

# PROFESSIONAL SERVICES AGREEMENT

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This Professional Services Agreement is by and between

ReadSoft Inc. with registered office at 3838 N.Causeway Blvd., Suite 2400, Metairie, LA 70002, ("ReadSoft") and The City of San Antonio, a Texas Home-Rule Municipality ("Client").

- A. The Client is granted a license to certain ReadSoft software application(s) under a separate license agreement.
- B. The Client and ReadSoft have agreed that ReadSoft shall perform certain professional services with respect to configuration, modification and possible development of custom code in conjunction with implementation of the licensed ReadSoft software application(s).
- C. The performance and delivery of such professional services is subject to the terms and conditions of this Agreement.

## 1 DEFINITIONS

- 1.1 Defined terms used in this Agreement are set out in Schedule 1.

## 2 SERVICES

- 2.1 ReadSoft shall perform and deliver the Services in accordance with the Documentation. ReadSoft reserves the right to determine which personnel shall be assigned to perform the Services.
- 2.2 ReadSoft shall have the right, exercised from time to time, in its own discretion and upon prior notice to the Client, to subcontract or delegate its obligations and responsibilities hereunder to any third party or entity affiliated to ReadSoft. Nothing herein contained shall relieve ReadSoft of its obligations hereunder and ReadSoft remains responsible for the performance of this Agreement by such other professionals in respect of the agreed terms and conditions of this Agreement.
- 2.3 ReadSoft shall make sure that its consultants attending the Client's premises comply with reasonable regulations and lawful directions given by authorized personnel of the Client applying to conduct at the Premises and use reasonable endeavours not to interfere with the carrying out by the Client of its duties. Unless otherwise agreed, ReadSoft shall be responsible for property which it brings onto the Client's premises and shall remove it from the premises on request.
- 2.4 The Client shall efficiently and actively cooperate with ReadSoft under this Agreement in:
  - 2.4.1 providing ReadSoft timely access to relevant premises, Client's data, key personnel, documentation and information necessary for the performance of the Services;
  - 2.4.2 promptly rendering all decisions and approvals so as not to delay or impede the performance of ReadSoft of its undertakings and obligations and;
  - 2.4.3 coordinating the work of any other participant which is not contractually under ReadSoft's responsibility and insuring ReadSoft that the necessary decisions against those third parties will be taken for the success of this Agreement.
- 2.5 If the Services include the development and delivery of Custom Code, the Custom Code will be an integral operational part of the Programs. Custom Code is the property of ReadSoft. The

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license the Client is granted under the separate license agreement for the license of the Programs includes any and all Custom Code.

- 2.6 Any request of the Client for the change of the scope and content of the Services shall be subject to the Change Control Process.

## 3 ACCEPTANCE

- 3.1 Unless otherwise follows of the Documentation, the Client shall during ten Business Days, after the Actual Supply Date, test whether the Programs are Ready for Use. The acceptance test shall be conducted in accordance with the Documentation or as otherwise agreed. If agreed, ReadSoft and the Client shall in co-operation carry out the test procedure. The Client shall accept the Programs when the Programs are Ready for Use.
- 3.2 If the Client is of the opinion that the Programs are not Ready for Use, the Client shall no later than five Business Days after the end of the test period referred to in Section 3.1 unless otherwise follows of the Project Definition, in writing notify ReadSoft and in detail specify the inadequacies or other causes upon which the alleged delay is based.
- 3.3 If the Acceptance Date has not occurred within twenty Business days from the Agreed Supply Date, and such delay is not due to the Client, the Client is entitled, as its sole remedy, to terminate this Agreement with immediate effect without ReadSoft incurring any liability .

## 4 WARRANTIES

- 4.1 ReadSoft warrants and represents to the Client that:
- 4.1.1 ReadSoft has full right, power and authority to enter into this Agreement;
- 4.1.2 the Services will not infringe on any patent, trademark, copyright or other intellectual property right owned by a third party and
- 4.1.3 ReadSoft will perform its obligations under this Agreement with reasonable skill, care and diligence to be expected of a well reputable supplier of software and information technology services.
- 4.2 The Client releases ReadSoft from all other warranties, both express and implied, with respect to the performance and delivery of the Services.

## 5 PAYMENT TERMS

- 5.1 In addition to the payment terms set forth in Schedule 2, the following terms apply;
- 5.1.1 Invoices shall be paid 30 days net of receipt of invoice. In the event of delay in payment, ReadSoft is entitled to charge interest for delay on the outstanding amount at a monthly rate of one % until full payment has been made;
- 5.1.2 Invoices with respect to fixed price agreements will describe completed milestone(s)/performed services without time reporting and engaged consultants;
- 5.1.3 Invoices with respect to time and material agreements will describe performed services, engaged consultants and dates for delivery of services;
- 5.1.4 All fees, including fixed prices, exclude value added tax, travel costs, travel time, per diem allowances, accommodation and similar costs, delivery costs, customs and other public duties which are or may become payable as a consequence of this Agreement for which the Client is liable;

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- 5.1.5 If at any time any monies payable by the Client to ReadSoft are overdue for payment, ReadSoft shall have the right at its sole discretion to suspend performance of the Services until all such monies have been received by ReadSoft;
- 5.1.6 Agreed overtime work performed week days after 5 p.m. and before 10 p.m. is charged with hourly fees multiplied with the factor 1.5. Agreed overtime work performed week days after 10 p.m. and before 8 a.m. and overtime work performed on weekends and on public holidays are charged with hourly fees multiplied with the factor 2; and
- 5.1.7 If the parties have agreed on a fixed price for the Services, or part thereof, such fixed price is based on the assumption that all information provided by the Client is complete and true. Should the information be incomplete, untrue or misleading and result in additional work of ReadSoft, then ReadSoft is entitled to charge such work separately applying ReadSoft's standard hourly rates. ReadSoft shall promptly advise to which extent the time plan, if any, is affected and the parties shall change the Agreed Supply Date and other possible milestones.
- 5.2 For the avoidance of doubt, the Client acknowledges that hourly/day rates are valid only for the Services and the term of this Agreement. Subsequent services are delivered on terms and rates separately agreed upon.

## 6 CONFIDENTIAL INFORMATION

- 6.1 Each party agrees to hold in confidence all Confidential Information, to the extent allowed by law under the Texas Public Information Act. The party, to whom Confidential Information is disclosed ("the Receiving Party"), will use such Confidential Information only for the purpose of fulfilling its obligations and exercising its rights under this Agreement and will not reveal and/or disclose it, without the prior written consent of the party disclosing the Confidential Information ("the Disclosing Party"), to any third party except for the Receiving Party's agents and employees who have a need to know such information, and others who must be involved in the project and are bound by obligations of confidentiality with respect to such Confidential Information at least as stringent as those provided herein.
- 6.2 The Receiving Party's obligations of confidentiality hereunder shall not apply to information that the Receiving Party can establish:
- 6.2.1 at the time of disclosure or development is in the public domain;
- 6.2.2 that after disclosure or development is published or otherwise becomes part of the public domain through no fault of the Receiving Party;
- 6.2.3 that was in the possession of the Receiving Party at the time of disclosure or development, as established by contemporaneous written records, and was not acquired directly or indirectly from the Disclosing Party under an obligation of confidence; or
- 6.2.4 is required to be disclosed by law or in connection with any dispute resolution procedure, involving ReadSoft and the Client.
- 6.3 Each party agrees to keep secret the Confidential Information until it becomes part of the Public Domain or seven years from their date of disclosure.

## 7 THIS SECTION INTENTIONALLY LEFT BLANK

## 8 FORCE MAJEURE

If fulfilment by either party of its undertakings pursuant to this Agreement is prevented by circumstances beyond the control of the parties such as industrial dispute, bolt of lightning, fire, war, mobilisation or general military call-up, uprising and riot, restrictions in the availability of motive power, general scarcity of transport, goods and energy, acts of God, as well as fault

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or delay in deliveries from a sub supplier as a result of the above circumstances, this shall constitute grounds for discharge from contractual obligations, carrying entitlement to an extension of time limits and discharge from liability to pay penalties. This shall apply regardless of whether the cause of the delay occurs before or after the agreed date of delivery. If performance of this Agreement is substantially prevented for more than ninety days as a consequence of any of the above circumstances, either party is entitled to give written notice of its discharge from performance of this Agreement without thereby becoming liable to pay compensation.

## **9 TERM AND TERMINATION**

- 9.1 This Agreement will commence on both parties' signature and will continue until Acceptance Date occurs or until terminated earlier in accordance with its terms.
- 9.2 If either party fails to make payment or should commit or permit other material breach of any of the obligations herein contained and should fail to remedy such breach within thirty days after receipt of notice from the complaining party, the other party is entitled to terminate this Agreement with immediate effect by giving notice of termination.

## **10 GENERAL**

- 10.1 This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, heirs, executors, administrators and permitted assigns. This Agreement shall not be assigned in whole or in part, by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld.
- 10.2 The parties acknowledge and agree that any terms and conditions of any purchase order, sales acknowledgement or other document submitted to the other party by either party which conflict with the terms and conditions of this Agreement shall be of no force or effect, and the terms and conditions hereof control and supersede such conflicting documents and any course of conduct or usage of the trade inconsistent with any of the terms and conditions hereof.
- 10.3 This Agreement constitutes the entire agreement between the parties hereto and any party who has in the past or who is now representing any of the parties hereto and merges all discussions among them and annuls and replaces any other prior agreement or understanding whether written or oral which may have existed between ReadSoft and the Client with respect to the subject matter hereof.
- 10.4 Any amendments or supplements to this Agreement, subsequent to its execution, shall be made in writing and, with respect to ReadSoft, shall be signed by the President of ReadSoft to be binding.
- 10.5 This Agreement shall be governed by the substantive laws of the State of Texas.

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## Schedule 1 - Definitions

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|---------------------------------|--|
| <b>Acceptance Date</b>          | The date when the Client has accepted the Programs, or when the Client has not accepted the Programs but the Programs are Ready for Use or when the period for acceptance test has passed and the Client has not in accordance with Section 3.2 made reasonable objection against the delivery of the Programs, or when the Programs are Ready for Use after correction of remarks made by the Client within the time period mentioned in Section 3.2, or when the Programs are deployed into production environment |
| <b>Actual Supply Date</b>       | The date when the Programs are installed at the Client and ready for acceptance test   |
| <b>Agreed Supply Date</b>       | The date specified in the time plan in the Documentation, when the Programs shall be installed and ready for acceptance test   |
| <b>Agreement</b>                | This agreement with attached Schedules and all documents referenced to   |
| <b>Business Day</b>             | Monday – Friday excluding public holidays  |
| <b>Change Control Process</b>   | The process for change of the scope of the Services described in the Documentation   |
| <b>Confidential Information</b> | All non-public information disclosed by one party to the other party that is designated as confidential or that, given the nature of the information or the circumstances surrounding its disclosure, reasonably should be considered as confidential. Confidential Information includes without limitation non-public information relating to the disclosing party's products, product ideas, clients, business plans, promotional and marketing activities, finances and other business issues                     |
| <b>Custom Code</b>              | Unique programming source code that ReadSoft develops as part of the Services (excluding any existing code since before created whether or not it is part of ReadSoft's standard software)   |
| <b>Documentation</b>            | The documents Solution Description and/or Project Definition which specifies the applications and services to be performed and delivered to the Licensee attached to this Agreement as <b>Schedule 3</b>   |
| <b>Programs</b>                 | The software application(s) licensed of the Client including all elements specified in the Documentation including Custom Code, if any   |
| <b>Ready for Use</b>            | The Programs contain all substantial functionality specified in the Documentation  |
| <b>Services</b>                 | All services specified in the Documentation  |

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## Schedule 2 – Payment Terms

Estimated days are 62 at \$2,000/day

### Fixed price

Fees are invoiced based on the Payment Milestone Schedule defined in the SOW.

### Rates

All prices are commercial in confidence.

### Expenses

Expenses and travel time incurred by ReadSoft personnel during the execution of their duties in the fulfillment of the Agreement will be fully reimbursed by the Client. Expenses and travel time will be billed monthly in arrears.

Travel expense reimbursement may include personal vehicle mileage or commercial coach transportation, hotel accommodations, parking and meals; provided, however, the amount of reimbursement by City shall not exceed the amounts authorized by the current GSA Travel Regulations per diem.

Travel time may not be included as part of the amounts payable by Customer for any services rendered under the Contract. Air transportation shall be booked at the lowest available fare available at the time. Anticipated travel expenses must be pre-approved in writing by City.

### Change Requests

Change Requests will be charged on a time and material basis, including the time for preparation and execution of quotes.

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## Schedule 3 – Documentation

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This Agreement has been duly signed by authorised representatives of the parties, each party taking one copy.

**CITY OF SAN ANTONIO**

**READSOFT, INC.**



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**Hugh Miller**  
**Chief Technology Officer**

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**Robert L. Fresneda**  
**President**

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

Date: 8/20/14