SPRINGBROOK
——— SOFTWARE ———

SPRINGBROOK SOFTWARE
SOFTWARE LICENSE AGREEMENT

PARTIES:

LICENSOR:
Springbrook Software, Inc., an Oregon corporation
111 SW Fifth Street
Portland, OR 97204
Ph. (503) 820-2200
Fax (503) 820-4500
Email: info@springbrooksoftware.com

LICENSEE:
CITY OF JONESBORO
515 WEST WASHINGTON
PO BOX 1845
JONESBORO, AR 72403
870-932-0820

EFFECTIVE DATE: October 6, 2004

AGREEMENT:

1. **Definitions.** As used in this Agreement, including the Attachments hereto, the following terms shall have the following meanings.

    a. "Initial Installation" means the first instance of installation or loading of the Software onto Licensee's computer, network or system, without regard to completion of Modifications or other services to be performed under this Agreement.

    b. "Licensee Modifications" means any modification, enhancement or addition to the Software developed by Licensor especially for Licensee's use or at Licensee's request.

    c. "Licensor Modifications" means any modification, enhancement or addition to the Software by Licensor, other than Licensee Modifications.

    d. "Live Status" means the time at which Licensee has (1) for Finance Suite, completed Springbrook required training, produced Accounts Payable checks, performed a Payroll Payable cycle, and closed and balanced a month, (2) for

Utility Billing, completed Springbrook required training, and completed the first live billing, past due billing and (if applicable) meter reading import, and (3) for Payroll, produced the first successful payroll using the Springbrook application.

e. "Material" shall mean a significant or substantial alteration or effect on the function or output of the Software.

e. "Specifications" means the written or electronic description of the functions, capacity, performance and features of the Software as delivered by Licensor to Licensee under this Agreement.

f. "Software" means the version of the Springbrook Software, Inc. software packages and/or applications selected by Licensee, listed on Attachment A, current at the time of signing this Agreement, and shall include any Licensee Modifications and Licensor Modifications provided by Licensor to Licensee.

g. "User Materials" means all written and electronic documentation, manuals and materials provided by Licensor to Licensee for use in connection with the Software.

2. **Grant of License.** Licensor grants Licensee a non-transferable, non-exclusive license to use the Software and User Materials, on the terms and conditions set forth herein.

a. Scope of License. Under the License granted herein Licensee may use, copy and distribute the Software (in machine-readable, object code form only) and User Materials to: (i) install, use and execute the Software on computers that Licensee owns or leases for purposes of serving Licensee's internal business needs; (ii) support Licensee's use of the Software under this Agreement; and (iii) transfer or copy the Software from one of Licensee's computers to another, store the Software's machine-readable instructions or data on a temporary basis in main memory, extended memory, or expanded memory of such computers as necessary for such use, and transmit such instructions or data through Licensee's computers and associated devices.

b. License Restrictions. Licensee may only use the Software and User Materials within the limited scope set forth herein. In particular, and without limitation, Licensee agrees that Licensee and Licensee's employees will not: (i) assign, sublicense, transfer, pledge or grant a security interest in, lease, rent or share Licensee's rights under this License Agreement with any third party; (ii) reverse assemble, reverse compile, cross compile or otherwise adopt, translate or modify the Software; or (iii) refer to or use any portion of the Software or User Materials as part of any effort to develop any other software program.

c. <u>Source Code</u>. Licensor shall house the latest release of the Software with source code with the president or designate of the National User Group for safekeeping.

3. **Ownership; Proprietary Protection.** This Agreement does not provide Licensee with title or ownership of the Software, but only a right of limited use. Licensor shall have sole and exclusive ownership of all right, title and interest in and to the Software and User Materials, all copies thereof, all derivative works, and all related material generated from the Software including material displayed on the screen such as icons, screen displays, etc. (including ownership of all copyrights, trademarks and other intellectual property rights pertaining thereto), whether created by Licensor or any other party, subject to the rights of Licensee expressly granted herein. Licensor agrees to indemnify Licensee for damages or costs, including attorney fees, incurred by Licensee as a result of any claims that the Software or the license granted to Licensee in this Agreement infringes the rights of any third party.

4. **Confidential Information; Non-Disclosure.** Licensee acknowledges that the Software and User Materials, and all underlying ideas, algorithms, concepts, procedures, processes, principles, know-how, and Licensor's methods of business and technical operation (collectively referred to as "Confidential Information") are confidential and contain trade secrets. Licensee agrees not to use, disclose or cause disclosure of, or distribute any Confidential Information, directly or indirectly, without the prior written consent of Licensor, except that Licensee is authorized to disclose Confidential Information to Licensee's employees or agents only as required for Licensee's use of the Software as authorized by this Agreement or as required by Law or a court of competent jurisdiction. Licensee agrees to indemnify Licensor for damages or costs, including attorney fees, incurred by Licensor as a result of the unauthorized use, disclosure or distribution of any Confidential Information by Licensee or any of Licensee's employees or agents. This obligation shall survive the termination of this License.

5. **Fees.** The fees payable by Licensee to Licensor under this Agreement shall consist of License Fees (as defined in Attachment A), and additional fees for specific services. If any portion of the Fees is paid through an installment note, any default under the terms of said note will constitute default by Licensee under this Agreement.

a. <u>License Fees</u>. License fees shall be paid by Licensee solely in consideration of the License granted under this Agreement, and shall be invoiced and payable in the amounts and at the times in accordance with the Schedule of Fees set forth in Attachment A. License Fees are exclusive of Service Fees, and shall not constitute consideration or payment for Implementation Management, Training and Consulting, Data Conversion, Modifications or Maintenance.

b. <u>Fees for Services</u>. Additional fees shall be paid by Licensee in consideration of Implementation Management, Training and Consulting, Modifications and Data Conversion (as described in Attachment A), and shall be invoiced and payable in the amounts and at the times in accordance with the Schedule of Fees set forth in Attachment A and the Data Conversion Explanation in Attachment B.

c. <u>Maintenance Fees</u>. Maintenance fees shall be paid by Licensee solely in consideration of those maintenance and support services described in a separate Software Maintenance Agreement between Licensor and Licensee.

d. <u>Taxes</u>. Customer is responsible for sales or use taxes and state or local property or excise taxes associated with licensing, possession, or use of the Software or any associated services.

6. **Licensee's Cooperation.** Licensee acknowledges that successful installation, implementation and use of the Software cannot be accomplished by Licensor's efforts alone, and requires substantial effort and cooperation by Licensee personnel capable of properly using the Software. Both Licensor and Licensee shall at all times use their best efforts to actively participate and cooperate in data conversion, system installation, implementation, training and use, shall provide each other accurate and timely information, and shall afford each other reasonable access to information and facilities. All substantive communication between Licensor and Licensee will take place between Licensee Project Manager and Licensor Project Manager.

7. **Acceptance.** Upon completion of implementation, Licensor shall give written notice to Licensee certifying that installation of the Software at the Initial Installation site(s) is completed, as determined by Licensor, and that Licensee has achieved Live Status. Licensee shall be deemed to have accepted the Software thirty (30) days after Licensor's notice, unless, during that thirty (30) day period, the Software fails to perform in accordance with the Specifications in some Material respect that precludes acceptance of the Software by Licensee, and, by the end of that period, Licensee gives Licensor written notice of non-acceptance describing the Material failure in reasonable detail and explaining why the failure precludes Licensee's acceptance. If Licensee gives a proper notice of non-acceptance to Licensor, then:

a. <u>Investigation</u>. Licensor shall investigate the reported failure. Licensee shall provide to Licensor reasonably detailed documentation and explanation, together with underlying data, to substantiate the failure and to assist Licensor in its efforts to diagnose, reproduce and if necessary correct the failure.

b. <u>Material Failure Found</u>. If there exists a reproducible Material failure to perform attributable to a defect in the Software or an act or omission of Licensor, Licensor shall, within sixty (60) days (or such longer period as may

be reasonable under the circumstances) after receipt of Licensee's notice of non-acceptance, correct the failure so that the Software functions in material conformity with the Specifications. Upon correcting the failure within such period Licensor shall give written notice to Licensee certifying that the failure has been corrected, and another sixty (60) day acceptance period shall begin in accordance with this Section 7.

c. **No Material Failure Found.** If there was no reproducible Material failure to perform or the failure to perform was not attributable to a defect in the Software or an act or omission of Licensor, then Licensor shall give written notice to Licensee explaining its determination in reasonable detail, and Licensee shall have thirty (30) days to respond with additional documentation or explanation regarding the failure to perform. If Licensee provides such response, Licensor shall review the response and attempt to correct the failure to perform. If Licensee does not provide such response within thirty (30) days, then Licensee shall be deemed to have accepted the Software as of the date of Licensor's notice. In the event Licensor determines that the reported failure did not, in fact, exist or was not attributable to a defect in the Software or an act or omission of Licensor, then Licensor shall pay for Licensor's investigation and related services at Licensor's then current professional service rates.

8. **Term; Default; Opportunity to Cure.** This Agreement is effective as of the Effective Date and shall continue until terminated. If Licensee transfers possession of any copy or merged portion of the Software to another party, or to a computer other than those owned or leased by Licensee, the License shall automatically terminate upon thirty (30) days notice from Licensor to Licensee. The License shall also terminate upon default, cancellation, repudiation or rejection of this Agreement by Licensee. A party shall be considered in default only if the party, sixty (60) days after receiving written notice from the other party identifying with reasonable specificity a Material failure to comply with any term or condition contained herein (including without limitation Licensee's failure to pay any fees or charges due under this Agreement or any related Software Maintenance Agreement or service agreement, and Licensor's breach of the limited warranty provided in Section 10), has not cured such failure or breach. Upon termination of the License, Licensee shall return to Licensor the Software together with all copies and merged portions in any form and User Materials and related documentation. In the event of cancellation or repudiation by Licensee, or of other termination unless resulting from a default by Licensor, no License Fees or other Fees then paid or payable shall be waived or refunded, and any License Fees then unpaid shall be immediately payable in full. In the event of a termination resulting from a default by Licensor, Licensee shall have no further obligation to pay any License Fees then unpaid.

9. **Support and Maintenance.** Support and maintenance of the Software is not included in this Agreement or the License Fees or Service Fees paid hereunder, but is purchased through a separate Software Maintenance Agreement.

10. **Limited Warranty and Exclusions.** LICENSOR WARRANTS THAT IT HAS TITLE TO THE SOFTWARE AND THAT IT HAS AUTHORITY TO GRANT THIS LICENSE TO LICENSEE. LICENSOR ALSO WARRANTS THAT, FOR A PERIOD OF THREE HUNDRED AND SIXTY (360) DAYS FROM THE DATE OF LICENSOR'S INITIAL INSTALLATION OF THE SOFTWARE, THE SOFTWARE WILL FUNCTION IN MATERIAL CONFORMITY WITH THE SPECIFICATIONS. LICENSOR MAKES NO WARRANTY REGARDING THE USABILITY OR CONVERTABILITY OF ANY OF LICENSEE'S PRE-EXISTING DATA, OR ANY PERFORMANCE PROBLEM, CLAIM OF INFRINGEMENT OR OTHER MATTER TO THE EXTENT ATTRIBUTABLE TO ANY UNAUTHORIZED OR IMPROPER USE OR MODIFICATION OF THE SOFTWARE, OR ANY UNAUTHORIZED COMBINATION OF THE SOFTWARE WITH OTHER SOFTWARE. DETERMINATION OF BREACH OF THE FOREGOING LIMITED WARRANTY OR DEFAULT UNDER THIS SECTION 10 SHALL BE SUBJECT TO THE NOTICE AND CURE PROVISIONS OF SECTION 8, AND UPON RECEIPT OF WRITTEN NOTICE OF BREACH OF WARRANTY LICENSOR SHALL BE AFFORDED A PERIOD OF SIXTY (60) DAYS TO CURE THE REPORTED DEFECT, FAILURE OR OTHER BREACH. LICENSEE AGREES THAT THE FOREGOING LIMITED WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES OF LICENSOR AND LICENSOR DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS OR ADEQUACY FOR ANY PARTICULAR PURPOSE OR USE, QUALITY OR PRODUCTIVENESS, OR CAPACITY, OR THAT THE OPERATION OF THE SOFTWARE WILL BE ERROR-FREE. NO ACTION AGAINST LICENSOR FOR BREACH OF THIS LIMITED WARRANTY MAY BE COMMENCED MORE THAN 365 DAYS AFTER EXPIRATION OF THE WARRANTY PERIOD STATED IN THIS SECTION 10.

11. **Limitation of Remedies and Liability; Exclusion of Consequential Damages.** The cumulative liability of Licensor to Licensee for all claims relating to the Software and any services rendered hereunder, in contract, tort, or otherwise, shall not exceed the total amount of the Fees paid to Licensor for the relevant application(s) and services of the Software. Licensor's liability for breach of warranty exists only during the warranty period set forth in Section 10. In no event shall Licensor be liable for any consequential, indirect, special or incidental damages (including, without limitation, damages for loss of business profits, business interruption, loss of business information, or other pecuniary loss), whether arising out of contract, tort, warranty or otherwise, even if Licensor has been advised of the possibility of such potential loss or damage. The foregoing limitation of liability and exclusion of certain damages shall apply regardless of the success or effectiveness of other remedies, and applies to claims pursuant to the limited warranty created under this Agreement.

12. **Venue; Governing Law.** Exclusive venue for any dispute between the parties arising out of or relating to this Agreement shall be in the Federal District Court for the Eastern District in the State of Arkansas or, if Federal jurisdiction is not available, the superior court in the State of Arkansas, County of Craighead. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Arkansas, as such laws apply to a contract made and performed in such state, without regard to conflicts of law provisions.

13. **Entire Agreement; Construction; Licensor and Licensee Representations.** This Agreement is the complete and exclusive statement of the agreement between Licensor and Licensee and supercedes all prior and contemporaneous negotiations, discussions, proposals and understandings, oral, written or implied, including those involving any agent of either party, relating to the subject matter herein. No representations or statements made by either party or either party's agents not expressly set forth or referenced in the Agreement shall be binding on either party. Rights, obligations and warranties under this Agreement extend to Licensee and Licensor only, and no other person shall be considered a third party beneficiary of this Agreement or be otherwise entitled to any rights or remedies under this Agreement. No provision of this Agreement shall be construed in favor of or against any party because one party or its professional advisors participated in the preparation of this Agreement. Licensee represents and warrants that it possesses sufficient mastery of the principles of accounting to use the Software for its intended purpose, and, accordingly, Licensee acknowledges that it is Licensee's responsibility to: develop and institute the use of manual controls to validate the accuracy of the data generated by the system; review proof lists and reports to validate the accuracy of reports and statements; and verify that a functioning archival system is in place, and that the data base is archived to a removable medium on a daily basis. This Agreement has two attachments, Attachment A and Attachment B, which are incorporated herein by this reference. In the event of a conflict between the Attachments and the main body of this Agreement, the main body of this Agreement shall control.

14. **Modification; No Waiver.** The terms of this Agreement may only be modified, expanded or added to by a written agreement executed by the parties. No oral communication between the parties or their agents before or after execution of this Agreement shall be binding upon either party unless the parties expressly agree in writing to the terms of such communication. No waiver by either party of any breach of any term or condition hereof shall be effective or enforceable unless made

in writing signed by the party, and no waiver shall be interpreted as a continuing waiver or a waiver of any future obligation.

15. **Attorneys Fees.** If any suit, action, or other proceeding shall be instituted relating to any term or condition of this Agreement or relating to any of the rights, duties, or obligations arising under it, the prevailing party shall be entitled to recover from the other party and the other party agrees to pay to the prevailing party, whether or not the matter proceeds to final judgment or decree, in addition to costs and disbursements allowed by law, such sum as the trial and each appellate court may adjudge reasonable as an attorney's fee in such suit, action, or other proceeding, and in any appeal thereof including, but not limited to, pursuing, defending, or litigating issues peculiar to federal bankruptcy law. Such sum shall include an amount estimated by the court as the reasonable costs and fees to be incurred by the prevailing party in collecting any monetary judgment or award or otherwise enforcing each order, judgment, or decree entered in such suit, action, or other proceeding.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed in duplicate by its duly authorized officer or representative.

LICENSOR   LICENSEE

By: By:

Name: <u>Marily Rementeria</u>

Signature: <u>Marily Rementeria</u>

Title: <u>Managing Partner Sales/Services</u>

   Date: <u>September 30</u>   , 2004

ATTACHMENT A: SCHEDULE OF FEES

Attachment A contains the price quote issued to Customer showing the applications and services being licensed and/or purchased, the fees therefore, and the current fees for other services, and a schedule of payment terms. By signing the Attachment A, Licensee is agreeing to the Schedule of Fees for the duration of the implementation.

ProSoft Solutions

SPRINGBROOK SOFTWARE

Pricing Proposal for City of Jonesboro, AR

Application/Products	Application License Fees	Training & Consulting	Implementation Management
Finance Suite (GL, AP, ACH, BR)	$50,000	$7,200	$4,000
Extended Budgeting & Forecasting	Included	$1,200	$1,600
Financial Reporting (CAFR & GASB34)	Included	$1,200	$1,200
AP Auto Signature	Included		
AP MICR Code	Included		
Purchase Orders	$10,000	$1,200	$1,600
On-line Requisitions	Included	$1,200	$1,200
Payroll	$35,000	$7,200	$3,600
Payroll Auto Signature/Micr Code	Included		
Remote Time Card Entry	Included	$800	$800
Human Resources	$20,000	$4,400	$2,400
Project/Grant Management	$10,000	$1,600	$1,600
Fixed Assets	$10,000	$1,200	$1,200
Miscellaneous Accounts Receivable	$10,000	$1,200	$1,200
Central Cash Management/Point Of Sale	$10,000	$1,600	$1,600
Licenses and Permits	$10,000	$1,600	$1,600
Building Permits	$10,000	$3,200	$2,000
BP Interface with Handhelds	$2,000		$400
Code Enforcement	$10,000	$2,000	$2,000
Vehicle Maintenance - when available	$10,000	TBD	TBD
Application Scheduler	Included	$400	$400
Document Attachment & Cataloging	Included		
Integrated Report Archival	Included		
Total Springbrook	**$197,000**	**$37,200**	**$28,400**
Progress 20-user Client for MS-SQL	$17,000		
Total Other	**$17,000**		
Multiple Application Discount	-$39,500		
Vehicle Maintenance Discount	-$10,000		
Total Known Project Costs	**$230,100**		

Total Concurrent Users = 20   Prices valid for 90 days

> Pricing is based on standard contract - deviation from standard contract terms may result in modified prices
>
> Training Estimates are based on a train the trainer concept
>
> Travel expenses on above products and services will be at no charge
>
> Training and implementation management services for Vehicle Maintenance to be determined when application is available

ProSoft Solutions

SPRINGBROOK SOFTWARE

Conversion Estimate for City of Jonesboro, AR

Application to be converted		Conversion Estimates
Chart of Accounts		$4,800
GL History (* See Note Below)		$4,800
Accounts Payable Vendor Master		$4,800
Payroll Masters - Employee Data		$4,800
Discount for Jonesboro Staff Assistance		-$19,200
Total Estimated Conversion Costs		$0

* Note: Chart of accounts, the current year's budget, current YTD balance (as of a specific date designated by the client), and previous year's ending balance.

Cost of Data Conversion:

An estimated cost of your data conversion has been provided in this quote. This estimate is for up to three separate data pulls (UB, one for Finance and Payroll). We will need to review an actual sample of your data to confirm this estimate. Certain factors may cause the cost to exceed the amount quoted. See section below titled "Not Included in Estimate".

Not Included in Estimate:

There are a variety of factors that can influence the cost of a conversion and a variety of items that are not included in the standard cost estimate for your conversion. For example, your estimate will not include the following:

- Removal of data from your existing system
- Consulting on removal of data from your existing system
- Changes or modifications requested after the first conversion and different from the specifications we originally received.
- Changes in the format we receive the data in after the first conversion
- More than three conversions in UB or more that one conversion for Finance and Payroll

Cost Factors:

In addition, the following items can increase the cost of your conversion:
- Mixed formats of data (a file containing tab delimited or comma delimited format.
- Problems with data integrity
- Data manipulation not for the purpose of the conversion, but for the purpose of supplying you with information you did not previously have access to.
- Changes in the file format after the first conversion
- Changes requested to the data after the second conversion
- No file or incorrect file layouts (may also prevent conversion from occurring)

No cost of fees in excess of those set forth in the Schedule of Fees will be incurred by the Licensee without prior acceptance of Licensee as indicated on a signed work order

A.2.   FEE PAYMENT SCHEDULE.

Springbrook License Fees:	100% ($197,000) due at contract signing—See Discount 1

- Finance Suite
- Purchase Orders
- Payroll
- Human Resources
- Project/Grant Management
- Fixed Assets
- Accounts Receivable
- Central Cash Management
- Licenses and Misc. Permits
- Building Permits
- BP Interface with Handhelds
- Code Enforcement
- Vehicle Maintenance – See Discount 2
- Application Scheduler
- Document Attachment
- Integrated Report Archival

SQL Client Database Fees: 100% ($17,000) due at contract signing
20-user Client – (Customer must purchase SQL for server separately)

1st year SQL Client Maintenance: 100% ($4,250) due at contract signing
(1st year) – **See Discount 3**

Implementation Management: 50% ($14,200) due at contract signing;
50% ($14,200) due at project completion (customer achieves Live Status)

Consulting and Training: 50% ($18,600) due at start of training/consulting
(Does not include expenses;   50% ($18,600) due at completion of training
see A.3 and A.4 for details)   Does not include training on report building.

1st year Springbrook Maintenance: 100% ($35,500) Due 3 months following date of contract signing – **See Discount 4**
Note: Maintenance based on 25% for 1st year will apply on custom programming performed & maintained by Springbrook

Customer Enhancements: 50% ($) due when/if requested and approved
(If applicable)   50% ($) due upon completion of each Modification as detailed and invoiced on each work order
NOTE: Per agreement with Customer, Licensor will **not charge** Customer for Initial Enhancement (Programming/License Fee) costs or 1st year Maintenance on the following items:

1. Interface to Customer's existing document imaging system (API provided by vendor);

2. Basic reports required at time of contract signing by the Customer (as defined by report functionality available in the Customer's current software applications) that are outside those currently available within the Springbrook applications licensed in this Agreement (See NOTES below);

3. Additional functionality required by the city, outside the scope of feature/functions currently in the Springbrook applications licensed in this Agreement, as uncovered during the BPS (Business Process Study). (See NOTES below)

Data Conversion(s):

50% ($4,600) due at start of data conversion process
50% ($4,600) due upon completion of conversion
Files to be converted: See Page 10
- Chart of Accounts
- General Ledger History
- Accounts Payable – Master Files
- Payroll – Employee Master Data

(Conversions performed on a best effort basis – some clean up of inaccurate or inconsistent data from existing system may be required by the Licensee's staff. Please request pricing for any other files or applications to be converted.)

Sub-total (Due with Contracts):	$267,950	

Discount 1:	- 39,500	(Multiple Application Discount)
Discount 2:	- 10,000	(Vehicle Maintenance License Fee)
Discount 3:	- 4,250	(1st yr. maintenance on SQL Client)
Discount 4:	- 35,500	(1st yr. Springbrook maintenance)

Total Due at Contract Signing: **$178,700**

NOTES:

- (2) Customer will be required to provide Licensor with copies of the existing reports so that a comparison of functionality may be performed to determine which, if any, additional reports may be required. This item is limited to providing the same reporting functionality (through either existing similar reports or new reports) that the city's computer system provides now. Licensor makes no guarantee that reports will exactly duplicate Customer's existing reports in functionality or appearance but only that they will provide the same end results.

- (3) Licensor agrees to provide similar functionality to meet or exceed Customer's current standard statutory requirements and/or functionality existing in the same licensed products currently being replaced by Springbrook products at the time of the BPS. If, during the implementation process and ninety (90) days after Customer is using each application licensed in this Agreement, it is deemed by Customer and Licensor that there is missing functionality required to perform tasks that were required by the Customer as of the date of signing this Agreement, Licensor agrees to create Enhancements to that/those Licensed Product(s) in order to meet or exceed those standard Customer requirements. Maintenance on Custom Enhancements (those changes to the products that are site specific to Customer and have not yet been incorporated into a general release for all Customers) will be charged after year one. Please see explanation of maintenance charges on following page.

A.3.   EXPLANATION OF FEE SCHEDULE ITEMS FOR SERVICES

A.3.1   Software Maintenance.

Maintenance and support of the Software is not provided under this Software License Agreement, but under a separate Software Maintenance Agreement between Licensor and Licensee. In the event of a conflict between this "Explanation" of software maintenance and the Software Maintenance Agreement, the Software Maintenance Agreement shall prevail. First year maintenance is based on 20% of the then current retail value of the application software and 25% of the then current retail value of the database manager and optional report builder. Maintenance on the Springbrook applications is provided by Springbrook Software and includes telephone and modem support, as well as enhancements to the version purchased. Maintenance on the database manager is provided by Springbrook software and includes telephone and modem support, as well as updates to the database as provided by Progress. Maintenance on the Progress Report Builder includes updates as provided by Progress, as well as telephone and modem support from Springbrook for standard reports written by Springbrook and included as part of the standard releases. Maintenance on Customer Enhancements is based on 25% of the original amount of each Enhancement.

A.3.2   Implementation Management.

Implementation Management Services. Implementation Management Services are vital to a successful implementation, and are considered consulting rather than training. An IM Specialist is assigned to manage your implementation, managing your workload, checklists, task lists and keeping you apprised of the status of your project. This involves on-going telephone and conference calls as well as written documentation. Implementation planning is generally conducted prior to signing contracts. The cost of this line item in your quote may go up or down after the BPS (see below) depending on the complexity of your implementation (will you be using the system(s) as they are provided, will you be implementing all the features contained in the application(s), will modifications be required, etc. – note: these conditions may also affect the training estimate listed in this quote).

Business Process Study (BPS). Every Agency is unique in the way it conducts business. In Utility Billing, rates are different, the frequency in which routes are billed is different, the way past dues are issued and how late fees are calculated is different. In addition, other factors need to be considered, such as what, if any, interfaces need to be written to connect Springbrook to vendors' applications and what type, size, and complexity will the forms be that you present to your clients, including billing statements, past due statements, door hanger, etc. These types of conditions are also true for the financial and payroll applications. We consult with your staff on the best way to build your chart of accounts to fit your organization's reporting requirements. We assist you in defining all of the set ups required for payroll and accounts payable. In summary, we help you maximize the benefits while minimizing any misunderstandings about the

functionality or implementation of your new software. This billable service is included in implementation management services. Following your BPS you will receive a written document outlining our findings for your review and approval. You will receive a firm price on the implementation management services, the cost for formatting bills, past due statements, doing a data conversion, any requested programming modifications, and/or all other potential costs relevant to this project. We can also verify whether the training estimate provided with this quote is appropriate for your organization. Any associated costs uncovered during this session will be bid and presented for your prior approval.

A.3.3   Consulting and Training Services.

The amounts listed in this quote include travel time and expenses to implement those products licensed under this Agreement. Variables that could cause the need for *additional* training include, without limitation: employees at your organization that are unfamiliar with their job responsibilities; users who are unfamiliar with Windows; multiple users who need to be trained at separate times and/or locations; or turnover in application software personnel during the implementation period. Training fees will be payable by Licensee whether or not application software personnel are made available for training, and failure to complete required training could result in increased Maintenance Fees. Licensee shall provide users of the Software with Springbrook certified Software training; a System Malfunction caused by an untrained user shall not be the responsibility of the Licensor.

A.3.4   Modifications.

Modifications are made on a bid basis, based on Springbrook's current Service Fee schedule. All Modifications and custom programming will be made pursuant to Work Orders approved in advance by you. In order to keep the implementation schedule on track, no modifications other than those outlined during the BPS process will be made to the Software until the base system is installed and all associated Fees have been paid, unless those modifications are essential to your ability to go live on the application(s). No fees for software modifications shall be performed or billed to you until Springbrook has received a signed bid for such modifications.

A.3.6   System and Communication Requirements.

Operating Environment. ***Client-Server Option:*** Microsoft Windows NT Server 4.0 with Service Pack 6a, Windows 2000 Server with Service Pack 2 or later, Windows 2003 Server, or Linux. A single user version will run on Microsoft Windows NT Workstation 4.0 with Service Pack 6a, Windows 2000 Professional with Service Pack 2, or Windows XP Professional.

Telephone/Modem Support. - Springbrook shall maintain a telephone and modem support line, or DSL Internet connection, or T1 connection to the Internet that permits Customer to receive assistance. Customer agrees to provide and maintain a means for Springbrook Software to remotely access and maintain the Springbrook Software

applications on Customer's server. This requires both a means of connecting to Customer's server, and software for enabling virtual desktop access to the server. The current list of supported means of this access is: a 56kilobyte per second modem with a dedicated modem line, or an Internet connection of at least 128 kilobytes per second access speed and a dedicated IP address. The current list of supported software for enabling virtual desktop access to the server is: Symantec PCAnywhere, GoToMyPC, Microsoft Terminal Services, and Citrix Metaframe. Customer agrees to provide and maintain an Internet connection of 128Kb, or faster, for accessing Springbrook Software updates and information from the Springbrook Software web site.

A.3.7 Additional Services.

Additional services requested but not covered in this license agreement will be billed at our standard rates.

A.5. AFFIRMATION OF BUDGET AUTHORITY

The majority of Springbrook Software Clients must have proper budget authority to make a major purchase, such as new software. It is important to remember that if your implementation project crosses budget years, it is your responsibility to ensure you have re-appropriated any remaining contract funds in the next budget year and have proper budget authority to complete the project. Springbrook Software can help you determine what remaining contract funds need to be re-appropriated, if this situation arises

By my signature below, I confirm that I have read, understand and agree to this Attachment A, Schedule of Fees: