

**SYSTEM SUPPLY AND SUPPORT AGREEMENT**

This Agreement effectively made this \_\_\_\_<sup>th</sup> day of September, 2006, between:

Name and Address of Licensor:

**Trapeze Software Group, Inc.**, an Ontario corporation  
("Trapeze"), with its principal place of business at:  
8360 East Via de Ventura,  
Scottsdale, Arizona, U.S.A.  
85258

Name and Address of Customer:

**Rapid City** ("Customer"), with its principal place of  
business at:  
300 Sixth Street 2476 Victoria Avenue  
Rapid City, South Dakota, U.S.A.  
57701

This Agreement, including the exhibits hereto, represents the complete and exclusive agreement between Trapeze and Customer with respect to the subject matter hereof and supersedes all prior agreements, negotiations, or understandings between Trapeze and Customer in any way relating to the subject matter of this Agreement. No other terms, conditions, representations, warranties or guarantees, whether written or oral, express or implied, will form a part of this Agreement or have any legal effect whatsoever. In the event of any conflict or inconsistency between the provisions of this Agreement and the exhibits, the terms and conditions of this Agreement will govern to the extent of such inconsistency. This Agreement may not be modified except by a later written amendment signed by both parties.

Trapeze and Customer acknowledge having read and understood this Agreement and hereby agree to be bound by its terms and conditions.

**TRAPEZE SOFTWARE GROUP, INC.**

**RAPID CITY**

Signature: \_\_\_\_\_

Name: Colin McKenzie  
Title: Chief Financial Officer

Signature: \_\_\_\_\_

Name:  
Title:

**APPROVED AS TO FORM**

\_\_\_\_\_  
Trapeze Counsel

## TERMS AND CONDITIONS

NOW THEREFORE, the parties agree as follows:

I. Definitions In this Agreement the capitalized words set out below will have the following meanings:

- "Agreement" this system supply and support agreement effectively made as of the \_\_\_<sup>th</sup> day of September, 2006, between Trapeze and Customer, and the attached exhibits, all of which form an integral part of this Agreement;
- "Documentation" the user documentation pertaining to the System as supplied by Trapeze;
- "Equipment" the computer hardware, system software, and any other related items to be provided by Trapeze, as identified in Exhibit B of this Agreement;
- "New Product" any update, new feature or major enhancement to the Trapeze Software that Trapeze markets and licenses for additional fees separately from Upgrades;
- "Summary of Pricing" the summary of pricing information related to the System, attached hereto as Exhibit C;
- "System" the Equipment and the Trapeze Software;
- "Trade Secrets" any information proprietary to either party (including software source code), concerning a design, process, procedure, formula, or improvement that is commercially valuable and secret (in the sense that the confidentiality of such information affords a competitive advantage to the owner), but shall not include any information that (1) is or becomes generally known to the public through no fault of the recipient; (2) is obtained without restriction from an independent source having a bona fide right to use and disclose such information, without restriction as to further use or disclosure; (3) the recipient independently develops through persons who have not had access to such information; or (4) the disclosing party approves for unrestricted release by written authorization.
- "Trapeze Software" the Trapeze proprietary software applications identified in Exhibit A of this Agreement;
- "Upgrades" generic enhancements to the Trapeze Software that Trapeze generally makes available as part of its maintenance services.

2. Services Trapeze will install the System at the address designated by the Customer. Trapeze will provide the implementation services and activities (the "Services") in accordance with the Summary of Pricing.

3. Trapeze Software License

Trapeze grants to Customer a personal, non-transferable and non-exclusive license restricted for use by Customer at their place of business:

(i) to use one production copy of the executable code version of the Trapeze Software in the form supplied by Trapeze, and in accordance with the further specifications set out in Exhibit A hereto; and

(ii) to use the Documentation delivered by Trapeze, but only as required to exercise this license.

The license to use the Trapeze<sup>TM</sup> Malteze Transit Database is granted to Customer solely for the development of internal reports by Customer and for the integrated operation of Trapeze software applications. Unless expressly included herein, all other access rights to the Trapeze<sup>TM</sup> Malteze Transit Database are excluded from this Agreement.

and the Customer shall not develop or use, or authorize the development or use of, any other application interfaces to or from the Trapeze™ Malteze Transit Database.

Customer may make two back-up copies of the Trapeze Software. Customer may use the production copy of the Trapeze Software solely to process Customer's proprietary data. The Trapeze Software may not be used on a service bureau or similar basis to process data of any third parties.

Other than the rights of use expressly conferred upon Customer by this paragraph, Customer will have no further rights to use the Trapeze Software or the Documentation. Customer will not copy, reproduce, modify, adapt, translate or add new features to the Trapeze Software or the Documentation without the express written consent of Trapeze. Customer will not permit disclosure of, access to, or use of the Trapeze Software or the Documentation by any third party unless authorized in writing by Trapeze.

Customer will not attempt to reverse compile, disassemble, or otherwise reverse engineer all or any part of the System.

#### 4. Acceptance Procedure

a) Phase 1 The initial pilot phase ("Phase 1") will be considered "operational and functional" when the mobile data terminals have been installed on the Customer's initial pilot fleet of vehicles, and the Trapeze Software is first used to process normal service data. Phase 1 will be accepted following twenty (20) consecutive days of "operational and functional" use of the System by the initial pilot fleet of vehicles, without significant failure.

b) Phase 2 Phase 2 and the System will be accepted following twenty (20) consecutive days of "operational and functional" use of the System by the remaining fleet of vehicles without significant failure.

For the purposes of this section 4, a "significant failure" will mean a failure of the System to function in accordance with the requirements of the Documentation, where such a failure causes the System to be inoperable or significantly impairs the functionality of the System such that there is a critical impact on business operations. Failures that are the result of operator error, insufficient training, accidental damage to system components caused by operator, intentional abuse of system components, or invalid or incorrect data entry by call takers or operators will not be considered in evaluating successful operation.

5. System Warranty Trapeze warrants the System to operate in all material respects as specified in the Documentation for a period of one (1) year from the date of acceptance of Phase 1, as defined in the "Acceptance Procedure" section of this Agreement. The sole remedy of Customer for any breach of this warranty will be to require Trapeze to use reasonable efforts to correct, at its own expense, any defects in the System that are brought to Trapeze's attention by Customer.

**This warranty is in lieu of all other warranties, conditions or other terms, express or implied, concerning the System. It explicitly excludes any other warranty, condition or other term which might be implied or incorporated into this Agreement, whether by statute, regulation, common law, equity or otherwise, including without limitation any implied warranties or conditions of quiet usage, merchantability, merchantable quality, fitness for a particular purpose, or from the course of dealing or usage of trade as allowed by law. In particular, Trapeze does not warrant that: (i) the System will meet all or any of Customer's particular requirements; (ii) that the operation of the System will operate error free or uninterrupted; or (iii) all programming errors in the System can be found in order to be corrected.**

6. Payment Trapeze will invoice Customer for the Trapeze Software license fees, service fees, expenses and fees for the Equipment as set out in and according to the Summary of Pricing. The totals amounts due for the Services, as those fees are set out in the Summary of Pricing, are firm fixed amounts and will be invoiced on that basis.

Subject to receipt of an accurate invoice, Customer will pay invoices within thirty (30) days of receipt. Overdue payments will bear interest at the annual rate of fifteen percent (15%) on the amount outstanding from the date when

payment is due until the date payment in full is received by Trapeze. Customer will also be responsible for payment of all applicable taxes and other levies, including sales and use taxes, and this obligation will survive termination of this Agreement. If Customer has a tax exemption certificate, a copy of the certificate must be provided to Trapeze upon signing of this Agreement to avoid payment of the applicable tax to Trapeze.

7. Maintenance Services Commencing upon the expiry of the warranty period, Trapeze agrees to provide the following maintenance and support services:

- (a) Trapeze will maintain the System so that it operates in conformity, in all material respects, with the descriptions and specifications for the System set out in the Documentation.
- (b) If Licensee detects any errors or defects in the System, Trapeze will provide reasonable support services through a telephone software support line, available twenty-four (24) hours per day. Upon registration by Licensee, Trapeze will also provide Licensee with access to its support website.
- (c) Trapeze will provide written updates to Licensee detailing the Upgrades of the Software and New Products.
- (d) At Licensee's request, Trapeze shall provide Licensee with Upgrades of the Software at no additional charge.
- (e) Licensee shall be entitled to acquire a license to New Products for Trapeze's then current license fees. Software Upgrades and New Products will be provided with updated Documentation where available and appropriate.

8. Payment of Maintenance Fees Commencing upon the expiry of the one year warranty period, Licensee shall pay an annual maintenance fee to Trapeze as provided in Exhibit D. This fee shall be subject to change as set out in Exhibit D. Licensee shall issue a Purchase Order annually specifying the amount set forth in the Trapeze invoice for maintenance services in accordance with Exhibit D. The Purchase Order shall be governed by the terms and conditions of this Agreement.

9. Trade Secrets Customer acknowledges that all Trade Secrets relating to or concerning the System, including any modifications made thereto, are owned by Trapeze or Trapeze has the applicable rights of use and Customer will maintain the Trade Secrets in strict confidence and not disclose the Trade Secrets to any third party without Trapeze's prior written consent. Customer shall prohibit any persons other than Customer employees from using any components of the System and Customer shall restrict the disclosure and dissemination of all Trade Secrets reflected in the System to Customer employees who are bound to respect the confidentiality of such Trade Secrets. These obligations of confidentiality will survive termination of this Agreement.

10. Media and Publication Upon reasonable notice and consultation with the Customer, Trapeze shall be entitled to publish press releases and other general marketing information related to this Agreement and the work done hereunder. Except for the foregoing, and subject to the strict requirements of the law, neither party will communicate with representatives of the general or technical press, radio, television, or other communication media regarding the work performed under this Agreement without the prior written consent of the other party.

11. Indemnification Trapeze will defend Customer in respect of any claims brought against Customer by a third party based on the claim that the System or the Trapeze Software infringes the intellectual property rights of that third party. Trapeze will pay any award rendered against Customer by a court of competent jurisdiction in such action, provided that Customer gives Trapeze prompt notice of the claim and Trapeze is permitted to have full control of any defense. If all or any part of the System becomes, or in Trapeze's opinion is likely to become, the subject of such a claim, Trapeze may either modify the System to make it non-infringing or terminate this Agreement as it relates to the infringing portion of the System. This is Trapeze's entire liability concerning intellectual property infringement. Trapeze will not be liable for any infringement or claim based upon any modification of the System developed by Customer, or use of the System in combination with software, hardware, or other technology not supplied or approved in advance by Trapeze, or use of the System contrary to this Agreement or the Documentation.

12. Exclusion of Liability

a) Trapeze and Customer do not rely on and will have no remedy arising from any statement, representation, warranty or understanding (whether negligently or innocently made) of any person (whether party to this Agreement or not) other than as expressly set out in this Agreement. The only remedy available to Customer for breach of warranty is for breach of contract under the terms of this Agreement. This does not preclude a claim for fraud.

b) Trapeze does not guarantee the privacy, security, authenticity or non-corruption of any information transmitted through the internet or any information stored in any system connected to the internet. Trapeze shall not be responsible for any claims, damages, costs or losses whatsoever arising out of or in any way related to Customer's connection to or use of the internet.

c) Trapeze will not be liable to Customer or any third party for any claims, expenses, damages, costs or losses whatsoever arising out of or in any way related to:

(i) Customer's use of map or geographical data, owned by Customer or any third party, in conjunction with the System or otherwise; or

(ii) Customer's use of the System insofar as the System may be used to store, transmit, display, disclose or otherwise use data or information which is considered private, confidential, proprietary or otherwise exempt from public disclosure under applicable law.

(d) Trapeze's entire liability and responsibility for any claims, damages, costs or losses whatsoever arising either jointly or solely from or in connection with this Agreement or the use of the System (whether or not in the manner permitted by this Agreement), including claims for breach of contract, tort, misrepresentation, or otherwise, will be absolutely limited to the amount of the total compensation to be paid to Trapeze under the Summary of Pricing.

(e) Trapeze will not be liable to the Customer or any third party for losses or damages suffered by Customer or any third party which fall within the following categories:

i) incidental or consequential damages, whether foreseeable or not;

ii) special damages even if Trapeze was aware of circumstances in which special damages could arise;

iii) loss of profits, anticipated savings, business opportunity, goodwill, or loss of information of any kind.

(f) Paragraphs (d) and (e) do not apply to claims arising out of death or personal injury caused by either party's gross negligence or fraudulent misrepresentation.

13. Termination

(a) This Agreement will remain in effect until terminated.

(b) Trapeze has the right to terminate this Agreement if Customer is in default of any term or condition of this Agreement, and fails to cure such default within ten (10) days after receipt of written notice of such default. Without limitation, the following are deemed Customer defaults under this Agreement: (i) Customer fails to pay any amount when due hereunder; (ii) Customer becomes insolvent or any proceedings will be commenced by or against Customer under any bankruptcy, insolvency or similar laws.

(c) If Customer develops software that is competitive with the Trapeze Software, or Customer is acquired by or acquires an interest in a competitor of Trapeze, Trapeze shall have the right to terminate this Agreement immediately.

(d) If this Agreement is terminated, Customer will immediately return to Trapeze all copies of the Trapeze Software and the Documentation and any other materials provided to Customer pursuant to this Agreement which have not been paid for in full, and will certify in writing to Trapeze that all copies or partial copies of the Trapeze Software, the Documentation and such other materials have been returned to Trapeze.

14. Force Majeure Trapeze will not be responsible for, and its performance of obligations will automatically be postponed as a result of, delays beyond Trapeze's reasonable control, provided that Trapeze notifies the Customer of its inability to perform with reasonable promptness and performs its obligations hereunder as soon as circumstances permit.

15. Assignment This Agreement is for the sole benefit of Customer and may not be assigned by Customer without the prior written consent of Trapeze.

16. Applicable Law This Agreement will be governed by and construed in accordance with the laws of the state of South Dakota.

17. Third Parties No party other than Customer shall be licensed to use the Trapeze Software by this Agreement, unless such use is expressly permitted by the terms of this Agreement. In the event that this Agreement does allow for the use of the Trapeze Software by certain designated third party service providers, the Customer shall be responsible for taking all reasonable steps to ensure that the service provider is fully compliant with the terms of this Agreement including without limitation any restrictions on use of the Trapeze Software and obligations of confidentiality. Trapeze does not assume, and hereby expressly excludes, any obligations or duties to any third parties, whether expressly named in this Agreement or not, which may be inferred or implied by statute, regulation, common law, equity or otherwise.

18. Notices All notices must be in writing and will be duly given if delivered personally or sent by registered or certified mail to the respective addresses of the parties appearing on page one of this Agreement. Any notice given will be deemed to have been received on the date it is delivered if delivered personally, or, if mailed, on the fifth business day next following its mailing. Either party may change its address for notices by giving notice of such change, as required in this section.

19. Purchase Order Upon execution of this Agreement, Customer will issue a Purchase Order specifying the amount of \$123,458 (this amount excludes any sales taxes, first year maintenance fees or escrow fees which may apply) for the provision of the System and the Services, as set out in the Summary of Pricing. The Purchase Order will be governed exclusively by the terms and conditions of this Agreement.

20. Audits Trapeze may perform audit(s) on the use of the System upon giving Customer written notice of at least five (5) business days. Customer agrees to make the necessary operational records, databases, equipment, employees and facilities available to Trapeze for the audit(s). The purpose of the audit will be to verify compliance with the terms and conditions of this Agreement.

EXHIBIT A

Item	Licensed Software Application	Software Application Description	Configuration	License Fee	License Date
1.	PASS MON	<ul style="list-style-type: none"><li>• PASS link to MDC</li><li>• CE device application</li></ul>	Up to 14 paratransit vehicles	\$24,700	Effective date of this Agreement
2.	Trapeze-Malteze Database	For the purposes of Report Writing only	Network	Included	Included
	TOTAL			\$24,700	

1. Licenses are provided for up to 14 paratransit vehicles.
2. Except for Windows CE, third party licenses, if required to operate the Trapeze Software, are not included.
3. Proposed software solution is designed for the Windows 2000/XP operating environments, with an ODBC database infrastructure (the Malteze Transit Database) designed by and proprietary to Trapeze, configured for the Oracle 8/9i/MS SQL database engine.
4. Except as may be included in the Equipment or otherwise specifically required in the Agreement, the Customer is responsible for purchasing hardware and any other pre-requisite products.
5. Any software applications may be operated on any of the licensed workstations within a configuration approved by Trapeze. Licenses for additional local or remote workstations may be purchased at the then current rates.

**EXHIBIT B**

**EQUIPMENT:**

Unit Description	Quantity	Hardware Fees
Driver Command Console	16	S36,740
GPS Receiver	16	
TriBand Antenna	16	
CDMA Modem	16	
Install Kit (Cabling & Mounting Hardware)	16	
Odometer Interface	16	
Power Conditioner	16	



EXHIBIT C: SUMMARY OF PRICING

Attached hereto.

## TRAPEZE SUMMARY OF PROPOSED PRICING

*Prepared for*  
**Rapid Transit**

### 1.0 Trapeze Base Mobile Computing Solution

Item	Description	Mobile Computing	
1	Management, System Integration, Operational Review Services	\$	19,200
2	Customization		-
3	Trapeze License Fees		24,700
4	Implementation Services		24,000
5	Expenses		8,943
<b>Total (US\$)</b>		<b>\$</b>	<b>76,843</b>

### 2.0 Computer Hardware and System Software

Item	Description	Total	
1	Hardware and System Software 1 Computer Hardware and Software <b>IF REQUIRED: MANUFACTURER'S WARRANTY ONLY</b>	\$	3,750

### 3.0 Mobile Computing Hardware and Implementation Services

Item	Description	Total	
1	In vehicle hardware and services In vehicle Hardware Implementation Services	\$	36,740 6,125
<b>Total (US\$)</b>		<b>\$</b>	<b>42,865</b>

### 4.0 Long-Term Support

Item	Description	Mobile Computing	
1	<b>Trapeze Software Long-Term Support</b> 1 Year 1 from pilot acceptance 2 Year 2 from pilot acceptance	\$	<i>included</i> 4,940
2	<b>Mobile Hardware Long-Term Support</b> 1 Year 1 from pilot acceptance 2 Year 2 from pilot acceptance		<i>included</i> 1,837

#### Notes:

- \* Pricing is for Trapeze products only and 3rd party fees listed in Trapeze proposal.
- \* Trapeze has provided for specific amount of training. Additional training, if required, will result in an additional cost.
- \* Prices in effect through: July 27, 2006
- \* Trapeze licenses are provided for the following number of paratransit vehicles: 14
- \* Vehicle Hardware quote is for the following:
 

Revenue Vehicles	14
Supervisor Vehicles	0
Training Units	0
Spares	2
- \* Trapeze will provide a train-the-trainer approach for dispatch and in vehicle applications.
- \* Client will procure and supply GPRS public data network access with associated SIM cards.
- \* Applicable taxes are not included.
- \* This solution requires wireless communication via Sprint, Verizon or the like for each vehicle. Pricing for this service may vary from wireless provider to wireless provider.

**Payment Schedule**

<b>Item</b>	<b>Description</b>
1	25% of contract due upon signing
2	25% of contract due upon completion of operational / design review
3	25% of contract due upon installation of first vehicle
4	15% of contract due upon completion of vehicle installations
5	10% of contract due upon system acceptance

**Estimated Pricing**

EXHIBIT D: MAINTENANCE FEES

Item	First Year Maintenance Fee
Equipment	\$1,837
Trapeze Software	\$4,940

\* For all subsequent years, the maintenance fees for the current number of vehicles will be determined in accordance with the Trapeze standard price list at that time.