleStaff Database Server

- TeleStaff Basic Server plus:
- Sybase Studio database license (1 concurrent user)
- Sybase Client database license (7 concurrent users)

TeleStaff Enterprise Server

- TeleStaff Basic Server plus:
- 4 port Dialogic Telephony system
- Telephony system dongles (4 port)
- Sybase Studio database license (1 concurrent user)
- Sybase Client database license (7 concurrent users)

Appendix B – TeleStaff Implementation Services Partnership Agreement

For the fee specified in paragraph 5 of this AGREEMENT, PDSI will train CUSTOMER staffing administrators on the operation of TeleStaff and will train CUSTOMER on how to configure the TeleStaff system using CUSTOMER data. The following steps comprise the TeleStaff Implementation services:

- Hand-Off:** During this internal phase, the appropriate PDSI account representative transfers information on the CUSTOMER to the PDSI Implementation Manager (IM). The IM is a project manager who is responsible for coordinating all activities necessary to implement TeleStaff for the CUSTOMER. During this phase, PDSI will send the CUSTOMER an Implementation Welcome Packet containing an overview of the Implementation Process and information on how to prepare for TeleStaff.
- Kick-Off:** During the Kick-Off phase, the IM and CUSTOMER hold a conference call to review the Welcome Packet, to establish CUSTOMER contacts required by PDSI during the Implementation Process, and to set dates for training.
- Preparation:** During the Preparation phase, the IM and CUSTOMER will hold a conference call to review TeleStaff data fields, to instruct the CUSTOMER on how to use the data import tool, and to instruct the CUSTOMER on how to analyze and document their staffing rules. Also during this phase, PDSI provides the CUSTOMER with the necessary installation documentation and ships the TeleStaff hardware to the CUSTOMER.
- Training – Module I** PDSI will provide audio/visual presentations to review TeleStaff end user features. The presentations correspond with the Module I training manual. The project team must review presentations prior to the Module II training class. The audio/visual presentations can also be used as a resource when the CUSTOMER provides user training.
- Training – Module II** The Module II training class covers TeleStaff staffing features. This class is a pre-requisite for configuration training. The class is offered over the Internet or at PDSI's training facility in Orange, California.
- The CUSTOMER may select the option that best meets their needs.
- Option #1: If the CUSTOMER chooses to participate in the Module II training class via the internet, the CUSTOMER will need to set up a training room so that each person has their own computer with the TeleStaff training database loaded. This allows for effective hands on training. The duration of the class is 7 hours and will be covered in one session.
- Option #2: The Module II training class at PDSI is held each Friday. The CUSTOMER may elect to participate in the Module II training class the Friday prior to the 5-day configuration training class so that attendees only need to make 1 trip to PDSI. The class begins at 9am and ends by 5pm.
- Training - Configuration** The TeleStaff implementation includes 5 consecutive days of configuration training at PDSI's facility in Orange, California. The configuration training will be done on the CUSTOMER'S database. The 5 days of training at PDSI is limited to 2 staff members. PDSI recommends that CUSTOMERS send staffing and business rules experts to the training. The class begins each day at 9am and ends by 5pm.
- Training - Tuning** PDSI will provide a 2-day training class at the CUSTOMER'S site. The purpose of the class is to fine tune the configuration after the CUSTOMER has gone Live with TeleStaff. The CUSTOMER determines the agenda for this TeleStaff Tuning class.

For information on additional advanced training courses offered by PDSI, please contact your TeleStaff Implementation Manager or your Account Executive.

Appendix C – Annual Service and Support

All Software Errors reported by CUSTOMER shall be resolved as set forth below. Initial response by PDSI will be based upon CUSTOMER's full description of the problem. Resolution response will be based upon the priority assigned by PDSI as defined below. If CUSTOMER determines that a Software Error exists, CUSTOMER shall notify PDSI by telephone. Telephone notification will be made to PDSI's support line at (800) 850-7374.

"Normal Business Hours" are 8:00 AM through 5:00 PM (Pacific Standard Time), Monday through Friday, excluding holidays.

The main support line will be answered either by an attendant or automated attendant at all hours. During Normal Business Hours, each trouble report will be assigned a Help Desk Log Number. The Log Number shall be used for all subsequent inquiries relating to the original problem. During Normal Business Hours, the attendant will ring the TeleStaff Support Department and the call will be handled according to the priority assigned by PDSI. In the case of priority-one problems, as noted below, CUSTOMER may be able to speak directly to a TeleStaff Support Representative if one is available. Outside of Normal Business Hours, Priority 1 support, as described in this appendix, will be made available through a pager system. The phone number is 800-850-7374. Priority 1 support is available 24 hours per day, 7 days per week to CUSTOMER's with LIVE status. All other problems will be handled on a callback basis. If requested or so stipulated in the response time criteria below, a PDSI representative will return the call in a manner consistent with the priority and order in which the call was received. CUSTOMER shall make every effort to respond to PDSI in a timely fashion when requests are made to follow-up calls or additional documentation on the reported problem.

Priorities are assigned as follows:

Priority One

Hours of Availability:	24 hours/day, 7 days/week
Description:	A critical software error that severely impacts the ability of CUSTOMER to perform ALL automated staffing functions (TeleStaff is down). This level of priority is only available to CUSTOMER's that are using TeleStaff in a production environment (LIVE accounts ONLY).
Initial Response:	During Normal Business Hours, immediate response if a Support Representative is available. Otherwise, PDSI will respond with a call back within one hour. Outside of Normal Business Hours (including holidays), PDSI will respond with a call back within two hours.
Resolution Response:	PDSI will work aggressively to provide CUSTOMER with a workaround solution or to completely resolve the problem.
Notification:	It is the responsibility of CUSTOMER to alert PDSI of a possible Priority-One issue. PDSI will update CUSTOMER of progress frequently during problem resolution and notify CUSTOMER once the workaround has been provided or the problem has been resolved.

Priority Two

Hours of Availability:	Monday through Friday, 6:30 AM to 6:00 PM, Pacific Standard Time.
Description:	A non-critical software error, which prevents the user from performing a data entry or system administration function. These do not include cosmetic, documentation, or reporting problems. These also do not include questions or inquiries regarding the operation of the software or its installation and training.
Initial Response:	During Normal Business Hours, PDSI will respond with a call back within three hours. Outside of Normal Business Hours (including holidays), PDSI will respond with a call back the next business day
Resolution Response:	PDSI will provide a workaround for CUSTOMER when possible. PDSI will provide a problem resolution in the form of an Upgrade or modification to the Software in an upcoming Update.
Notification:	PDSI will notify CUSTOMER when a workaround has been provided or the problem has been resolved.

Priority Three

Hours of Availability:	Monday through Friday, 6:30 AM to 6:00 PM, Pacific Standard Time.
Description:	All other software or documentation errors not described above. These include but are not limited to: <ul style="list-style-type: none"> • Reporting errors or calculation problems • Documentation inaccuracies • Cosmetic issues • Misspellings • Product Enhancement requests • Questions or inquiries relating to TeleStaff Software functionality, system administration or installation
Initial Response:	PDSI will respond to these items if specifically requested to do so at the time of the request. If a reply is requested, PDSI will respond within an average of twenty-four (24) hours during Normal Business Hours.
Resolution Response:	PDSI will correct documentation errors in upcoming releases of the documentation.
Notification:	If requested, PDSI will notify the CUSTOMER when a workaround has been provided or the problem has been resolved.