



**STANDARD SOFTWARE LICENSE AND SERVICES AGREEMENT**

**April 26, 2011**

This *Standard Software License and Services Agreement* which includes the attached Exhibits (“this **Agreement**”) is between **New World Systems® Corporation** (“**New World**”), a Michigan Corporation and the **Village of Lombard, Illinois**, (“**Village**”) collectively the “Parties” individually a “Party”. This **Agreement** sets forth the terms and conditions under which **New World** will furnish the Licensed Products and will provide certain services described herein to **Village**.

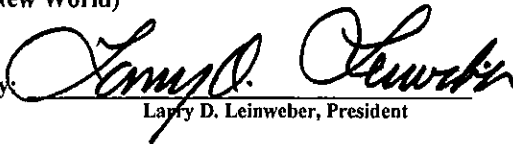
The attached Exhibits include:

- Exhibit AA..... TOTAL COST SUMMARY AND PAYMENT SCHEDULE**
- Exhibit A ..... LICENSED STANDARD SOFTWARE AND FEES**
- Exhibit B..... PROJECT MANAGEMENT, IMPLEMENTATION AND TRAINING SUPPORT SERVICES**
- Exhibit C ..... STANDARD SOFTWARE MAINTENANCE AGREEMENT (SSMA)**
- Exhibit D ..... NON-DISCLOSURE AND SECURITY AGREEMENT FOR THIRD PARTIES**
- Exhibit E..... DEMONSTRATION SITE DISCOUNT**
- Exhibit F..... DATA FILE CONVERSION ASSISTANCE**
- Exhibit G ..... VILLAGE REQUESTED STANDARD SOFTWARE ENHANCEMENTS / MODIFICATIONS AND / OR CUSTOM SOFTWARE**
- Exhibit H ..... BUDGET ESTABLISHED FOR VILLAGE REQUESTED STANDARD SOFTWARE ENHANCEMENTS / MODIFICATIONS AND / OR CUSTOM SOFTWARE**
- Exhibit I..... DEVELOPMENT SOFTWARE**
- Exhibit J ..... INCORPORATION BY REFERENCE OF NEW WORLD’S RESPONSE TO VILLAGE’S RFQ SOFTWARE SPECIFICATIONS**
- Exhibit K ..... ACCEPTANCE TESTING**
- Appendix 1 ..... REQUEST FOR QUALIFICATIONS – ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM SENT SEPTEMBER 13, 2010**
- Appendix 2 ..... NEW WORLD’S RESPONSE TO REQUEST FOR QUALIFICATIONS – ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM DATED OCTOBER 1, 2010**


By signing below, each of us agrees to the terms and conditions of this Agreement together with the attached Exhibits. This Agreement contains the complete and exclusive statement of the agreement between us relating to the matters referenced herein and replaces any prior oral or written representations or communications between us. Each individual signing below represents that (s)he has the requisite authority to execute this Agreement on behalf of the organization for which (s)he represents and that all the necessary formalities have been met.

ACKNOWLEDGED AND AGREED TO BY:

NEW WORLD SYSTEMS® CORPORATION  
(New World)

By:   
Larry D. Leinweber, President

VILLAGE OF LOMBARD, ILLINOIS  
(Village)

By:  VILLAGE RESIDENT  
Authorized Signature Title

By: N/A  
Authorized Signature Title

Date: 05-02-11

Date: 5/5/11

The "Effective Date" of this Agreement is the latter of the two dates in the above signature block.

## **I. DEFINITIONS**

The following terms as defined below are used throughout this **Agreement**:

1. **"Acceptance"**:  
Acceptance of each application or module of Licensed Software in the manner described in Exhibit K "Acceptance Testing."
2. **"Authorized Copies"**:  
Except as provided in Section II, subparagraph 1.3, the only authorized copies of the Licensed Software and Licensed Documentation are the copies of each application software package defined in this Paragraph. They are:
  - (i) the single copy of the Licensed Software and the related Licensed Documentation delivered by **New World** under this Agreement; and
  - (ii) any additional copies made by **Village** as authorized in Section II, subparagraph 1.2.
3. **"An Authorized User/Workstation"**:  
Subject to the number of users specified in Exhibit A, any PC workstation that is connected to access the Licensed Software resident on Computer and that may be logged on to access the programs, interfaces, data, or files created and/or maintained by the Licensed Software.
4. **"Computer"**:  
The .NET Server(s) to be located at:  
*Village of Lombard  
255 E. Wilson Avenue  
Lombard, IL 60148*  
**Village** shall identify in writing the serial number of the Computer within ten (10) days of receipt of the Computer or within ten (10) days of the Effective Date, whichever is later. If the Computer is to be relocated, **Village** shall notify **New World** of the new location in writing prior to the relocation.
5. **"Confidential Information"**:  
Information disclosed or obtained by one Party in connection with, and during the term of, this **Agreement** and designated as "Confidential" by the party claiming confidentiality at the time of disclosure. Confidential Information does not include any information which was previously known to the other party without obligation of confidence or without breach of this **Agreement**, is publicly disclosed either prior or subsequent to the other party's receipt of such information, or is rightfully received by the other party from a third party without obligation of confidence. Confidential Information includes all **Village** data migration information, as well as technical systems architecture, design and other related information.
6. **"Day"**:  
One day in time including weekdays, weekends and holidays, not simply a business day. Any reference to days in this **Agreement** shall be calendar days.
7. **"Delivery of Licensed Standard Software"**:  
Licensed Standard Software will be delivered in a machine readable form to **Village** via an agreed upon network connection, or on appropriate media if requested, as soon as the software is available after the Effective Date.
8. **"Development Software"**:  
Standard application software currently under development by **New World** which, if applicable, will be completed and delivered to **Village** as Licensed Standard Software when available.
8. **"Go-Live"**:  
The point at which a software system, module or update/upgrade is implemented into active and live operating mode.
9. **"Hourly Rate"**:  
As described in this **Agreement**, **New World** shall provide services to **Village** at the rate of \$150/hour. The hourly rate is protected for 12 months after the Effective Date, at which time the hourly rate shall be the then-current **New World** hourly rate which shall not be more than 3% higher than the prior rate. In no event should the increase occur more than once in a 12-month period.
10. **"Installation of Licensed Standard Software"**:  
Installation of the Licensed Standard Software shall be deemed to occur, for all billings or other events described herein, upon the earlier of:
  - (a) the transfer or loading of the Licensed Standard Software onto a **Village** server or computer, or
  - (b) thirty (30) days after delivery of the Licensed Standard Software.
11. **"Licensed Custom Software"**:  
Any software (programs or portions of programs) developed by **New World** specifically for **Village's** own use.
12. **"Licensed Documentation"**:  
**New World** User Manuals which includes the current specifications for the Licensed Standard Software and other written instructions relating to the Licensed Software (such as Product Bulletins, installation instructions, and training materials).
13. **"Licensed Products"**:  
The Licensed Software, the related Licensed Documentation, and the Authorized Copies of the foregoing.
14. **"Licensed Software"**:  
The Licensed Standard Software, Development Software, Upgrades, and Licensed Custom Software provided under this **Agreement**.
15. **"Licensed Standard Software"**:  
The current version of **New World** standard and development application software package(s) (in machine readable code) listed in Exhibit A.
16. **"Response to RFQ"**:  
**New World's** Response to "RFQ for Enterprise Resource Planning (ERP) System" dated October 1, 2010.
17. **"RFQ"**:  
**Village's** "Request for Qualifications (RFQ) – Enterprise Resource Planning (ERP) System" sent September 13, 2010.
18. **"SSMA"**:  
The **New World** Standard Software Maintenance Agreement as set forth in Exhibit C.

19. **"Travel Expenses":**  
All actual and reasonable travel expenses incurred by **New World** for trips relating to this project, including but not limited to, airfare, rental car, lodging, mileage, parking/tolls, and daily per diem expenses of no more than \$49.75 per person.
20. **"Travel Time":**  
Actual **New World** employee travel time billed at the Hourly Rate up to, but not exceeding, four (4) hours per each trip relating to this project.
21. **"Upgrades":**  
Any enhanced and/or improved versions of the Licensed Standard Software provided as Licensed Standard Software under Exhibit C of this Agreement and released after the execution of this Agreement.
22. **"Village Liaison":**  
A **Village** employee assigned to act as liaison between **Village** and **New World** for the duration of this Agreement. Within ten (10) days of the Effective Date, **Village** shall notify **New World** of the name of the Village Liaison.

## **II. GENERAL TERMS AND CONDITIONS**

### **1.0 SINGLE USE LICENSE**

- 1.1 **New World** grants **Village** a nontransferable, nonexclusive, and non-assignable license to use the Licensed Software only on the Computer and only for its internal processing needs. **Village** shall have the right and license to use, enhance, or modify the Licensed Software only for **Village's** own use and only on the Computer and only on an authorized workstation. **New World** will deliver to **Village** one copy of each application of the Licensed Software (in machine readable form compatible with the specified operating environment) and one copy of the related Licensed Documentation. If **Village** fails to pay all license fees specified in Exhibit A and the applicable custom software fees, if any, **Village** shall forfeit the right and license to use the Licensed Products and shall return them to **New World**.
- 1.2 In order to assist **Village** in the event of an emergency, **Village** is permitted to make up to two (2) back-up copies on magnetic media of each application of the Licensed Software and one back-up copy of the related Licensed Documentation. These Authorized Copies may be stored as defined above so long as they are kept in a location secure from unauthorized use. **Village** or anyone obtaining access through **Village** shall not copy, distribute, disseminate, or otherwise disclose to any third party the Licensed Products or copies thereof in whole or in part, in any form or media. This restriction on making and distributing the Licensed Products or copies of any Licensed Product, includes without limitation, copies of the following:
  - (i) Program libraries, either source or object code;
  - (ii) Operating control language;
  - (iii) Test data, sample files, or file layouts;
  - (iv) Program listings; and
  - (v) Licensed Documentation.
- 1.3 Upon written request by **Village**, and with written permission by **New World**, which permission shall not be unreasonably withheld, additional Authorized Copies may be made for **Village's** internal use only.

### **2.0 OWNERSHIP**

- 2.1 The Licensed Products and all copyright, trade secrets and other proprietary rights, title and interest therein, remain the sole property of **New World** or its licensors, and **Village** shall obtain no right, title or interest in the Licensed Products by virtue of this Agreement other than the nonexclusive, nontransferable, non-assignable license to use the Licensed Products as restricted herein.
- 2.2 The license to use any Licensed Custom Software provided under this Agreement, if any, is included in this license. **New World** shall have the right to use any data processing ideas, techniques, concepts, and/or know-how acquired by it in the performance of services under this Agreement including the development of Licensed Custom Software for the advancement of its own technical expertise and the performance of other Software License and Service Agreements or any other applicable agreements. **New World** shall have, without restriction, the right to use all programs, procedures, information, and techniques that are publicly available, obtained or obtainable from third parties and/or developed independently by **New World** without specific reference to **Village's** organization.

3.0 *CORRECTION AND SOFTWARE MAINTENANCE ON STANDARD SOFTWARE*

3.1 **New World** provides software correction service and maintenance for the Licensed Standard Software during the term of **Village's** SSMA. See Exhibit C for a description of the SSMA start date and term, the services available and the applicable fees and procedures.

4.0 *WARRANTIES*

4.1 **New World** warrants, for **Village's** benefit only, that the Licensed Standard Software will perform as specified in its user manuals based on the then-current release of the Licensed Standard Software.

4.2 **New World** warrants, for **Village's** benefit only, that it possesses the necessary intellectual rights to license to **Village** the Licensed Standard Software provided hereunder.

4.3 **New World** warrants, for **Village's** benefit only, that the Licensed Software will provide the capabilities described in the Response to the RFQ as described in Exhibit J.

The foregoing warranties do not apply if the Licensed Product(s) have been modified by any party other than **New World**. **New World** does not warrant that the features or functions of the Licensed Software will meet **Village's** requirements or in any combination or use **Village** selects. EXCEPT AS SPECIFICALLY PROVIDED IN THIS PARAGRAPH 4.0, AND ITS SUBSECTIONS, **NEW WORLD** EXPRESSLY DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE LICENSED PRODUCTS, INCLUDING BUT NOT LIMITED TO, THE LICENSED PRODUCTS' CONDITION, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE.

5.0 *INSTALLATION AND TRAINING SUPPORT SERVICES*

5.1 As provided for in Exhibit B and concurrent with timely payments, **New World** shall make available to **Village** qualified representative(s) who will provide installation and training support services for each application of the Licensed Software delivered. See Exhibit B for a description of the services provided and the applicable fees and procedures.

5.2 All shipping and insurance costs to and from the site shall be included in the **Agreement** costs set forth in Exhibit AA. All payments to shipping agents and for insurance fees shall be made directly by **New World**. **Village** shall make no payments concerning the shipment, installation, and delivery of equipment / software which is not a part of this **Agreement** and for which exact payments are not described. **New World** shall be responsible for all arrangements for the shipment and receipt of equipment / software to **Village's** prepared site.

6.0 *VILLAGE LIAISON AND VILLAGE RESPONSIBILITIES*

The successful implementation of the Licensed Products into **Village's** environment requires **Village's** commitment to and cooperation in the implementation process. Accordingly, **Village** hereby agrees to the following:

6.1 **Village** understands that the Licensed Software is designed to run in a specified operating environment which includes hardware, software and related equipment not provided by **New World**. **Village** is responsible for assuring that the appropriate hardware equipment, related components and all cabling are installed timely and are suitable for the successful installation of the Licensed Software.

6.2 **Village** agrees to provide the management interface and support necessary to successfully complete the implementation of the Licensed Software. This support includes upper level management priority setting and timely involvement during and after a change in **Village's** organization, **Village's** operations and/or after changes in **Village's** internal policies or procedures which directly affect the software implementation.

6.3 **Village** shall assign an upper level employee to serve as the **Village** Liaison for the duration of the Licensed Software implementation. If **Village** must replace the **Village** Liaison for reasons beyond its control, **Village** will assign a new **Village** Liaison as soon as reasonably possible. **New World** is not responsible for any delay caused directly or indirectly by the reassignment of the **Village** Liaison. In addition to other duties and responsibilities, the **Village** Liaison shall:

- (i) provide timely answers to **New World's** requests for information;
- (ii) coordinate a mutually agreeable implementation and training schedule;
- (iii) have authority to sign for and obligate **Village** to any matters relating to service requests, design documents, performance test documents and/or delivery and service dates;
- (iv) in situations where **Village** participation is required, provide timely input for systems definition, detail design, and use of the software system.

- 6.4 **Village** is responsible for creating and maintaining its master files, tables and the like which includes accurate data entry, accurate file editing and overall file control to assure successful systems performance.
- 6.5 **Village** shall provide qualified personnel with sufficient backup to be trained to use the Licensed Software and to interpret the output. Applying the output information in **Village's** environment is **Village's** sole responsibility.
- 6.6 In the event that the **Village** believes that the **New World** personnel provided are not qualified, **Village** shall inform the **New World** Professional Services Manager and/or the **New World** Vice President of Operations in writing (or via email) and include some reason for its dissatisfaction. Possible remedies are replacement of the **New World** person providing the service and/or supplementing the person providing the training with another trainer. If a supplemental person is added by **New World**, **Village** shall only pay for one person unless otherwise agreed upon by the Parties.

**7.0 BILLING AND ADDITIONAL AUTHORIZED WORKSTATION CHARGES**

- 7.1 The attached Exhibits set forth the manner in which fees and payments shall be allocated and made under this **Agreement**. Past due amounts are subject to the Illinois Governmental Prompt Payment Act. To the extent **Village** imposes additional requirements on **New World** for services other than those expressly provided in this **Agreement**, **New World** retains the right to make additional price adjustments and/or any other adjustments that may be necessitated. Before performing these additional services, **New World** will notify **Village** that the services are subject to additional charge(s) and will not proceed until receiving written approval from **Village** Liaison.
- 7.2 If **Village** wishes to add additional authorized workstations or Licensed Standard Software, **Village** agrees to pay the additional License fees at the then current software prices in effect. SSMA fees shall be increased according to the additional Licensed Standard Software fees on the next annual billing date after the additional workstations and/or Licensed Standard software is added, or as specified in the future contract. With said payments, the license provided in Section II, Paragraph 1.0 permits **Village's** use of the Licensed Software for the specified workstations.
- 7.3 **Village** shall notify **New World** if additional authorized workstations need to be added to access the Licensed Software and will pay the additional authorized workstation fees according to the Illinois Governmental Prompt Payment Act.
- 7.4 **Village** shall notify **New World** of any disputed invoices within fifteen (15) days of receipt of invoice. The parties agree to use their best efforts in resolving any disputed invoices.

**8.0 NON-RECRUITMENT OF PERSONNEL**

- 8.1 During, and for a period of twenty-four (24) months after the expiration of, the Standard Software Maintenance Agreement and/or any renewal maintenance agreement, each party agrees not to solicit or hire current or former employees of the other without the other's prior written consent.

**9.0 CONFIDENTIAL INFORMATION / NON-DISCLOSURE AGREEMENT**

- 9.1 Subject to the requirements of the Freedom of Information Act (FOIA) and/or other comparable applicable state law, each Party shall hold all Confidential Information in trust and confidence for the Party claiming confidentiality and not use such Confidential Information absent express written consent by the Party claiming confidentiality. The other Party agrees not to disclose any such Confidential Information, by publication or otherwise, to any other person or organization. **Village** agrees to timely notify **New World** of any request(s) made for disclosure of confidential information.
- 9.2 **Village** hereby acknowledges and agrees that all Licensed Products are Confidential Information and proprietary to **New World**. In addition to the other restrictions set forth elsewhere in this **Agreement** or otherwise agreed to in writing, **Village** agrees to implement all reasonable measures to safeguard **New World's** proprietary rights in the Licensed Products, including without limitation the following measures:
  - (i) **Village** shall only permit access to the Licensed Products to those employees who require access and only to the extent necessary to perform **Village's** internal processing needs.
  - (ii) With respect to agents or third parties, **Village** shall permit access to the Licensed Products only after **New World** has received, approved and returned a fully executed Non-Disclosure Agreement to **Village** (see Exhibit D). **New World** reserves the right to reasonably refuse access to a third party after it has evaluated the request. **Village** agrees to

- provide information reasonably requested by **New World** to assist **New World** in evaluating **Village's** request to permit third party access to the Licensed Products;
- (iii) **Village** shall cooperate with **New World** in the enforcement of the conditions set forth in the attached Non-Disclosure Agreement or any other reasonable restrictions **New World** may specify in writing in order to permit access;
  - (iv) **Village** shall not permit removal of copyright or confidentiality labels or notifications from its proprietary materials; and
  - (v) **Village** shall not attempt to disassemble, decompile or reverse engineer the Licensed Software.
- 9.3 Both Parties agree that in addition to any other remedies that may be available at law, equity or otherwise, either Party shall be entitled to seek and obtain a temporary restraining order, injunctive relief, or other equitable relief against the continuance of a breach or threatened breach of this paragraph 9.0 on Confidentiality and Non-Disclosure without the requirement of posting a bond or proof of injury as a condition for the relief sought.
- 9.4 **New World** agrees to use its best efforts to cooperate and assist **Village** in the event **Village** is required to defend any refusal by **Village** to disclose Confidential Information pursuant to public records laws.
- 9.5 It shall not be a breach of this **Agreement** if **Village** is required to disclose or make the Licensed Products or any other Confidential Information available to a third party or to a court if required to be disclosed pursuant to the Illinois Freedom of Information, or is subpoenaed or otherwise ordered by an administrative agency or court of competent jurisdiction to be produced

#### 10.0 *LIMITATION OF LIABILITY AND RECOVERABLE DAMAGES*

With the exception of claims brought pursuant to Section 16, **New World's** entire liability and **Village's** exclusive remedies are set forth below:

- 10.1 For any claim relating to the non-conformance or imperfection of any licensed software provided under this **Agreement**, **New World** will correct the defect so that it conforms to the warranties set forth in Section 4.0; or if after repeated attempts to correct the non-conformity, **New World** is unable to correct the non-conformity, then **Village** may recover its actual damages subject to the limits set forth in subparagraph 10.2 below. For any other claim arising under or in connection with this **Agreement**, **Village** may recover its actual damages subject to the limits set forth in subparagraph 10.2 below.
- 10.2 **New World's** total liability to **Village** for all claims relating to the Licensed Products and this **Agreement**, including any action based upon contract, tort, strict liability, or other legal theory, shall be limited to **Village's** actual damages and in no event shall **New World's** liability exceed two times the Exhibit A Licensed Standard Software fees paid to **New World**.
- 10.3 **New World** shall not be liable for any punitive and/or exemplary damages arising from or related to a breach of this **Agreement** or any order or the operation or use of the Licensed Products.
- 10.4 If it is determined that a limitation of liability or a remedy contained herein fails of its essential purpose, then the parties agree that the exclusion of punitive, and/or exemplary damages is still effective.

#### 11.0 *INTEGRATION WITH U.S. COPYRIGHT ACT*

11.1 In addition to all other provisions provided under this **Agreement**, both Parties agree to be bound by and to comply with any and all provisions of the U.S. Copyright Act (*The Copyright Act of 1976, U.S.C. Sections 101-810 (1976) as amended*). If a provision of the U.S. Copyright Act and this **Agreement** conflict, the more restrictive of the two applies. If it cannot be determined which is the more restrictive, then the provision within this **Agreement** shall apply.

#### 12.0 *INDEPENDENT CONTRACTOR*

- 12.1 **New World** is an independent contractor. The personnel of one Party shall not in any way be considered agents or employees of the other. To the extent provided for by law, each Party shall be responsible for the acts of its own employees.
- 12.2 Each Party shall be responsible for Workers' Compensation coverage for its own personnel.

### 13.0 INSURANCE REQUIREMENTS

**New World** shall not commence work under this **Agreement** until it has obtained the insurance required under this paragraph.

- 13.1 **Workers' Compensation Insurance:** **New World** shall procure and maintain Workers' Compensation Insurance for all of its employees who engage in the work to be performed.
- 13.2 **Liability and Property Insurance – Commercial General Liability Form:** **New World** shall procure and maintain Liability and Property Damage Insurance in an amount not less than \$1,000,000 on account for each accident; and in an amount not less than \$1,000,000 for each accident for damage to property.
- 13.3 **Automobile Liability Insurance:** **New World** shall procure and maintain Owned, Hired and Non-Ownership Motor Vehicle Bodily Injury and Property Damage Insurance in an amount not less than \$1,000,000 for injuries, including accidental death, to each person; and, subject to the same limit for each person, in an amount not less than \$1,000,000 for each accident; and in an amount not less than \$1,000,000 on account for each accident for damage to property.
- 13.4 **Umbrella Policy:** **New World** shall provide satisfactory evidence of insurance coverage of an Umbrella Coverage policy of \$3,000,000.
- 13.5 **New World** shall furnish to **Village** a copy of the insurance policies required herein and all subsequent changes or updates. Said policies shall include an endorsement or statement waiving the right of cancellation or reduction in coverage unless thirty (30) days prior written notice is given to the **Village** by registered or certified mail. **New World** shall maintain such coverages for at least six (6) months after the termination of the **Agreement**. Nothing contained in these insurance requirements shall be construed as limiting the extent of **New World's** responsibility for payment of damages or claims resulting from its performance under this **Agreement**.
- 13.6 **Other Requirements:** Evidence of insurance coverage, required herein, is to be provided to **Village** in ACORD Certificate Form 25 or 25-S and must indicate:
- (i) The Commercial General Liability insurance policy includes coverage for items specified in this Section.
  - (ii) A Best's rating for each insurance carrier at B+VII or better.
  - (iii) That the insurance company will provide 30 days written notice of cancellation to the certificate holder and phrases, such as "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall not apply and shall be removed.
  - (iv) That "**Village** of Lombard, IL" is a primary additional insured and loss payee on the Commercial General Liability policy.
- 13.7 **Professional Liability Insurance:** For thirty (30) days from Effective Date, **Village** has the option to direct **New World** to procure professional liability (E&O) insurance on its behalf. Should **Village** elect this coverage, it shall notify **New World** in writing prior to the expiration of the thirty (30) day option. The cost for all premiums for said coverage shall be borne by **Village**.

### 14.0 DISPUTE RESOLUTION PROCEDURE

- 14.1 Any dispute or controversy arising out of or relating to this **Agreement**, or breach thereof, shall be settled by the following procedure.

Level 1: Before entering into Level 2 or Level 3 of this Dispute Resolution Procedure (DRP), the **Village** shall enter into a series of management meetings for the purpose of resolving the dispute or controversy through normal business management practices. The series of meetings, consisting of not less than three face-to-face meetings, must be held between upper-level managers of both the **Village** and **New World**. Both Parties agree to put forth their best efforts in these meetings. The first meeting shall be held at the **Village's** offices and subsequent meetings will alternate between **New World** and the **Village's** offices. The Level 1 period shall begin when one Party gives notice to the other by certified mail that it is entering into this Level 1 procedure to resolve the dispute. Level 1 shall be completed within thirty (30) days of commencement unless otherwise agreed to by the Parties.



Level 2: Only after the Parties have completed Level 1 of the DRP without resolving the dispute or controversy and before entering into Level 3 of the DRP, the **Village** and **New World** shall enter into a mediation process. Each Party shall bear its own costs in preparing for and conducting mediation, except that the joint costs, if any, of the actual mediation proceeding shall be shared equally by the Parties. The mediation process is defined as follows:

*The Parties shall select a mutually agreeable mediator from the American Arbitration Association lists or any other agreeable list to aid the Parties in resolving the dispute or controversy. The mediator shall not be an employee or former employee of either Party. The first meeting shall be held at a location chosen by the Village. At the meetings, each Party may present materials and/or arguments to the mediator. The mediator's decision shall not be binding upon either Party.*

Level 2 shall be completed within thirty (30) days of commencement unless otherwise agreed to by the Parties.

Level 3: Only after the completion of both Levels 1 and 2 above without a satisfactory resolution of the dispute or controversy, either Party may bring suit in the United States District Court for the Northern District of Illinois, so long as subject matter jurisdiction is met, otherwise in the Circuit Court of DuPage County, Illinois. In the event that a Party initiates a Level 3 action, the Parties hereby unconditionally waive their respective rights to a jury trial. Each Party shall bear the cost of their own legal expenses if Level 3 is used

#### 15.0 TERMINATION

15.1 **By Village:** If **New World** fails to provide the Licensed Software as warranted in accordance with the terms of this **Agreement**, **Village** may at its option terminate this **Agreement** with ninety (90) days written notice as follows:

- (i) The termination notice shall provide a detailed description (with examples) of any warranty defects claimed;
- (ii) **New World** shall have sixty (60) days from receipt of said notice to correct any warranty defects in order to satisfy the terms of this **Agreement**;
- (iii) During the sixty (60) day cure period, **Village** shall apply sound management practices and use its best efforts to resolve any issues or obstacles – including cooperating with **New World** and reassigning personnel if necessary to improve the working relationship;
- (iv) At the end of sixty (60) days unless the termination has been revoked in writing by **Village**, the **Agreement** terminates.

15.2 **By New World:** If **Village** fails to make payments to **New World** in accordance with the terms of the **Agreement**, or if **Village** fails to fulfill its responsibilities under this **Agreement**, including but not limited to those outlined in Section II, Paragraph 6.0, then **New World** may at its option terminate this **Agreement** with written notice as follows:

- (i) The termination notice shall define the reason for termination;
- (ii) If the cited reason for termination is **Village's** failure to make payment in accordance with the terms of this **Agreement**, **Village** shall have thirty (30) days from receipt of said notice to make payment in full for all outstanding, undisputed invoiced payments due;
- (iii) If the cited reason for termination is **Village's** failure to fulfill its responsibilities, **Village** shall have ninety (90) days from receipt of said notice to correct any actual deficiencies in order to satisfy the terms of this **Agreement**;
- (iv) During the applicable cure period, **New World** will use sound management practices and its best efforts to resolve any issues or obstacles – including the reassignment of personnel if necessary to improve the working relationship;
- (v) At the end of the applicable cure period, unless the termination has been revoked in writing by **New World**, the **Agreement** terminates.

15.3 In the event of termination by either Party, **New World** shall continue to provide its services, as previously scheduled, through the termination date and the **Village** shall continue to pay all fees and charges incurred through the termination date as provided in the attached Exhibits.

15.4 Upon termination under subparagraph 15.1, **Village** shall return to **New World** all Licensed Products, including any copies provided to or created by **Village** under this **Agreement**.

- 15.5 Nothing in this paragraph on termination is intended to infer that either Party has or does not have a claim for damages.
- 15.6 The Terms and Conditions relating to ownership (2.0), warranties (4.0), non-recruitment of personnel (8.0), confidentiality and non-disclosure (9.0), limitation of liability and recoverable damages (10.0), Copyright Act, (11.0) dispute resolution (14.0), indemnity (16.0) and the General provisions (18.0) shall survive termination.

#### 16.0 INDEMNIFICATION

- 16.1 **New World** agrees to indemnify and save the **Village** harmless from and against any and all losses, claims, damages (including loss of use), demands, judgments, suits, costs, and expenses resulting from any alleged infringement of any patent, trademark or copyright arising from claims of violation of state and United States patents, trademarks or copyrights resulting from **New World's** or the **Village's** use of any equipment, technology, documentation, and/or data developed in connection with the services and products described in this **Agreement**, provided that **Village** has notified **New World** in writing of such allegation within sixty (60) days of the date upon which the **Village** first receives notice thereof. **New World's** obligation to indemnify and save **Village** harmless under this paragraph is void if the claim of infringement arises out of or in connection with any modification made by **Village** to the Licensed Standard Software or any use of the Licensed Standard Software not specifically authorized in writing by **New World**.

**New World**, at its own expense, shall completely and entirely defend the **Village** from such claims or suits brought against **Village**. The **Village** will also assist **New World**, in all reasonable ways, in the preparation of information helpful to **New World** in defending the **Village** against this suit.

In the event that the **Village** is required to pay monies in defending such claims, resulting from the **New World** being uncooperative or unsuccessful in representing the **Village's** interest, or in the event that **Village** is ordered to pay damages as a result of a judgment arising out of an infringement of patents, trademarks and/or copyrights, **New World** agrees to fully reimburse the **Village** for all monies expended in connection with these matters.

- 16.2 **New World** agrees to provide indemnification for the acts of its employees, but not indemnification for its Licensed Products, except as the Licensed Products are indemnified under the provisions of Paragraph 16.0.

**New World** assumes the liability for all losses, claims, damages (including loss of use), expense demands, claims, damages and judgments in connection with or arising out of any injury or damage to property, sustained in connection with, or to have arisen out of the performance of, **New World**, and **New World's** agents, subcontractors, servants and employees, including losses, expenses or damages sustained by the **Village** and losses, expenses or damages to **New World** or **New World's** subcontractor's vehicles or property. **New World** hereby undertakes and agrees to indemnify, defend and hold harmless the **Village**, individually or collectively, and the officers, agents, servants and employees of the **Village**, from any and all such losses expenses, damages (including loss of use, judgments, demands and claims), and shall defend any suit or action brought against them, or any of them, based on any alleged injury (including death) or damage (including loss of use) and shall pay all damages, judgments, costs and expenses, including attorney's fees, in connection with said damages and claims resulting therefrom. The foregoing assumption, indemnification, hold harmless and undertaking of defense shall not apply to any loss, damage, expenses, demand, claim or cause of action arising out of, or caused by the sole negligence of the **Village**, individually or collectively, or the officers, agents or employees of said **Village**.

#### 17.0 NOTICES

- 17.1 Notices to **Village** shall be deemed effective when received by Registered or Certified U.S. Mail, prepaid, to the **Village**:

**Village of Lombard**  
**Attention: Village Manager**  
255 East Wilson Avenue  
Lombard, Illinois 60148-3931

- 17.2 Notices to **New World** shall be deemed effective when received by Registered or Certified U.S. Mail, prepaid, to the following address (or to any other address so specified by **New World**):
- New World Systems Corporation  
888 West Big Beaver,  
Suite 600 Troy, Michigan 48084  
Attention: President

18.0 *GENERAL*

- 18.1 This **Agreement** is the entire agreement between the Parties superseding all other communications, written or oral, between the Parties relating to the subject matter of this **Agreement**.
- a The **Agreement** may be modified or extended in accordance with the following procedures. In the event that all Parties to the **Agreement** agree that such changes would be of a minor and non-material nature, such changes may be effected by a written statement that describes the situation and is signed, prior to the effectiveness, by all Parties. In the event that the changes are determined by either or all Parties to the **Agreement** to be of a major or complex nature, then the change shall be by formal amendment of the **Agreement** signed by the Parties and made a permanent part of the **Agreement**.
- b Under no circumstances, however, shall any Parties to the **Agreement** forfeit or cancel any right presented in the **Agreement** by delaying or failing to exercise the right or by not immediately and promptly notifying the other Party in the event of a default. The payment of funds to **New World** by **Village** should in no way be interpreted as Acceptance of the system or any application or module, or the waiver of performance requirements.
- 18.2 This **Agreement** is governed by the laws of the State of Illinois and it shall be binding on the successors and assigns of the parties.
- 18.3 Actions arising out of the services performed or Licensed Products delivered hereunder, may be brought by either Party no more than five (5) years after the cause of action has accrued. All other actions are subject to the applicable statute of limitations.
- 18.4 The paragraph headings which appear herein are included solely for convenience and shall not be used in the interpretation of this **Agreement**. Any provision of this **Agreement** determined to be invalid or otherwise unenforceable shall not affect the other provisions, which other provisions remain in full force and effect.
- 18.5 This **Agreement** is entered into solely for the benefit of **New World** and **Village**. No third party shall have the right to make any claim or assert any right under it, and no third party shall be deemed a beneficiary of this **Agreement**.
- 18.6 Neither of the Parties to the **Agreement** shall assign or encumber any of its rights, or delegate or subcontract any of its duties defined in the **Agreement**, in whole or in part, to other third parties unless the other Party to the **Agreement** gives prior written consent. Subject to the foregoing covenant against assignment and delegation, the rights created by the **Agreement** shall pass to the benefit of the Parties and the duties and obligations resulting from the **Agreement** shall bind the Parties and their respective successors and assignees.
- 18.7 **New World** shall not use, in its advertising, marketing programs, or other promotional efforts, any data, pictures, or other representation of the **Village** except on the specific written authorization in advance of the **Village's** Village Manager or designee. **New World** will limit any of its advertising on the **Village's** premises and shall make arrangements for such advertising through the **Village's** Village Manager or designee. **New World** shall not install any signs or other displays within or without the **Village's** premises unless in each instance the prior written approval of the **Village's** Village Manager or designee has been obtained. However, nothing in this clause shall preclude **New World** from listing the **Village** on its routine client list for matters of reference.
- 18.8 **Village** is exempt from paying sales taxes and its Federal Taxpayer ID number is 36-6005975.

- 18.9 **New World** shall, as a condition of providing goods and services, adhere to all applicable Federal, State and Local laws, ordinances, rules and regulations, and policies, in the performance of its duties and obligations under this Agreement, including prohibiting discrimination in regard to persons to be served and employees and applicants for employment including, but not limited to, the following:
1. Provide a drug free workplace pursuant to the Illinois Drug Free Workplace Act (30 ILCS 580/1, et seq.);
  2. Comply with the Illinois Public Works Employment Discrimination Act (775 ILCS 10/1, et seq.);
  3. Comply with Article 2 of the Illinois Human Rights Act (775 ILCS 5/2-101, et seq.), and the Rules and Regulations of the Illinois Department of Human Rights, including establishment and maintenance of a sexual harassment policy as required by Section 2-105 of that Article and Act;
  4. Comply with the American with Disabilities Act;
  5. Comply with the Illinois Prevailing Wage Act (820 ILCS 130/1, et seq.); and
  6. Comply with the provisions of the EQUAL EMPLOYMENT OPPORTUNITY CLAUSE required by the Illinois Department of Human Rights as a material term of all public contracts, see Title 44, Part 750, Section 750, APPENDIX A, Illinois Administrative Code, Equal Employment Opportunity Clause.
  7. Comply with the Illinois Identity Protection Act, 5 ILCS 179/1 et seq., the Illinois Personal Information Protection Act, 815 ILCS 530/1 et seq., the Fair and Accurate Credit Transactions Act of 2003, and the Federal Trade Commission's red flag rules, which, among other things, protect social security numbers and other personal or sensitive information, as defined therein.
- 18.10 This **Agreement** may be executed in counterparts, each of which shall be an original and all of which together shall constitute one and the same **Agreement**.
- 18.11 If any portion of this Agreement is declared invalid, illegal or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continued in full force and effect.
- 18.12 For a period of ninety (90) days from the Effective Date, **Village** may request that **New World** provide a Performance Bond. If directed to do so, **New World** will provide a Performance Bond in the amount of the one-time project cost listed on Exhibit AA at **Village's** expense. The cost of the bond will be billed to **Village** and **Village** agrees to pay promptly for the Performance Bond when invoiced.

**EXHIBIT AA**  
**TOTAL COST SUMMARY AND PAYMENT SCHEDULE**

**I. Total Cost Summary: Licensed Standard Software, Implementation Services, And Third Party Products**

<b><u>DESCRIPTION OF COST</u></b>	<b><u>COST</u></b>
A. LICENSED STANDARD SOFTWARE as further described in Exhibit A	\$389,900
1. Licensed Standard Software	\$557,000
2. Less Demonstration Site Discount	(167,100)
B. IMPLEMENTATION SERVICES	317,500
1. PROJECT MANAGEMENT as further described in Exhibit B	
2. IMPLEMENTATION AND TRAINING SERVICES as further described in Exhibit B	
3. INTERFACE INSTALLATION SERVICES as further described in Exhibit B	
4. OTHER IMPLEMENTATION SERVICES as further described in Exhibit B	
5. CUSTOM SOFTWARE/MODIFICATION SERVICES as further described in Exhibit G	
C. DATA FILE CONVERSION SERVICES	
1. Data File Conversion assistance services as further described in Exhibit F	22,000
D. DEVELOPMENT SOFTWARE	16,100
1. Development Software as further described in Exhibit I	23,000
2. Less Demonstration Site Discount	(6,900)
<b>ONE TIME PROJECT COST:</b>	<b><u>\$745,500</u></b>
E. OPTIONAL PERFORMANCE BOND	
1. Performance Bond	9,000
F. TRAVEL EXPENSES (Estimate) – billed as incurred	\$42,000
G. STANDARD SOFTWARE MAINTENANCE SERVICES – as further described in Exhibit C	
H. BUDGET ESTABLISHED FOR VILLAGE REQUESTED STANDARD SOFTWARE ENHANCEMENTS / MODIFICATIONS AND / OR CUSTOM SOFTWARE – as further described in Exhibit H	\$15,000

**PRICING ASSUMES CONTRACT EXECUTION BY MAY 17, 2011.**

**Exhibit AA / COST SUMMARY AND PAYMENT SCHEDULE**

**II. Payments for Licensed Standard Software, Implementation Services, and Third Party Products**

<u>DESCRIPTION OF PAYMENT</u>	<u>PAYMENT</u>
A. LICENSED STANDARD SOFTWARE as further detailed in Exhibit A	\$389,900
1. Amount invoiced upon Effective Date (20%)	\$77,980
2. Amount invoiced upon Project Kickoff Meeting (30%)	116,970
3. Amount invoiced upon Go-Live of Financial Management Base Suite or 365 days from Effective Date, whichever occurs first. (30%)	116,970
4. Amount invoiced upon Go-Live of Human Resources Management Base Suite or 365 days from Effective Date, whichever occurs first. (20%)	77,980
 B. IMPLEMENTATION SERVICES	 317,500
1. Amount invoiced upon Project Kickoff Meeting (20%)	63,500
2. Amount invoiced upon delivery of Project Plan (20%)	63,500
3. Amount invoiced upon Go-Live of Financial Management Base Suite or 450 days from Effective Date, whichever occurs first. (20%)	63,500
4. Amount invoiced upon Go-Live of Human Resources Management Base Suite or 540 days from Effective Date, whichever occurs first. (20%)	63,500
5. Amount invoiced upon project completion or 600 days after the Effective Date, whichever comes first (20%)	63,500
 C. DATA FILE CONVERSION SERVICES	 22,000
1. Amount invoiced upon delivery of Conversion Design Document (50%)	11,000
2. Amount invoiced upon delivery of data file conversion (50%)	11,000
 D. DEVELOPMENT SOFTWARE	 16,100
1. Amount invoiced upon delivery of Licensed Software (100%)	16,100
<b>ONE TIME PROJECT COST PAYMENTS:</b>	<b><u>\$745,500</u></b>

**Exhibit AA / COST SUMMARY AND PAYMENT SCHEDULE**

E.	OPTIONAL PERFORMANCE BOND	9,000
1.	Performance Bond – invoiced upon Request from Village	9,000
F.	TRAVEL EXPENSES (*Estimate) (These expenses are billed as incurred)	\$42,000*
1.	35 trips are anticipated	
2.	Travel Time for the estimated 35 trips is not included in this estimate and will be billed as incurred.	
G.	STANDARD SOFTWARE MAINTENANCE SERVICES -- as further detailed in Exhibit C	
H.	BUDGET ESTABLISHED FOR <b>VILLAGE</b> REQUESTED STANDARD SOFTWARE ENHANCEMENTS / MODIFICATIONS AND / OR CUSTOM SOFTWARE as further described in Exhibit H	\$15,000

**ALL PAYMENTS ARE DUE IN ACCORDANCE WITH  
THE ILLINOIS GOVERNMENTAL PROMPT PAYMENT ACT.**

*Billings are applied ratably to each deliverable included under the total one-time cost.*

**EXHIBIT A**  
**LICENSED STANDARD SOFTWARE AND FEES**

**License Fee for Licensed Standard Software And Documentation Selected By Village:**

<b>LOGOS.NET STANDARD APPLICATION SOFTWARE<sup>1,2,3</sup></b>		
<b>ITEM</b>	<b>DESCRIPTION</b>	<b>INVESTMENT</b>

**FINANCIAL MANAGEMENT**

1. **Logos.NET Financial Management Base Suite**
  - General Ledger
  - Budget Management
  - Annual Budget Preparation
  - Accounts Payable
  - Revenue/Cash Receipting
2. **Logos.NET Additional Financial Management Software**
  - Asset Management
  - Project Accounting
  - Misc. Billing & Receivables
  - Government (GASB) Reporting
  - Data Views/Financial Report Writer<sup>5</sup>
  - Bank Reconciliation
  - Work Orders
3. **Expanded Revenue Collections**
  - PC Cash Register Interface (Multi -Application)
4. **Logos.NET Procurement Management Suite**
  - Purchasing Base
  - Requisition Processing
  - Bid & Quote Management
  - Contract Accounting
  - Inventory Management

**PAYROLL & HUMAN RESOURCES SUITE**

5. **Logos.NET Human Resources Management Base Suite**
  - Payroll Processing
  - Personnel Management
  - Position Control
6. **Logos.NET Human Resources**
  - Employee Event Tracking
  - Personnel Action Processing
7. **Logos.NET Benefits Management**
  - Benefits Administration



**8. Logos.NET Additional Payroll & HR Modules**

- Applicant Tracking
- Position Budgeting
- Benefit Tracking (Non-Employee)
- Data Views/Payroll & HR Report Writer<sup>5</sup>

**UTILITY MANAGEMENT SUITE**

**9. Logos.NET Utility Management Software**

- Water/Sewer/Refuse Base Package

**10. Logos.NET Additional Utility Management Modules**

- Automatic Meter Read (AMR) Interface<sup>6</sup>
- Meter and Device Inventory

**COMMUNITY DEVELOPMENT SUITE**

**11. Logos.NET Community Development Software**

- Business Licensing
- Parcel Management
- Permits
- Municipal Inspections
- Code Enforcement
- Requests for Services Tracking

**12. Logos.NET Additional Community Development Modules**

- GIS Integration<sup>7</sup>
  - Community Development
    - Business Licensing (4 screens)*
    - Parcel Management (7 screens)*
    - Permits (2 screens)*
    - Municipal Inspections (4 screens)*
    - Code Enforcement (3 screens)*
    - Requests for Services Tracking (1 screen)*
- Utility Billing
  - Base Package (3 screens)*
  - Meter Inventory (1 screen)*
  - Service Order Processing (4 screens)*
- Financial Management
  - Asset Management (2 screens)*
  - Work Orders (1 screen)*

- GIS Data Views
- Community Development
  - Business Licensing (1 screen)*
  - Parcel Management (1 screen)*
  - Permits (1 screen)*
  - Municipal Inspections (1screen)*
  - Code Enforcement (1 screen)*
- Utility Billing
  - Base Utilities (1 screen)*
  - Meter Inventory (1 screen)*
- Financial Management
  - Asset Management (1 screen)*

**eSUITE**

**13. eSuite Base Software**

**14. eFinance**

- eSupplier
- eBid
- ePayments

**15. eHR**

- eEmployee
- eTimesheets
- eBenefits Administration
- eRecruit

**16. eUtility**

- eUtilities

**17. eCommunity**

- ePermits
- eLicense
- eRequest

**BUSINESS ANALYTICS**

- 18. **Finance Analytics**  
- Includes 10+ users
- 19. **Human Resource/Payroll Analytics**  
- Includes 10+ users
- 20. **Utility Management Analytics**  
- Includes 10+ users
- 21. **Community Development Analytics**  
- Includes 10+ users

**AUTHORIZED USERS**

22. <b>Site License for up to 700 Authorized Users</b> <sup>4</sup>	Included
NEW WORLD STANDARD SOFTWARE LICENSE FEE	557,000
LESS DEMONSTRATION SITE DISCOUNT	(167,100)
<b>TOTAL SOFTWARE LICENSE FEE</b> <sup>5</sup>	<b>\$389,900</b>

Note: A Site License is included for this solution. This Site License entitles the Village of Lombard, IL, to 700 authorized users for the Standard Software licensed in Exhibit A, to be divided up between applications. The Site License is available to only the affiliated Public Administration agencies within the Village of Lombard, Illinois.

## Exhibit A / LICENSED STANDARD SOFTWARE AND FEES

### ENDNOTES

- <sup>1</sup> *Personal Computers must meet the minimum hardware requirements for New World Systems' Logos.NET product. Microsoft Windows XP or greater with IE 7.0 or greater is the required operating systems for all client machines. Windows 2008 Server is required for the Application Server(s), Web Server(s) and Database Server. Microsoft SQL Server 2008 is required for the Database Server.*
- <sup>2</sup> *New World Systems' Logos.NET product requires Microsoft Windows 2008 Server and Microsoft SQL Server 2008 including required Client Access Licenses (CALs) and Windows Server 2008 External Connector (EC) licenses for applicable Microsoft products. Servers must meet minimum hardware requirements provided by New World Systems.*
- <sup>3</sup> *Suggested minimum: 100MB Ethernet Network. 10MB CAT5 Ethernet Network may have less than adequate response time. Further consultation would be required to assess your network.*
- <sup>4</sup> *Additional cost per group of 5 for authorized users is \$5,000.*
- <sup>5</sup> *Requires a Third Party writing tool. New World recommends Crystal Reports 11 or greater, not included in this proposal. However, several other tools may be utilized that support an ODBC connection.*
- <sup>6</sup> *Currently supports interfaces to Sensus/Rockwell, Neptune, Itron, Radix, Syscon and Schlumberger devices. Technical assurance must be obtained to verify the Business Partner's software/hardware release level interface requirements.*
- <sup>7</sup> *GIS integration currently supports either ESRI's ArcIMS or ArcGIS Server software; the ArcIMS and ArcGIS Server software and any services related to the installation and setup of ArcIMS or ArcGIS are not included in this proposal. The ArcIMS or ArcGIS Server software would need to be purchased, installed and setup separately.*
- <sup>8</sup> *Prices assume that all software proposed is licensed.*

**EXHIBIT B**  
**PROJECT MANAGEMENT, IMPLEMENTATION AND**  
**TRAINING SUPPORT SERVICES**

**1. Project Management Services**

**New World** shall act as Project Manager to assist **Village's** management in implementing the Exhibit A software. This responsibility will include documenting, coordinating and managing the overall Implementation Plan with **Village's** management and the **Village Liaison**. Project Management Services include:

- a) a summary level Implementation Plan including Acceptance Testing plans as described in Exhibit K; and
- b) a detail level Implementation Plan including Acceptance Testing plans as described in Exhibit K; and
- c) revised Implementation Plans (if required) including Acceptance Testing plans as described in Exhibit K; and
- d) monthly project status reports; and
- e) project status meetings
  - a project review (kickoff) meeting at **Village's** location within sixty (60) days from Effective Date unless mutually agreed upon by the Parties; and
  - progress status meeting(s) will occur during implementation via telephone conference or at **Village's** location; and
  - a project close-out meeting at **Village's** location to conclude the project; and
  - Coordination and scheduling of all **New World** staff resources to meet the objectives of the agreed upon Implementation Plan; and
  - Assist the **Village** in the determining the necessity of any optional Licensed Standard Software in Exhibit A and with the determination of modifications in Exhibit G.

The implementation services fees described in Exhibit AA include Project Management fees for a period up to 12 months after the Effective Date.

**2. Implementation and Training Support Hours Recommended**

It is recommended that appropriate support hours are allocated for all Licensed Standard Software listed in Exhibit A to insure successful implementation of and training on each application package. Based on the Licensed Standard Software listed on Exhibit A, up to **950** hours of **New World** implementation and training support services have been allocated for this project. Excess hours requested shall be billed at the Hourly Rate. Avoiding or minimizing custom or modified features will aid in keeping the support costs to the amount allocated and will not be exceeded unless mutually agreed upon by the Parties. **Village** agrees to reimburse **New World** for support trips canceled by **Village** less than ten (10) days before the scheduled start date to cover **New World's** out-of-pocket costs and lost revenues. The recommended implementation and training support services include:

- a) implementation of each package of Licensed Standard Software; and
- b) **Village** training and/or assistance in testing for each package of Licensed Standard Software.

The project management, implementation and training support services provided by **New World** may be performed at **Village's** premises and/or at **New World** national headquarters in Troy, Michigan (e.g., portions of project management are performed in Troy).

## **Exhibit B / PROJECT MANAGEMENT, IMPLEMENTATION AND TRAINING SUPPORT SERVICES**

### **3. Interface Installation Service**

**New World** shall provide interface installation services as described in this paragraph below. These services do not include hardware and/or third party product costs which shall be **Village's** responsibility, if required. Whenever possible, these services will be done remotely, resulting in savings in Travel Expenses and Time. If on-site installation and training is required, **Village** will be responsible for the actual Travel Expenses and Time. The services include the following interfaces.

- a) Bank Reconciliation
- b) AMR Interface

### **4. Hardware Quality Assurance Service**

**New World** shall provide Hardware Systems Quality Assurance of **Village's** Logos.NET server(s). These services do not include hardware and/or third party product costs which shall be **Village's** responsibility, if required. Whenever possible, these services will be provided remotely, resulting in savings in Travel Expenses and Time. If on-site installation is required, **Village** will be responsible for the actual Travel Expenses and Time.

- a) Hardware Quality Assurance Services (Standard) Environment:  
Hardware Systems Assurance and Software Installation:
  - Assist with High Level System Design/Layout
  - Validate Hardware Configuration and System Specifications
  - Validate Network Requirements, including Windows Domain
  - Physical Installation of **New World** Application Servers
  - Install Operating System and Apply Updates
  - Install SQL Server and Apply Updates
  - Install New World Applications Software and Apply Updates
  - Establish Base SQL Database Structure
  - Install Anti-Virus Software and Configure Exclusions
  - Install Automated Backup Software and Configure Backup Routines
  - Configure System for Electronic **Village** Support (i.e. NetMeeting)
  - Tune System Performance Including Operating System and SQL Resources
  - Test High Availability/Disaster Recovery Scenarios (if applicable)
  - Provide Basic System Administrator Training and Knowledge Transfer
  - Document Installation Process and System Configuration

### **5. Additional Services Available**

Other **New World** services may be required or requested for the following:

- a) additional software training;
- b) tailoring of Licensed Standard Software by **New World** technical staff and/or consultation with **New World** technical staff;
- c) **New World** consultation with other vendors or third parties;
- d) modifying the Licensed Standard Software;
- e) designing and programming Licensed Custom Software; and
- f) maintaining modified Licensed Standard Software and/or custom software.

**Village** may request these additional services in writing using **New World's** Request For Service (RFS) procedure (or other appropriate procedures mutually agreed upon by **Village** and **New World** and will be provided at the Hourly Rate).

**EXHIBIT C**  
**STANDARD SOFTWARE MAINTENANCE AGREEMENT (SSMA)**

This Standard Software Maintenance Agreement (SSMA) between **New World** and **Village** sets forth the standard software maintenance support services provided by **New World**.

**1. SSMA Period**

This SSMA shall remain in effect for a term of five (5) years (the SSMA term) beginning on the installation of Licensed Standard Software ("Start Date") and ending on the same calendar date at the conclusion of the SSMA term. **New World** shall provide **Village** no-charge SSMA for a period of 365 days from the Start Date.

**2. Services Included**

**New World** shall provide the following services during the SSMA term.

- a) upgrades, including new releases, to the Licensed Standard Software (prior releases of Licensed Standard Software application packages are supported no longer than nine (9) months after a new release is announced by **New World**);
- b) temporary fixes to Licensed Standard Software (see paragraph 6 below);
- c) revisions to Licensed Documentation;
- d) reasonable telephone support for Licensed Standard Software on Monday through Friday from 8:00 a.m. to 8:00 p.m. (Eastern Time Zone); and
- e) invitation to and participation in user group meetings.

Items a, b, and c above will be distributed to **Village** by electronic means.

Additional support services are available as requested by **Village** at the Hourly Rate.

**3. Maintenance for Modified Licensed Standard Software and Custom Software**

**Village is advised that if it requests or makes changes or modifications to the Licensed Standard Software, these changes or modifications (no matter who makes them) make the modified Licensed Standard Software more difficult to maintain. If **New World** agrees to provide maintenance support for Custom Software or Licensed Standard Software modified at **Village's** request, or for prior releases of **New World's** software, then the additional **New World** maintenance or support services provided shall be billed at the Hourly Rate.**

**4. Billing**

Maintenance costs will be billed annually.

**5. Additions of Software to Maintenance Agreement**

Software maintenance support for Additional Licensed Standard Software shall be provided by **New World**, at no cost, during the first ninety (90) days after delivery. Additional Licensed Standard Software licensed from **New World** will be added to the SSMA ninety (90) days after delivery. Costs for the maintenance for the additional software will be billed to **Village** on a pro rata basis for the remainder of the maintenance year and on a full year basis thereafter.

**Exhibit C / STANDARD SOFTWARE MAINTENANCE AGREEMENT**

**6. Requests for Software Correction on Licensed Standard Software**

At any time during the SSMA term, if **Village** believes that the Licensed Standard Software does not conform to the warranties provided under this **Agreement**, **Village** must notify **New World** in writing that there is a claimed defect and specify which feature and/or report it believes to be defective. Before any notice is sent to **New World**, it must be reviewed and approved by the **Village** Liaison. Documented examples of the claimed defect must accompany each notice. **New World** will review the documented notice and when a feature or report does not conform to the warranties described in Section 4.0 of the **Agreement**. **New World** will provide software correction service at no charge. A non-warranty request is handled as a billable Request For Service (RFS) provided at the Hourly Rate.

The no-charge software correction service does not apply to any of the following:

- a) situations where the Licensed Standard Software has been changed by anyone other than **New World** personnel;
- b) situations where **Village**'s use or operations error causes incorrect information or reports to be generated; and
- c) requests that go beyond the scope of the specifications set forth in Section 4.0 of the **Agreement**.

**7. Maintenance Costs for Licensed Standard Software Packages Covered for .NET Server(s)**

**New World** agrees to provide software maintenance at the costs listed below for the **New World** Licensed Standard Software packages described in Exhibit A.

**Annual Maintenance Cost**

Year 1	No charge
Year 2	\$93,000
Year 3	98,000
Year 4	103,000
Year 5	110,000

Subsequent Annual Maintenance Cost shall not exceed 5% over the prior year.



**EXHIBIT D**  
**NEW WORLD SYSTEMS CORPORATION**  
**NON-DISCLOSURE AND SECURITY AGREEMENT FOR THIRD PARTIES**

This **Agreement**, when accepted and executed by **New World**, grants the undersigned the permission to use and/or have limited access to certain **New World Systems® Corporation (New World)** proprietary and/or confidential information.

Installed At: Village of Lombard  
*Village Name*

Located At: 255 E. Wilson Avenue  
 Lombard, IL 60148

Authorized Signature of Village:

Name (Please Print or Type)	Title	Signature

In exchange for the permission to use or have access to **New World** proprietary and/or confidential information, including without limitation, **New World** software and/or documentation, the organization and individual whose names appear below, agree to the following:

1. No copies in any form will be made of **New World** proprietary or confidential information without the expressed written consent of **New World's** President, including without limitation, the following:
  - a) Program Libraries, whether source code or object code;
  - b) Operating Control Language;
  - c) Test or Sample Files;
  - d) Program Listings;
  - e) Record Layouts;
  - f) All written confidential or proprietary information originating from **New World** including without limitation, documentation, such as user manuals and/or system manuals; and/or
  - g) All **New World** Product Bulletins and/or other **New World** Product related materials.
  
2. **New World** software, **New World** documentation, or other proprietary or confidential information shall not be used for any purpose other than processing the records of the **Village** identified above as permitted in the **Village's Standard Software License and Services Agreement** with **New World**.
  
3. The undersigned agree(s) that this **Agreement** may be enforced by injunction in addition to any other appropriate remedies available to **New World**. If it is determined that the money damages caused by the undersigned's failure to comply with the foregoing terms are difficult to ascertain, they are hereby estimated at liquidated damages of no less than two times the then-current License Fees for the License Software provided to **Village** under the **Standard Software License and Service Agreement** between **Village** and **New World**.

Agreed and Accepted by Third Party (Organization)

Agreed and Accepted by Third Party (Individual)

Organization: \_\_\_\_\_

Individual: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Accepted and Approved by New World Systems Corp.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT E**  
**DEMONSTRATION SITE DISCOUNT**

**New World** has provided **Village** a significant discount in exchange for the privilege of using **Village's** site for demonstration purposes. Accordingly, after the Licensed Software has been delivered and installed, **Village** agrees to act as a demonstration site for prospective **New World** customers. **Village** also agrees to serve as a reference or remote demonstration site on the telephone for prospective **New World** customers. By agreeing to be a demonstration site, **Village** is not necessarily endorsing the **New World** software and **Village** will not actively participate in any type of marketing and advertising campaign for or on behalf of **New World**.

Demonstrations will be coordinated with the appropriate **Village** personnel and will be scheduled to minimize the interruption to **Village's** operations. **New World** will provide **Village** reasonable notice for preparation and will not exceed 36 calls/site visits per year unless mutually agreed to by the Parties.

**EXHIBIT F**  
**DATA FILE CONVERSION ASSISTANCE**

**New World** will provide conversion assistance to **Village** to help convert the existing data files specified below. If additional files are identified after the contract execution, estimates will be provided to **Village** prior to **New World** beginning work on those newly identified files.

**1. General**

- a) This conversion effort includes data coming from one unique data source, not multiple sources.
- b) No data cleansing, consolidation of records, or editing of data will be part of the data conversion effort. Data cleansing, removal of duplicate records, and editing must take place by **Village** prior to providing the data to **New World**
- c) Should Customer decide not to proceed with Data File Conversion, it may apply the amounts paid under this Agreement to subsequent **New World** software or services purchases.

**2. New World Responsibilities**

- a) **New World** will provide **Village** with a conversion design document for signoff prior to beginning development work on the data conversion. No conversion programming by **New World** will commence until **Village** approves this document.
- b) **New World** will provide the data conversion programs to convert **Villages** data from a single data source to the **New World Licensed Standard Software** for the specified files that contain 500 or more records.
- c) As provided in the approved project plan for conversions, **New World** will schedule a conversion analysis trip and a separate data conversion testing trip to **Village's** location. The conversion testing trip for each application is a billable support trip, using standard Exhibit B hours, which is scheduled in conjunction with the delivery of the converted data to the **Village**.
- d) **New World** will provide the **Village** up to 3 test sets of the converted data. Additional test sets requested may/will require additional conversion costs.
- e) **New World** will provide the standard conversion record layouts to the **Village** and convert the available data elements defined in the standard conversion record layouts.
- f) Up to seven years of historic data will be converted by **New World**.

**3. Village Responsibilities**

- a) **Village** will provide data in standard conversion record layouts as provided by **New World**. Submitted data files must include an accurate count of records contained in the files.
- b) Data will be submitted to **New World** in one of the following formats: AS/400 files, Microsoft SQL Server database, Microsoft Access database, Microsoft Excel Spreadsheet, or an ASCII-format delimited text file. Data and databases will be transferred using the **New World** ftp site.
- c) **Village** understands that files or tables containing less than 500 records or table entries will not be converted.
- d) As provided in the project plan for conversions, **Village** will provide a dedicated resource in each application area to focus on conversion mapping and testing. This includes dedicating a support person(s) whenever **New World** staff is on site regarding conversions. Roughly a one to one commitment exists for **Village** commitment and **New World** commitment. **Village** understands that thorough and timely testing of the converted data by **Village** personnel is a key part of a successful data conversion.
- e) **Village** agrees to promptly review conversion deliveries and signoff on both the conversion design document and on the final conversion after the appropriate review. Applying the converted data to the production (Live) environment will constitute conversion acceptance by **Village**.
- f) If the **Village** cannot provide data in the format defined in **New World's** standard conversion record layouts then **New World** will map the data to **New World's** standard conversion record layout at the Hourly Rate. The **Village** must provide complete file and field definitions for **New World** to map the data.

**Exhibit F / DATA FILE CONVERSION ASSISTANCE**

**4. Files to be converted**

Up to 3 files from the following possible sources are included.

**Utility**

-Utility Information

**Community Development**

-Permit/Inspection History

-Code Enforcement Violation

**EXHIBIT G**  
**VILLAGE REQUESTED STANDARD SOFTWARE ENHANCEMENTS / MODIFICATIONS AND / OR**  
**CUSTOM SOFTWARE**

**1. Definition of Project**

New World will provide the Village requested Standard Software Enhancements and/or Custom Software as discussed below to address the Village's requirements. Village agrees to cooperate in not making modifications and enhancements too extensive as defined in the 2(b)(1) procedure below.

An analysis and assessment to verify the scope of effort for the project will be conducted. A revised estimate for the modifications/interfaces may be provided at the conclusion of the assessment. Village may elect to cancel or proceed with the modifications/interfaces based on the revised estimate.

Capabilities included in the initial scope:

- a) Custom Software/Interfaces
  - (1) Ability to import merchant transactions to Utility Billing, AR, and GL systems related to automatic credit card payment services
  - (2) CFA Fleet Management into Asset Management System
  - (3) Generic GL and Cash interfaces for uploads and wire transfers
  - (4) Ability to import/export data from Payroll module and bank to accommodate positive pay and direct deposit
  - (5) Ability to export and format Payroll data for Illinois Municipal Retirement Fund (IMRF) in format prescribed by IMRF.
  - (6) GTG, GEO Blade Integration
  - (7) Utility Bill Export to Third Millennium - A one-way user initiated batch process to export Utility account bill information from New World's cycle bill and exception bill processing to a third party system.

*With New World providing consultation, Village is responsible for obtaining technical contacts and/or technical specifications from the third parties involved above.*

**2. Methodology to Provide Enhancements and/or Custom Software**

a) Definition of New World's Responsibility

This project includes the following activities to be performed by New World.

- (1) Review of required features with Village. Only items identified in Paragraph 1 above will be provided in this implementation plan.
- (2) Preparation of Requirements Document (RD) to include:
  - Detailed description of the required feature
  - menu samples
  - screen samples
  - report samples
- (3) Programming and programming test.

**Exhibit G / VILLAGE REQUESTED STANDARD SOFTWARE ENHANCEMENTS / MODIFICATIONS AND / OR CUSTOM SOFTWARE**

(4) On-site training, testing and/or other support services at the Hourly Rate.

For modification requiring over fifty (50) hours of work, **New World** utilizes a design document procedure [see 2(b)(1) below]. For smaller modifications, **New World** uses a Request For Service (RFS) procedure. Both procedures are reviewed with **Village** at a pre-installation planning meeting. The RFS procedure utilizes a form with a narrative description and supporting documentation if applicable to define the work to be done.

b) Implementation Schedule

<u>Activity</u>	<u>Targeted Time Period</u>
(1) Complete Design Review with <b>Village</b> Staff. <b>Village</b> agrees to be reasonable and flexible in not attempting to design the modifications to be more extensive than called for in the scope (cost and schedule) of this project.	To be determined
(2) <b>New World</b> submits completed RD to <b>Village</b> .	To be determined
(3) RD is accepted and signed off by <b>Village</b> (no programming will be done by <b>New World</b> until the formal sign-off and <b>Village's</b> authorization to proceed in writing).	To be determined
(4) <b>New World</b> completes programming from RD and provides modified software to <b>Village</b> .	To be determined
(5) Software Modification Acceptance Test based on RD.	To be determined

c) Village's Responsibility

All **Village**-requested changes after RD sign-off must be documented by **Village** and authorized in writing including potential costs, if any. Additional changes will most likely delay the schedule and may increase the cost.

**EXHIBIT H**  
**BUDGET ESTABLISHED FOR VILLAGE REQUESTED**  
**STANDARD SOFTWARE ENHANCEMENTS / MODIFICATIONS AND / OR CUSTOM SOFTWARE**

**1. Establish a Budget for Software Enhancements and/or Custom Software**

As described in Exhibit AA, **Village** has allocated a budget of **\$15,000** to provide Village specific Standard Software Enhancements, Modifications, or Custom Software. **Village** may elect to proceed by providing **New World** with a written Notice to Proceed. Upon receipt of a Notice to Proceed, **New World** shall invoice **Village** for 60% of the associated costs, which **Village** agrees to pay in accordance with the Illinois Governmental Prompt Payment Act. The remaining 40% shall be invoiced upon installation of the item requested, which **Village** agrees to pay.

**2. Notice to Proceed**

After receiving a written Notice to Proceed by **Village**, **New World** will provide **Village** the requested Standard Software Enhancements and/or Custom Software as specified in the Notice and/or as further discussed below. **Village** agrees to cooperate in not making modifications and enhancements too extensive as defined in the 3(b)(1) procedure below.

An analysis and assessment ("Assessment") to confirm the scope of effort for the specified work will be conducted prior to beginning actual programming work on **Village's** required enhancement(s). If the Assessment exceeds the budget in this Exhibit, at **Village's** request, **New World** will provide a revised estimate for the modifications/interfaces. Within thirty (30) days of receipt of **New World's** revised estimate, **Village** shall notify **New World** whether it will proceed with the modifications/interfaces based on the revised estimate by providing **New World** a new Notice to Proceed.

**3. Methodology to Provide Enhancements and/or Custom Software**

a) Definition of **New World's** Responsibility

This project includes the following activities to be performed by **New World**.

- (1) Review of required features with **Village**. Only items identified in the Assessment above will be provided in this implementation plan.
- (2) Preparation of Requirements Document (RD) to include a detailed description of the required feature.
- (3) Programming and programming test.
- (4) On-site training, testing and/or other support services using Exhibit B rates and fees.

**Exhibit H / BUDGET ESTABLISHED FOR VILLAGE REQUESTED STANDARD SOFTWARE ENHANCEMENTS / MODIFICATIONS AND / OR CUSTOM SOFTWARE**

b) Implementation Schedule

<u>Activity</u>	<u>Targeted Time Period</u>
(1) Complete Design Review with <b>Village</b> Staff. <b>Village</b> agrees to be reasonable and flexible in not attempting to design the modifications to be more extensive than called for in the scope (cost and schedule) of this project.	To be determined
(2) New World submits completed RD to <b>Village</b> .	To be determined
(3) RD is accepted and signed off by <b>Village</b> (no programming will be done by <b>New World</b> until the formal sign-off and <b>Village's</b> authorization to proceed in writing).	To be determined
(4) <b>New World</b> completes programming from RD and provides modified software to <b>Village</b> .	To be determined
(5) Software Modification Acceptance Test based on RD.	To be determined

c) Village's Responsibility

All **Village**-requested changes after RD sign-off must be documented by **Village** and authorized in writing including potential costs, if any. Additional changes will most likely delay the schedule and may increase the cost.



**EXHIBIT I**  
**DEVELOPMENT SOFTWARE**

The following Development Software modules, when developed, will be delivered to Village as Licensed Standard Software:

**COMMUNITY DEVELOPMENT SUITE**

1. **Logos.NET Community Development Software**
  - Special Assessments (development)

**eSUITE**

2. **eHR**
  - eTraining (development)

Implementation, training, support services, and SSMA costs for the Development Software modules are not included in this **Agreement**. SSMA costs will be added to Village's current SSMA fees as described in Exhibit C to this **Agreement**. Implementation, training, and support services associated with the Development Software will be provided at the Hourly Rate.

Payment terms for the Development Software are described in Exhibit AA.

**EXHIBIT J**  
**INCORPORATION BY REFERENCE OF NEW WORLD'S RESPONSE TO VILLAGE'S RFQ**  
**SOFTWARE SPECIFICATIONS**

All items coded "Compliant" (as qualified through explanation or "Modification/Custom") in the **New World** Response to **Village's** RFQ Questionnaire will be provided to **Village** through currently existing Exhibit A software capabilities, **Village's** use of 3<sup>rd</sup> Party software, custom programming provided by **New World** and/or future enhancements to Exhibit A software provided under Exhibit C. Items that are qualified, or coded as requiring modification, may be provided using Exhibit B support services hours at the then current hourly rates.

If the terms and conditions of the **New World's** Response to RFQ and this **Agreement** are in conflict, the governing terms and conditions shall be this **Agreement**.

If **Village** has not licensed the software on Exhibit A to meet a software specification, then that specification shall not apply in any acceptance test and/or to fulfill the above criteria.

For purposes of this **Agreement**, **Village's** "Request for Qualifications – Enterprise Resource Planning System, Sent September 13, 2010" (the "RFQ"), and **New World's** Response to "Request for Qualifications – Enterprise Resource Planning System, Dated October 1, 2010" (the "Response to RFQ") are incorporated in this **Agreement**, as Appendix 1 and 2 respectively.

**EXHIBIT K**  
**ACCEPTANCE TESTING**

Each application of Licensed Software shall be deemed to have been accepted upon the successful completion of either Criteria 1 or Criteria 2 (listed below) whichever occurs first. Acceptance Testing is successful under either Criteria 1 or Criteria 2 unless the Licensed Software application contains a warranty defect which substantially impairs the value and **Village's** use of the Licensed Software. Any claimed defects must be documented in writing as set forth in Exhibit C.

**Criteria 1:**

Using Exhibit B support service hours, **New World** shall assist **Village** in conducting the following software Acceptance Test.

Following published specifications using established procedures and controls, the test criteria includes:

1. the successful entering and editing of a representative sample of transactions;
2. the successful processing of a representative sample of file maintenance transactions for the master file transactions; and
3. the successful generation of standard output reports.

Testing under Criteria 1 may be completed before **Village** has gone "live" on the application. If Criteria 1 is used, **Village** agrees to provide the requisite resources to timely complete the Acceptance Test procedure. If **Village** unreasonably delays the start of the Criteria 1 test procedure for more than fourteen (14) calendar days beyond the designated test date, then successful software acceptance shall be deemed to have occurred for that application of Licensed Software on the fifteenth (15<sup>th</sup>) day after the designated test date.

**Criteria 2:**

Successful acceptance of each application of Licensed Software delivered shall be deemed to have occurred at the time **Village** begins using the application of Licensed Software to produce data or output which is distributed for actual use and/or otherwise used as "live data".

**APPENDIX 1**  
**REQUEST FOR QUALIFICATIONS –**  
**ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM**  
**SENT SEPTEMBER 13, 2010**

**Placeholder for ERP System Document sent 9/13/10**

**APPENDIX 2**  
**NEW WORLD'S RESPONSE TO REQUEST FOR QUALIFICATIONS –**  
**ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM**  
**DATED OCTOBER 1, 2010**

Placeholder for ERP System Document dated 10/1/10