

APPROVED

SEP 02 2015

BOARD OF RECREATION
AND PARK COMMISSIONERS

REPORT OF GENERAL MANAGER

NO. 15-194

DATE September 02, 2015

C.D. ALL

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: RECREATION MANAGEMENT AND RESERVATION SYSTEM SOFTWARE LICENSES, EQUIPMENT AND SERVICES CONTRACT – USE OF THE PALATINE PARK DISTRICT, STATE OF ILLINOIS, SOFTWARE LICENSE AGREEMENT TERMS AND CONDITIONS WITH VERMONT SYSTEMS, INC. DATED SEPTEMBER 25, 2014

| | | | |
|------------|-------|--------------|------------|
| R. Barajas | _____ | K. Regan | _____ |
| H. Fujita | _____ | *N. Williams | <u>NDW</u> |
| V. Israel | _____ | | |



 General Manager

Approved  Disapproved _____ Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Approve the proposed contract, substantially in the form on file in the Board Office, between the City of Los Angeles, Department of Recreation and Parks (Department) and Vermont Systems, Inc., (VSI) for the purchase and acquisition of recreation management and reservation system software licenses, equipment and services for an occasional and as-needed use with a contract term of one-year with two (2) one-year renewal options, not-to-exceed six hundred fifty thousand dollars (\$650,000.00), subject to the review and approval of the City Attorney as to form;
2. Find that VSI by written communication dated May 12, 2015, attached hereto and incorporated herein by reference as Attachment B, authorized the Department to utilize the contract between VSI and Palatine Park District for purchase, licensing, installation, training, maintenance and support of a recreation management and reservation system software in accordance with the terms and condition of the Software License Agreement between VSI and Palatine Park District dated September 25, 2014, attached hereto and incorporated herein by reference as Attachment A;

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3. Find that Palatine Park District by written communication dated March 25, 2015, attached hereto and incorporated herein by reference as Attachment C, authorized the Department to utilize Palatine Park District contract terms and conditions for purchase and acquisition of software licenses, equipment and technical support for the recreation management and reservation system;
4. Find as the contract awarding authority, in accordance with Charter Section 371(e)(2), the professional, scientific, expert, technical or other special services to be provided by VSI are of a temporary and occasional character for which competitive bidding is not practicable or advantageous;
5. Find as the contract awarding authority, in accordance with Charter Section 371(e)(8), that contracts for cooperative arrangements with other governmental agencies for the utilization of the purchasing contracts and professional, scientific, expert or technical services contracts of those agencies and any implementing agreements are an exception to the City's competitive bidding requirements;
6. Find as the contract awarding authority, in accordance with Charter Section 371(e)(10), that the services to be provided by VSI, are for the performance of professional, scientific, expert or technical services and the use of competitive bidding would be undesirable, impractical or impossible or is otherwise excused by common law;
7. Find in accordance with Charter Section 1022 Determinations Policy, that a Charter Section 1022 Determination is not required when contractor requires use of its staff or specially trained and certified persons to install, maintain or service equipment or other product in order to maintain warranties, patent rights or due to other rational basis; or the labor component cannot reasonably be separated from the other contract elements;
8. Authorize staff, upon Board's approval, to purchase the recreation management and reservation system software licenses, equipment and services, as described in the Summary of this Report;
9. Direct the Board Secretary to transmit forthwith the proposed Contract to the Mayor for approval and to the City Attorney for review and approval as to form; and,
10. Authorize the Board President and Secretary to execute the proposed Contract upon receipt of the necessary approvals.

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SUMMARY:

The Department has a need for a recreation management and reservation system to handle and process all recreational activity registrations, facility and pool reservations, rental hall and tennis court scheduling, memberships, and point-of-sale purchases at facilities and recreation centers throughout the City of Los Angeles. The ability to purchase and install a recreation management and reservation system is critical to meeting the Department's need to improve the operation, programming and scheduling support of all activities available to the public. In addition, the recreation management and reservation system will improve the Department's data collection for future reporting requirements and allow financial data to be imported into the Department's accounting system.

The Department provides programs and services to the residents and non-residents of the City of Los Angeles. The Department currently utilizes the Online Activity Catalog (OAC) system, a system from 1999, to perform activity registration both at facilities and online, process point-of-sale purchases, run registration and payment reports, process transmittals, and request refunds. It does not have the capability to handle reservations, check for duplicate patron accounts (one quarter of existing accounts are duplicates), allow patrons to look up their schedules or receipts from home, or let staff view what their facilities are currently offering. The OAC is used by Recreation, Aquatics, Accounting and Auditing staff.

Currently, there is no computer system to handle facility rentals. Each request for a room, field, court, baseball diamond or gym is processed manually with paper requests, receipts, and transmittals. This limitation means that credit card payments are not accepted for any rentals, and that rental practices vary greatly between facilities.

Preliminary research for a replacement recreation management and reservation system began at the California Parks and Recreation Society's (CPRS) annual convention held on March 6, 2014 in Ontario, California. Information was gathered from multiple vendors, and from that staff created a high level criteria of what is needed from a new OAC replacement system (see below).

- a. Vendor must have active system implementation with municipalities in the United States.
- b. New system must handle a full range of recreational programs and activities that the Department handles. This includes, but is not limited to, sports leagues, classes, camps, field trips and facility rentals.
- c. New system must be scalable due to the size of the City of Los Angeles. The size of the company is not a factor; may range from a small company to a large corporation.
- d. New system must be 100% web-based, built specifically for the Internet.

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With these criteria in mind, Information Technology (IT) and Recreation staff attended a vendor demonstration day hosted by CPRS on October 24, 2014 in Irvine, California. Using the information from these demonstrations and credible referrals, staff identified six (6) companies for more research: 1) Vermont Systems, Inc.; 2) ACTIVE Network; 3) Rec1; 4) PerfectMind Enterprises; 5) Accela; and 6) Your Active World.

Representatives from each of the six (6) companies were invited to give an in-depth demonstration to Department representatives from Recreation, Management, Aquatics, Accounting and IT during the week of January 26-30, 2015. After these demonstrations, IT staff sent out surveys and questionnaires to Department representatives to determine which vendor system is best suited to replace the Department's OAC system. Out of these demonstrations and based on the survey results, VSI was selected as the system best suited to meet Department's needs for the following reasons:

- a. VSI has the most robust and configurable backend general ledger financial tools and reporting capability.
- b. The VSI system's user interface is the most intuitive to use, and Department staff preferred it over the other vendor systems' user interface layouts.
- c. VSI's flat fee rate is more economical than the other vendor's transaction percentage fee rate. VSI's initial software and hardware procurement and set-up with first year maintenance cost is approximately \$330,000.00 and \$35,000.00 annually for each of the two (2) subsequent years. Other vendors' transaction percentage fee rate charge up to 2% per transaction; based on last year's OAC revenue of \$20,000,000.00, other vendor systems would cost the Department \$400,000.00 annually and the same amount for the subsequent years.
- d. VSI is the only system that allows the Department to host their own data. By allowing the Department this option, the Department owns and controls all information in the system, which is very critical to data security and accessibility.

VSI was established in 1985. Since 1988, VSI has specialized in developing fresh software products for managing recreation and park operations. VSI has 78 staff members and VSI's major industry concentration is Parks and Recreation Software. The company has over 1,150 installations with several thousand users, which includes 900 municipal and county government customers, as well as nearly all United States Air Force, Army, Navy and Marine bases worldwide. The company has a proven track record in providing quality software and support services on a nationwide scale.

Staff surveyed various municipalities that utilize the VSI system software and determined that the operations of Palatine Park District in Palatine, Illinois closely match the Department's programs and activities. The references survey regarding the performance of VSI system software were mostly favorable with average to good ratings. Because of the close match to the Department's, programs and activities, Department staff requested authorization from Palatine Park District and VSI to utilize their contract's terms and conditions so the Department can generate and execute its own separate

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contract with VSI. The Palatine Park District's contract with VSI, which has all the software, equipment, and services that the Department needs, was awarded on a competitive bid process and was executed on September 25, 2014. The Palatine Park District and VSI have provided authorization to the Department on the use of the contract's terms and conditions.

VSI proposes to provide the Department with proprietary application software and licenses, equipment and services that will improve the Department's programming and activity registrations, facility reservations, court scheduling, memberships, point-of-sale purchases and reporting capability. The VSI primary system software, Recreation Tracking Software (RecTrac) and its other applications, WebTrac for Internet registrations and PayTrac for credit card and debit card payment processing, will allow the Department to customize and process program registrations, oversee facility and pool reservations, view and access daily and monthly rental hall, room, tennis and other court schedules, and increase memberships. The new system will also be able to generate accounting reports, perform a variety of functions for marketing purposes and process various types of payments at any facility operated by the Department.

The proposed VSI system will consist of Rectrac, WebTrac, and PayTrac; provide perpetual licenses for 300 concurrent users; provide installation, training, and support of application software and computing hardware; and a one-year with two (2) one-year renewal extensions for software maintenance, technical support and upgrade of the application software and hardware. The overall cost of the project, will not exceed \$650,000.00 and will be funded through Department 89, Fund 302, Account 89712H. On May 20, 2015, the Board approved the transfer of funds in the amount of \$3,000,000.00 to Department 89, Fund 302, Account TBD - System Developments, to modernize the Department's technologies in the areas of business applications, technology infrastructure, computational storage capacities, Internet/intranet websites, mobile web and mobile applications (Board Report No. 15-110). The recreation management and reservation system software licenses, equipment and services fall under the area of business applications.

Department staff is recommending that the Board authorize the Department to enter into a separate contract with VSI, based on Palatine Park District's competitively bid contract. VSI has issued a letter dated May 12, 2015 (attached hereto and incorporated herein by reference as Attachment B) to the City of Los Angeles which authorizes use of the software license agreement dated September 25, 2014 between the Palatine Park District and VSI. It also states that VSI agrees to apply the same terms and conditions of the software license agreement dated September 25, 2014 except with some variation to the pricing due the Department's number of users, number of training days and hardware models, facility size and database requirements.

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According to the Personnel Department and pursuant to Charter Section 1022 Determinations Policy, that a Charter Section 1022 Determination is not required when “Contractor requires use of its staff or specially trained and certified persons to install, maintain or service equipment or other product in order to maintain warranties, patent rights or due to other rational basis; or the labor component cannot reasonably be separated from the other contract elements.”

At the request of the Department and because of the need for the new recreation management and reservation system, Department will begin the process to purchase and acquire the recreation management and reservation system software licenses, equipment and services from VSI, upon Board approval.

FISCAL IMPACT STATEMENT:

This project will allow the Department to improve, process and track all activities, programs, membership accounts, rental facilities and sports schedules offered throughout the various facilities in the City of Los Angeles and integrate the database for accounting applications, marketing, and reporting purposes. It is probable that the new system will generate increased utilization and rental of Department facilities and more participation in sports activities, classes, and programs. Funding for this project will be from Department 89, Fund 302, Account 89712H - System Developments.

This Report was prepared by Gino Ogtong, Management Analyst II and reviewed by Alex Yee, Director of Systems, Finance Branch.

Attachment A

Software License Agreement executed on September 25, 2014, between the Palatine Park District and Vermont Systems, Inc.

**SOFTWARE LICENSE AGREEMENT BETWEEN
PALATINE PARK DISTRICT AND VERMONT SYSTEMS, INC.**

This Software License Agreement ("Agreement"), made this ____ day of September, 2014 ("Effective Date"), by and between Vermont Systems, Inc., a Vermont corporation, 12 Market Place, Essex Junction, Vermont 05452 ("VSI") and the Palatine Park District, 250 Wood Street, Palatine, Illinois 60067, (the "Park District").

By this Agreement, VSI shall provide to Park District certain application software licenses, equipment, and services as described and set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, it is agreed as follows:

1.0 Definitions.

1.1 Application Software. "Application Software" is defined as the computer readable instructions for the VSI licensed programs listed in Schedule A, Application Software, attached hereto and incorporated into this Agreement by this reference.

1.2 VSI Hosting System. "VSI Hosting System" is defined as the equipment, software, communications, data center attributes, and security provided by VSI to operate the Park District's licensed version of the Application Software. VSI Hosting System shall include, but not be limited to, the capabilities and features defined in Schedule B, Vermont Systems Cloud Computing Services, incorporated into this Agreement by this reference.

1.3 VSI Hosting Services. "VSI Hosting Services" are defined as the services provided by VSI to install and operate the Application Software on the VSI Hosting System. The VSI Hosting Services include, but are not limited to, the services and features defined in Schedule C, VSI Hosting Services, incorporated into this Agreement by this reference. VSI Hosting Services shall include full data replication of the Park District's licensed Application Software and data to the VSI remote data center in Denver Colorado and emergency cut-over to live processing at the Denver data center in the event of a failure in the Tech Vault Data Center system that operates the Park District's licensed Application Software and data. Such emergency cut-over shall be performed within the timeframes defined in item 19 of Schedule C.

1.4 VSI Hosting Solution. "VSI Hosting Solution" is defined as the VSI Hosting System and the VSI Hosting Services.

1.5 POS and Membership Equipment. "POS and Membership Equipment" is defined as the Equipment listed on Schedule D, incorporated into this Agreement by this reference.

2.0 Hosting, Software and Equipment Price. The Park District will pay to VSI:

- 1) The Application Software Price as set forth in Schedule E for the right to use the Application Software as described herein.
- 2) The VSI Hosting Solution Monthly Fee as set forth in Schedule E for the use of the VSI Hosting Solution.
- 3) The Total Equipment Price as set forth in Schedule D for the purchase and installation of the POS and Membership Equipment provided by VSI as described herein, provided the Park District elects to have VSI provide the POS and Membership Equipment. The Park District may increase or decrease the quantity of each component of the POS and Membership Equipment prior to shipment of the equipment.

3.0 Project Defined; Schedule. The "Project" shall include the Installation, Training, and Acceptance Testing described in this Agreement. The installation and implementation of the Application Software shall be performed within the timeframes defined in the project schedule set forth in Schedule F, Project Schedule. In addition, the completion and delivery of any portions of the Project shall be made in accordance with the Project Schedule. Time is of the essence of this Agreement. The Parties may, upon prior written mutual agreement, accelerate or delay the Project Schedule. VSI shall make the required VSI personnel resources available to enable the Park District to be operating live on the Application Software for the 2015 spring season. All live spring 2015 programs must be entered into the VSI system by February 4, 2015 and the system must be ready for live resident registrations on March 2, 2015.

4.0 Payment. Payment for the Application Software will be made according to the schedule set forth in Schedule G, Payment Schedule. For each payment outlined in Schedule G, VSI shall submit an invoice to the Park District's project manager. All invoices shall be processed in compliance with the Local Government Prompt Payment Act.

The Park District shall be charged for all training services as those services are provided to the Park District. At the beginning of each month VSI shall provide the Park District with an invoice for the training services that were performed in the previous month. The cost of the training services shall not exceed the VSI Services amount listed on Schedule E without the Park District's prior written approval. The Park District shall not be required to use and pay for all of the training services defined on Schedule E.

Payment for the VSI Hosting Solution will be made as set forth in Schedule G, Payment Schedule.

5.0 POS and Membership Equipment Shipment. Shipment of the POS and Membership Equipment to the Park District's site shall be made by VSI in an acceptable mode of transportation to provide utmost protection of the equipment. The POS and Membership Equipment shall be shipped for inside delivery and delivered to the location specified by the Park District. Park District, at its sole option, may request multiple, partial shipments of the POS and Membership Equipment. VSI will not ship any of the POS and Membership Equipment without prior authorization by the Park District.

6.0 Title. VSI represents and warrants to the Park District that, upon the Park District's payment in full of all monies due under this Agreement for the POS and Membership

Equipment; (i) the Park District shall receive good title to the equipment free and clear of all claims, liens, encumbrances, and all other defects of title; and (ii) VSI shall defend and indemnify the Park District, at VSI's expense, from and against any action or claim brought against the Park District by any third party based on the third party's claim of any ownership interest in the equipment.

7.0 Documentation. The Application Software documentation (referred to as "Documentation") shall include, but not be limited to, the following components: Software Installation and Configuration Instructions, Installation Planning Guide, RecTrac and WebTrac User Reference Manuals, RecTrac and WebTrac Reports Manuals, Demonstration Practice Tutorials, RecTrac and WebTrac Demonstration Practice Databases, and the table/file layouts and relationships for all tables/files used by the Application Software. In the event that the Park District is required to convert the data from the Application Software to another application software system, needs to integrate data from the Application Software with another software product, requires custom reports to be created, or obtains the right to use the Source Code as defined below in section 14.0, the Park District shall have the right to provide a third party firm with any data and the table/file layouts and relationships that the third party firm needs, provided that the third party firm executes an agreement prohibiting it from disclosing, distributing or using the techniques contained in the table/file layouts and relationships to, or for any party other than the Park District or for a commercial purpose other than providing software or services to the Park District. Park District personnel shall have the right to use the table/file layouts and relationships for internal Park District use.

8.0 System Specifications. The VSI Response to the Palatine Park District RFP ("RFP Response"), herein incorporated by reference, and the Documentation shall become the system specification ("System Specification") and will constitute the functional specifications for the Application Software. If a conflict exists between the RFP Response and the Documentation, the RFP Response shall control.

9.0 Application Software Installation. Following the execution of this Agreement, VSI shall install the Application Software on the VSI Hosting System on November 3, 2014 and provide the necessary VSI Hosting Services to make the Application Software operational ("Installation"). VSI shall provide, at no additional charge to the Park District, unlimited telephone support to assist Park District or Park District's agent with completing any installation tasks that must be performed by the Park District. The Installation of the Application Software will make the Application Software ready for the Park District's intended use. Installation shall include, but shall not be limited to, the following: (i) the verification by the Park District, of the Application Software's successful Installation through the execution of a demonstration routine designed by VSI and performed by Park District personnel, certified in writing by Park District or Park District's agent of the successful execution of the demonstration routine; (ii) the generation of all master tables/files, initialized, and able to accept the Park District's data; (iii) the establishment of all default values required by programs; (iv) installation of the programs or commands necessary to enable all of the Park District's workstations to access and operate the Application Software; (v) the creation of menu(s) and/or icons on each of the Park District's workstations to give personnel with valid log-on security access to programs; (vi) installation of the programs or commands necessary to enable any printed output from the Application Software to print on any Network printer that has been defined in a network printer selection menu; (vii) assist Park District personnel with

installing, implementing, and testing the POS and Membership Equipment, the Vermont Integrated Client software, and all other required software, on Park District workstations to enable POS and membership peripheral equipment to operate with the Application Software; (viii) installation of the equipment and software to enable the Application Software to interface with the credit card processing system that is integrated with the Application Software to allow credit card transactions to be automatically processed by the Application Software; (ix) installation and integration of the Musco remote lighting interface with the Application Software; (x) delivery of all Documentation; (xi) installation and configuration of the Internet Registration system to allow the Internet Registration system to process customer registrations; (xii) development and installation of the interface to enable program data from the Application Software to be integrated with a desktop publishing application to assist with the brochure creation process; (xiii) install two (2) separate test systems and databases allowing Park District users to independently test the Application Software; (xiv) assist with uninstalling the test systems and databases after Application Software testing is completed (as requested by the Park District). The Installation shall include a separate database for the Park District's system. The Park District shall not share a database with other VSI clients.

The Park District will be implementing a new accounting system after the completion of the VSI RecTrac and WebTrac implementation. When the Park District implements the new accounting system VSI agrees to develop, install, and assist with the testing of the interfaces to enable general ledger transactions and refund transactions to be extracted from the system in the format required by the new accounting system at the prices quoted by VSI..

10.0 Training. VSI will provide training to train as many personnel as Park District deems necessary in the complete and proper use and operation of the Application Software ("Training"). VSI will provide Park District with twenty eight (28) days of training at the cost as defined in Schedule D plus estimated travel expenses as defined in Section 15.0. Training will be conducted by VSI trainers live and in person at Park District's offices in Palatine, Illinois and will consist of sessions between a VSI instructor and such of its personnel as Park District designates.

Any Training requested by Park District in addition to the twenty eight (28) days of training will be provided by VSI at the base rate of seven hundred fifty dollars (\$750.00) per eight hour day of training for two years from the execution of this Agreement. After two years from the execution of this Agreement, VSI will provide Training at the lower of the following rates:

- (a) the then prevailing rate generally charged to other customers of VSI
- or
- (b) a three percent (3%) increase per year to the base rate in effect for the Park District during the previous year.

11.0 Application Software Acceptance Testing.

11.1 Acceptance Testing. Upon completion of the Installation and Training (the "Install/Training Completion Date"), Park District will test the Application Software on the VSI Hosting Solution to determine whether the Application Software, used in conjunction with the VSI Hosting Solution, operates in accordance with the Acceptance Tests set forth in Section

11.2 below ("Acceptance Testing"). All such Acceptance Testing will be conducted by Park District personnel at the Park District's site and completed in accordance with the Project Schedule as shown in Schedule F of this Agreement.

11.2 Acceptance Tests. The following testing criteria will be used by the Park District in testing the Application Software ("Acceptance Tests"):

- a) The Application Software meets the specifications and functions set forth in the System Specification;
- b) The Application Software, operating on the VSI Hosting Solution, is capable of running a variety of data on a repetitive basis without failure;
- c) All Application Software is able to operate on any Park District input device and all input devices are able to simultaneously run the Application Software. In addition thereto, up to thirty-nine (39) input devices on the Park District's system are able to simultaneously run the Application Software;
- d) The POS and Membership Equipment operate properly with the Application Software;
- e) Credit card transactions are able to be processed by the Application Software;
- f) All Documentation has been delivered and accurately reflects the operation of the Application Software;
- g) Registrations are able to be processed using the WebTrac Internet Registration system.
- h) General ledger account transactions and refund transactions are able to be exported out of the Application Software in the format required by the Park District's accounting system.
- i) One LIVE database and one test (training) database have been installed.

The determination of the satisfaction of the test criteria during the Acceptance Tests shall be solely at the discretion of the Park District.

11.3 Review and Correction. Park District will either (i) notify VSI in writing that the Application Software meets the Acceptance Tests and is accepted by Park District, (referred to as "Application Software Acceptance"); or (ii) notify VSI in writing that the Application Software fails to meet the Acceptance Tests. If Park District fails to notify VSI that the Application Software fails to meet the Acceptance Tests within forty five (45) days after the Install/Training Completion Date, the Application Software will be deemed accepted.

If Park District notifies VSI that the Application Software does not meet any or all of the Acceptance Tests, Park District will set forth a list of the errors or omissions which have caused the Application Software not to meet the Acceptance Tests. After notification of a

failure of the Application Software to meet the Acceptance Tests, VSI shall have ten (10) business days from the date that VSI receives the list of errors and omissions to modify or improve the Application Software to meet the Acceptance Tests. The modified Application Software will then be retested in the same manner as described above in Section 11.2 and Section 11.3. The Park District shall provide an Application Software Acceptance for any of the Acceptance Tests which are satisfactorily performed and, if applicable, a notice that an Acceptance Tests failed within the forty-five (45) day period referenced in this section 11.3 above.

12.0 Application Software Warranties.

12.1 Warranty of Operation. VSI warrants that the Application Software used in conjunction with the Network shall operate in accordance with the System Specifications ("Warranty of Operation"). Any errors or non-conformances to the System Specification shall be corrected by VSI at no charge to Park District.

VSI shall provide Park District with unlimited support at no charge to Park District for ninety (90) days from the first day of the month following availability of the hosted application for District use, after which time, support will be provided to the Park District under the terms of a maintenance agreement with VSI.

12.2 Patent and Copyright Indemnification. VSI covenants and represents that the Application Software and all related materials supplied to Park District hereunder do not infringe or otherwise constitute wrongful use of any copyright, patent, registered industrial design, trade mark, trade secret or any other right of any third party. VSI shall indemnify, defend and hold harmless Park District in the manner described in Section 21.0 from any suit or proceeding brought against Park District by reason of any such infringement or any wrongful use. VSI shall in no event consent to any injunction, accounting or other equitable remedy which results in any expense to the Park District or its inability to operate the Application Software in accordance with the System Specifications without the Park District's prior consent, such consent not to be unreasonably withheld.

If use of the Application Software by the Park District is enjoined by any such action, VSI shall, at its sole cost and expense and with the agreement of the party pursuing such action either:

- (a) obtain the right for the Park District to continue using the Application Software;
- or
- (b) replace or modify the Application Software in question so that there is no longer any infringement, provided that the Application Software in question functions and performs in substantial compliance with the System Specifications, as determined in the Park District's reasonable discretion, and provided further that any and all training, hardware and other costs occasioned by such replacements or modifications are borne by VSI.

The obligations under this paragraph shall survive termination of the within license or this Agreement or both.

12.3 Warranty of Compatibility with POS and Membership Equipment. VSI understands that Park District intends to use the Application Software in conjunction with the POS and Membership Equipment defined herein; accordingly, VSI represents and warrants that the Application Software shall be fully compatible with the POS and Membership Equipment. If the District upgrades to operating systems that are no longer compatible with the POS and Membership Equipment defined herein, it recognizes that this problem is beyond VSI's control. However, VSI will cooperate with the District to resolve any incompatibility issues that might occur.

12.4 Pre-programmed Termination Warranty. VSI represents and warrants that the Application Software and any future version, release or update to the Application Software (or any portion thereof) does not contain any timer, clock, counter or other limiting design or routine which causes such Application Software or data (or any portion thereof) to become erased, inoperable or otherwise incapable of being used in the full manner for which it is designed and licensed pursuant to this Agreement after being used or copied a certain number of times, or after the lapse of a certain period of time, or after the occurrence or lapse of any similar triggering factor or event.

If there is a timer, clock, counter or other limiting design or routine in the Application Software or any future version, release or upgrade to the Application Software (or any portion thereof), as defined in this section, VSI shall immediately remove said timer, clock, counter or other limiting design or routine from the Application Software (or any portion thereof) and immediately correct, at no cost to Park District, any data or any software that was affected by said timer, clock, counter or other limiting design or routine.

12.5 PCI Compliance Warranty. VSI warrants that the VSI Hosting Solution and the Application Software and all future updates, revisions, releases, and new versions of the Application Software shall be fully compliant with all Payment Card Industry (PCI) required processing and standards. VSI shall provide the Park District with the required certifications, reports, and test results that verify the PCI compliance of the VSI Hosting Solution and the Application Software. Any hardware, network, or operations costs associated with PCI compliance will be the responsibility of VSI if hosting related and Palatine Park District if customer related.

12.6 ADA Compliance. VSI warrants that the Application Software and all future updates, revisions, releases, and new versions of the Application Software shall be in full compliance with all ADA guidelines and requirements, including section 508 standards. If, at any time during the term of this Agreement, VSI is made aware that the Application Software does not conform to the then current ADA guidelines and requirements, VSI shall immediately correct such non-conformances at no additional charge to the Park District. There may be certain features such as Touch POS that simply do NOT have an ADA workaround and thus would not be considered ADA compliant. In situations such as these, VSI will notify Palatine and Palatine will have the option of removing the feature if practically possible. If technical capabilities advance and allow a non-compliant feature to become compliant, VSI will make these changes at no cost to the Park District.

13.0 Termination of Agreement. Upon termination of the Agreement, for any reason except default by VSI, each party shall return to the other party all papers, materials and

properties of the other party held for purposes of executing the Agreement. VSI may terminate this Agreement only if Park District is in default of the Agreement as defined in Section 19.0. Park District may terminate this Agreement at any time upon one month's prior written notice to VSI or as defined in Section 20.0. If Park District terminates this Agreement for any reason other than VSI's default of the Agreement, VSI may discontinue any license granted to Park District under this Agreement.

14.0 Source Code Escrow. The application source code ("Source Code") for all of VSI software is held in escrow by written agreement by VSI's escrow agent, Kolvoord, Overton, & Wilson, Attorneys, at 3 Main Street, Essex Junction, Vermont 05452. VSI agrees to place a current copy of the Application Software Source Code in escrow upon Application Software Acceptance and upon the release of each future update, revision, release or new version of the Application Software. If VSI defaults in providing software maintenance support due to company failure, ceases conducting business in the normal course, becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets, or avails itself of or becomes subject to any proceeding under the Federal Bankruptcy Act or any other statute of any state relating to insolvency or the protection of the rights of creditors, or if VSI is in default of the Software Maintenance Agreement Between Palatine Park District and Vermont Systems, Inc. dated _____, or if VSI is in default of this Agreement, then the Source Code will be made available to the Park District by the escrow agent for the Park District's use only. Confirmation that the source code has been placed in escrow made be made by the Park District to VSI's escrow agent at any reasonable time. VSI shall cause its escrow agent to provide written confirmation that the source code has been escrowed within five business days after the Effective Date of this Agreement.

15.0 Out-of-Pocket Expenses. The Park District is responsible for reimbursing VSI for all reasonable expenses actually incurred by VSI, such as travel, lodging, meals, and other expenses necessary to complete the training, as requested by the Park District. The training days will be devoted to the Park District and the Park District will be responsible for the expenses associated with those training days. VSI will attempt to coordinate any future training with other VSI customers in the Chicago area in order to reduce costs by sharing expenses among multiple VSI customers. The estimated travel expenses are \$17,490.00 for the Application Software implementation which is based on four (4) on-site RecTrac training sessions of five (5) days each, one (1) on-site RecTrac training session of three (3) days, one (1) on-site WebTrac training session of five (5) days, and 1 eight (8) hour remote WebTrac training session conducted via Webex. For each trip to Palatine to perform training, VSI will charge the Park District for travel time at the rate of three hundred seventy five dollars (\$375.00) per person per trip. Any travel expenses incurred by VSI in excess of the above stated amounts must be pre-approved by the Park District; otherwise the Park District will not be responsible for those excess expenses. At the request of the Park District, VSI shall provide the Park District with receipts for all expenses that are billed to the Park District.

16.0 Taxes. VSI and Park District acknowledge and agree that Park District is exempt from the imposition of any taxes arising from the transaction contemplated by this Agreement and Park District has presented VSI with evidence demonstrating such exemption. Park District shall not be responsible for any taxes which accrue to VSI or

otherwise as a result of the income realized from the products or services sold or provided under this Agreement.

17.0 License. VSI hereby grants Park District a perpetual, nontransferable, non-exclusive license under the terms of this Agreement to use the Application Software. At the Park District's sole option, all terms and conditions of this Agreement shall apply to any additional VSI software modules licensed to the Park District. Nothing herein shall be construed to terminate the Licenses herein granted in the event any contract for maintenance services between the parties expires or is otherwise terminated.

The license includes thirty nine (39) concurrent user licenses of the Application Software. The Park District may purchase additional concurrent user licenses at the cost of three hundred dollars (\$300.00) per additional concurrent user license. The cost to increase the number of concurrent user licenses shall remain at three hundred dollars (\$300.00) for each additional concurrent user license for two years after the execution of this Agreement after which time the cost to increase the number of concurrent user licenses shall be the lower of the following:

(a) an annual percentage increase which shall not exceed the annual percentage increase charged to any other VSI customer;
or

(b) an annual increase which shall not exceed three percent (3%) per year to the base rate of three hundred dollars (\$300.00) per additional concurrent user.

The license includes fifty (50) WebTrac Workgroup Agents. The Park District may purchase additional WebTrac Workgroup Agents at the cost of two hundred fifty dollars (\$250.00) per five (5) additional Agents. The cost to increase the number of WebTrac Workgroup Agents shall remain at two hundred fifty dollars (\$250.00) for five (5) additional Agents for two years after the execution of this Agreement after which time the cost to increase the number of Agents shall be the lower of the following:

(a) an annual percentage increase which shall not exceed the annual percentage increase charged to any other VSI customer;
or

(b) an annual increase which shall not exceed three percent (3%) per year to the fee for five (5) additional Web Trac Workgroup Agents paid by the Park District in the previous year. .

The Park District may elect to rent five (5) additional WebTrac agents at the rate of one hundred twenty five dollars (\$125.00) per week.

18.0 VSI Hosting Solution Monthly Fee. VSI shall provide Park District with the VSI Hosting Solution (Platinum option) at the monthly fee defined in Schedule E for three (3)

years after the execution of this Agreement, after which time the VSI Hosting Solution monthly fee shall be the lower of the following:

(a) an annual percentage increase which shall not exceed the annual percentage increase charged to any other VSI customer;

or

(b) an annual increase which shall not exceed three percent (3%) per year to the VSI Hosting Solution monthly fee charged to the Park District in the previous year.

19.0 Performance of Work. VSI agrees to perform faithfully, industriously, and to the best of VSI's ability, experience, and talents, in accordance with generally accepted standards of professional skill and care among recognized industry experts engaged in similar services, all of the duties described by the express and implicit terms of this Agreement, to the reasonable satisfaction of the Park District. VSI shall perform all of its duties hereunder according to the Park District's requirements and procedures. The Park District shall be the sole judge of whether VSI's duties are performed satisfactorily.

20.0 Default by Park District. The nonpayment or nonperformance of any material obligation under this Agreement of Park District shall not be deemed a default unless Park District fails to cure the default within thirty (30) business days after written notice to Park District of such nonpayment or nonperformance, or, if the default cannot be cured within thirty (30) days, the Park District commences to cure the default within the thirty (30) day period and completes the cure of the default within a reasonable time (the "Cure Period"). If Park District fails to cure such default within the Cure Period, or, prior to complete payment under the terms of this Agreement, ceases conducting business in the normal course, becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets, or avails itself of or becomes subject to any proceeding under the Federal Bankruptcy Act, then VSI may discontinue any and all licenses for the Application Software or terminate this Agreement. Any nonpayment or nonperformance by the Park District which is the result of a dispute between the parties to this Agreement shall not be considered a default by the Park District.

21.0 Default by VSI. The nonperformance of any obligation of VSI shall not be deemed a default unless VSI fails to cure the default within thirty (30) days after written notice to VSI of such nonperformance; provided, however, VSI's time to cure a default under Sections 11.3, 12.4, 12.5, and 12.6 shall be the time set forth in that section and not thirty (30) days. If VSI fails to cure such default, ceases conducting business in the normal course, becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets, or avails itself of or becomes subject to any proceeding under the Federal Bankruptcy Act or any other statute of any state relating to insolvency or the protection of the rights of creditors, then Park District at its sole option may do any one or more of the following: (i) terminate this Agreement; (ii) suspend any payments due under the Agreement; (iii) pursue any remedy available to it at law or in equity in addition to any specific rights or remedies set forth in this Agreement; (iv) immediately obtain the Source Code from VSI's escrow agent, as defined in Section 14.0; (v) continue to use the Application Software, Source Code and Documentation for as long as Park District deems necessary for the sole purpose of operating Park District's business needs. Each of the aforesaid rights and remedies are cumulative and the Park District's

election of one shall not be deemed to be exclusive of the election of any other of the rights and remedies herein described.

22.0 Indemnification and Insurance. To the fullest extent permitted by law, VSI agrees to protect, defend, indemnify and hold the Park District, its commissioners, officers, officials, agents, and employees, (hereafter "the Indemnified Parties"), free and harmless from and against any and all claims, suits, causes of action, losses, damage to property, demands, injury or death, costs and expenses, arising from or in connection with the services performed or equipment provided by VSI, or otherwise in consequence of this Agreement or arising out of or being in any way connected with VSI's performance or failure to perform, wrongful act or negligence of VSI, its officers, directors, employees, subcontractors, sub-consultants, volunteers or agents, under the Agreement except for matters shown by final judgment to have been solely caused by or attributable to the gross negligence or intentional wrongful act of the Indemnified Parties. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to the Park District. VSI shall similarly protect, indemnify and hold and save harmless the Park District, its officers, officials, employees, volunteers and agents against and from any and all claims, costs, causes, actions and expenses including but not limited to legal fees, incurred by reason of VSI's breach of any of its obligations under, or VSI's default of, any provision of this Agreement. The indemnification provided herein shall be effective to the maximum extent permitted by applicable law. This indemnity extends to all legal costs including without limitation; attorney's fees, costs, liens, judgments, settlements, penalties, professional fees or other expenses incurred by any of the Indemnified Parties. This indemnification is not limited by any amount of insurance required under the Agreement and shall cover the cost of defense of any claim of liability within the scope of the indemnity whether or not such claim is meritorious. Further, the indemnity contained in this section shall survive the expiration or termination of the Agreement. VSI shall be solely responsible for the defense of any and all claims, demands or suits against the Indemnified Parties including without limitation, claims by employees, subcontractors, agents, or servants of VSI provided that the Park District shall have the right to designate separate counsel to defend the Park District in which event the fees and expenses of such counsel shall be paid by VSI.

The Park District shall not be responsible or liable for any injury, damages, loss or costs sustained or incurred by any person including, without limitation VSI's employees, or for any damage to, destruction, theft or misappropriation of any property, relating in any way, directly or indirectly, to VSI's Services and obligations under this Agreement. The Park District shall not be liable for acts or omissions of VSI or any of VSI's employees, subcontractors, sub-consultants, agents or other persons purporting to act at the direction or request, on behalf, or with the implied or actual consent, of VSI.

VSI shall promptly provide, or cause to be provided, to the Park District and the Park District counsel copies of any such notices as they may receive of any claims, actions or suits as may be given or filed in connection with VSI's or any subcontractor's performance of the Agreement and for which the Indemnified Parties may claim indemnification hereunder and give the Indemnified Parties authority, information, and/or assistance for the defense of any claim or action.

VSI shall keep in full force and effect and maintain at its sole cost and expense the policies of occurrence based insurance during the entire duration of the work performed on the Park District's premises. The Indemnified Parties shall be named, identified or endorsed as additional insured parties on the policy of insurance.

VSI shall maintain insurance limits no less than the following:

1. **Commercial General Liability:** \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. The general aggregate shall be twice the required occurrence limit. Minimum General Aggregate shall be no less than \$2,000,000.
2. **Professional Liability Insurance:** VSI shall maintain professional liability and if necessary commercial umbrella liability insurance with a limit of not less than \$1,000,000 for each wrongful act arising out of the performance or failure to perform professional services and \$2,000,000 aggregate.
3. **Business Automobile Liability:** \$1,000,000 combined single limit per accident for bodily injury and property damage. . Such insurance shall cover liability arising out of any auto including owned, hired and non-owned autos. Business auto insurance shall be written on Insurance Services Office (ISO) form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in the 1990 and later editions of CA 00 01.
4. **Workers' Compensation and Employers' Liability:** Workers' Compensation coverage with statutory limits and Employers' Liability limits of \$1,000,000 per accident. or bodily injury by disease. If the Park District has not been included as an insured under the CGL using ISO additional insured endorsement CG 20 10 under the Commercial General and Umbrella Liability Insurance required in this Agreement, VSI waives all rights against the Park District and its officers, officials, employees, volunteers and agents for recovery of damages arising out of or incident to VSI's work.

The liability limits described herein above may be satisfied in part with an umbrella policy provided its coverage is no narrower than the primary liability policies herein described.

VSI's insurance shall contain Severability of Interests/Cross Liability coverage stating that VSI's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

The insurance companies shall maintain at least an A VII rating in the most current publication of Best's Policyholder Guide and shall be licensed to do business in Illinois.

Such insurance shall be primary insurance and any other valid insurance existing for the Park District's benefit shall be excess of such primary insurance. VSI shall obtain such endorsements to its policies of insurance as are necessary to cause the policies to comply with the requirements stated herein.

Certified copies of the policies of insurance required above shall be furnished to the Park District by VSI prior to commencement of any work to be performed. All such policies or certificates shall contain no less than thirty (30) days prior written notice to the Park District of cancellation, non-renewal or material change in the insurance by certified or registered mail, return receipt requested. Any failure of the Park District to require proof of insurance or obtain receipt thereof prior to commencement of any work shall not be found to be a waiver of VSI's requirement to procure or maintain such insurance. Failure to maintain the required insurance may result in termination of this Agreement at the Park District's option. VSI shall provide certified copies of all insurance policies required above within 10 days of the Park Districts' written request for said copies.

VSI shall cause each subcontractor employed by VSI to purchase and maintain insurance of the type specified above. When requested by the Park District, VSI shall furnish copies of certificates of insurance evidencing coverage for each subcontractor.

Any deductibles or self insured retentions must be declared to the Park District. At the option of the Park District, VSI may be asked to eliminate such deductibles or self insured retentions as respects the Park District, its officers, officials, employees, volunteers and agents or required to procure a bond guaranteeing payment of losses and other related costs including but not limited to investigations, claim administration and defense expenses.

23.0 Limitation of Liability. Except for the warranties specified in Section 12.0, VSI grants no warranties, either expressed or implied, including, but not limited to any implied warranties or merchantability or fitness for a particular use.

24.0 Confidentiality of Park District Information. VSI acknowledges that all material and information supplied by Park District which has or will come into the possession or knowledge of VSI in connection with VSI's performance is to be considered Park District's confidential and proprietary information, disclosure of which information to or use by third parties will be damaging or which disclosure may be prohibited by law. VSI agrees to hold such material and information in strictest confidence, not to make use of it other than for performance as defined in this Agreement, to release it only to VSI employees needing to know such information, and not to release or disclose it to any other party or otherwise violate applicable law with respect to any disclosure of information. The Park District's damages arising from VSI's violation of this provision are difficult to ascertain and for which there is not a sufficient remedy at law.

25.0 Delivery Costs. VSI shall be responsible for the cost of media and delivery of the Application Software and Documentation to Park District's facility.

26.0 Risk of Loss. The risk of loss or destruction for the Application Software, Documentation, and POS and Membership Equipment regardless of the cause, shall be the responsibility of VSI until the Application Software, Documentation, and POS and Membership Equipment have been delivered to the Park District's premises, installed by VSI personnel, and accepted by Park District personnel. If any Application Software, Documentation, or POS and Membership Equipment is lost or damaged during shipment, delivery or installation, VSI shall replace it at no additional charge to Park District.

27.0 Future Application Software. VSI agrees that Park District shall have the right to upgrade the Application Software to future Application Software products at no additional cost

to Park District for the Application Software, provided that the Park District has a software maintenance contract with VSI in effect at the time of the upgrade.

VSI agrees that the Park District shall have the right to license the League Scheduling, POS Theatre/Venue Scheduling, Equipment/Site Rentals applications, and the Musco Remote Lighting Interface at the license fees and support fees defined in this section 26.0 for up to three (3) years from the execution of this Agreement. VSI agrees to install the League Scheduling, POS Theatre/Venue Scheduling, Equipment/Site Rentals applications and the Musco Remote Lighting Interface at no charge to the Park District. The Park District may operate all of those applications in a test environment to verify that the applications satisfy the processing requirements of the Park District. The Park District will pay VSI the license and maintenance fees defined in this section when any of the applications are used to process live transactions.

| <u>Application</u> | <u>License Fees</u> | <u>Maint Fees</u> |
|---------------------------------------|---------------------|-------------------|
| League Scheduling | | 2250.00 |
| POS Theatre/Venue Scheduling | 7,000.00 | |
| Musco Remote Lighting Interface | | |
| Equipment/Site Rentals | | |
| WebTrac POS Theatre/Venue Scheduling | | |
| WebTrac League Scheduling | | |
| WebTrac Equipment/Site Rentals | | |
| WebTrac Workgroup 5 Additional Agents | 5,000.00 | |

28.0 Compliance With All Laws. This Agreement, including all Schedules attached hereto and/or incorporated by reference herein, shall be governed and construed in accordance with the laws of the State of Illinois. VSI shall comply with all applicable laws, regulations and rules promulgated by any Federal, State, County, Municipal and/or other governmental unit or regulatory body now in effect or which may be in effect during the performance of this Agreement including without limitation all applicable laws, rules and regulations pertaining to equal employment opportunity. In furtherance and not in limitation of the foregoing, VSI specifically represents and certifies to Park District that it is not barred from entering into this Agreement as a result of violations of either Section 33E-3 or Section 33E-4 of the Illinois Criminal Code and it complies with the equal employment opportunity provisions of 775 ILCS 5/2-105, including maintaining a written sexual harassment policy in full compliance with 775 ILCS 5/2-105(A)(4). Included within the scope of the laws, regulations and rules referred to in this paragraph but in no way to operate as a limitation, are all forms of traffic regulations, public utility and Intrastate and Interstate Commerce Commission regulations, Workers' Compensation Laws, Prevailing Wage Laws, the Social Security Act, of the Federal Government and any of its titles, the Illinois Human Rights Act and regulations or EEOC statutory provisions and rules and regulations. Any breach by VSI of the foregoing laws, regulations and rules shall constitute a breach by VSI of this Agreement.

29.0 Assignment. VSI shall not assign or transfer this Agreement to any other person or entity without the written consent of the Park District, which shall not be unreasonably withheld. The Park District shall not assign or transfer this Agreement to any other person or entity without the written consent of VSI, which shall not be unreasonably withheld. Any

assignment approved hereunder shall not relieve the assignor of any liability which has accrued under this Agreement unless the assignee executes an Assumption Agreement reasonably satisfactory to the non-assigning party.

30.0 Partial Invalidity. If any provision hereof shall be held to contravene any applicable law, such provision shall be deemed reformed to the extent of conforming to said law, and in all other respects the terms hereof shall remain in full force and effect. If any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions of this Agreement will remain in full force and effect, and such invalid or unenforceable provision will be limited and curtailed only to the extent necessary for it to be valid and enforceable.

31.0 Waiver of Breach. No term of this Agreement shall be deemed waived or breach-excused unless the waiver shall be in writing and signed by the party claimed to have waived. Furthermore, any consent to or waiver of a breach will not constitute consent to or waiver of or excuse of any other different or subsequent breach.

32.0 Headings. The headings contained in this Agreement are for convenience and reference purposes only and do not in any way define, limit or describe the scope or intent of said paragraphs or of this Agreement nor in any way affect the meaning or interpretation of this Agreement.

33.0 Notices. All notices, demands, requests, and other communications required or permitted to be given by either party under this Agreement shall be in writing and:

(a) shall be sent by a nationally recognized overnight courier, in which event notice shall be deemed delivered one (1) business day after deposit with that courier; or

(b) shall be sent by United States Certified Mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid, in the United States Mail.

The addresses of the parties to this Agreement are as follows:

Vermont Systems, Inc.
12 Market Place
Essex Junction, VT 05452
Attention: Mr. Giles Willey

Palatine Park District
250 East Wood Street
Palatine, Illinois 60067
Attention: Mr. Elliott Becker

34.0 Entire Agreement. This Agreement and the attached schedules: Schedule A, Application Software, Schedule B, Vermont Systems Cloud Computing Services, Schedule C, VSI Hosting Services, Schedule D, POS and Membership Equipment, Schedule E, Application Software Price, Schedule F, Project Schedule, and Schedule G, Payment Schedule, constitutes the entire Agreement between VSI and Park District.

35.0 Relationship of the Parties. The relationship between VSI and the Park District is that of an independent contractor. VSI shall supply all personnel, equipment, materials,

and supplies at its own expense, except as specifically set forth herein. VSI shall not be deemed to be, nor shall it represent itself as, employees, partners, or joint venturers of the Park District. VSI is not entitled to workers' compensation benefits or other employee benefits from the Park District and is obligated to directly pay federal and state income tax on money earned under this Agreement.

36.0 No Third Party Beneficiaries. This Agreement is entered into solely for the benefit of the contracting parties, and nothing in this Agreement is intended, either expressly or impliedly, to provide any right or benefit of any kind whatsoever to any person and/or entity who is not a party to this Agreement or to acknowledge, establish or impose any legal duty to any third party. Nothing herein shall be construed as an express and/or implied waiver of any common law and/or statutory immunities and/or privileges of the Park District and/or VSI, and/or any of their respective officials, officers and/or employees.

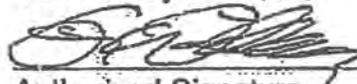
37.0 Amendment. No amendment or modification shall be made to this Agreement unless it is in writing and signed by both Parties.

Signatures are on the next page

Palatine Park District


Authorized Signature
Michael Crank
Printed Name and Title
9.25.14

Date

Vermont Systems, Inc.


Authorized Signature
GILES W. KELLEY, PRESIDENT
Printed Name and Title
9/25/14

Date

**SCHEDULE A
APPLICATION SOFTWARE**

The following is a list of the Application Software:

Application Software

- Activity Registration
- Facility Reservation
- Pass Management Photo
- Point-of-Sale/Inventory Control/Tickets
- Trip Reservations
- Incident Processing and Reporting
- Systems Administration
- AP Batch Refund Interface
- General Ledger Interface
- Activity Registration Custom Brochure Interface
- Pass Management Ext Integration
- VSI Credit Card External Redirect Interface
- Web Internet Software
 - WebTrac Internet Software 26-39 RecTrac Users
 - WebTrac Activity Registration
 - WebTrac Pass Registrations/Renewals
 - WebTrac Trip Reservations
 - Mobile RecTrac
 - Mobile WebTrac
 - WebTrac Workgroup Base 25 Agents
 - WebTrac Workgroup Additional 25 Agents (50 total Agents)
 - WebTrac Standard Brochure Interface
 - WebTrac First Style Sheet Service Initial and Major
 - Standard Splash Page Options

SCHEDULE B

VERMONT SYSTEMS CLOUD COMPUTING SERVICES

1. Complete Managed Hosting Services:

VSI owns and manages redundant servers and communications devices that are installed at the Tech Vault data center. These systems are operational on a 24/7/365 basis. VSI provides its hosting services customers with Progress Deployment software support, Progress RDBMS database support, and extended hours Pager support as described in VSI's current Sales & Support Policies. Initially, this includes live hosting phone support from 8:00am to 8:00pm, Monday – Friday, plus no charge Pager support for all other 24/7 hours. As the number of hosting customers grows, live hosting phone support will be expanded accordingly.

2. Tech Vault Data Center Base Hosting Services:

Tech Vault, a VSI business partner, assists VSI to provide complete data center hosting services for VSI customers. Tech Vault has a Green Building Council Gold Certification and is HIPAA, PCI-DSS, LEED Silver, and SSAE-16 certified. They are currently in the process of LEED Gold certification.

Data Center Space:

- APC InfraStruXure In-Row cooling and humidification technology with multi-stack chillers/cooling towers.
- Uses Schneider Electric LAN Integrated Continuum software to manage facility operations and data collection.
- APC Keycard rack security.
- HIPAA-compliant facility with exterior walls built to Homeland Security specifications.

Data Center Cooling & Environment:

- APC industry-leading In-Row cooling with integrated humidification.
- Cooling accommodates standard, high density, and super high density rack environments.
- Fully redundant N + 1 architecture.

Security & Access:

- Man-Trap access-only with dual-factor finger biometric scan and integrated HID proximity reader.
- Keycard and biometric facility access.
- Authorized VSI access 24/7/365.
- Video surveillance cameras, internal and external, 24/7/365 basis.
- Located next door to South Burlington Police Department.

Power:

- Data Center UPS infrastructure uses APC's Symmetra systems.
- Fully redundant N + 1 dual-power feeds from APC PDU's.
- Automatic generator back-up systems dual 800kw diesels.

Internet Services:

- Data Center is ISP Carrier neutral facility.
- Two tier-one providers -- Level 3 and Fairpoint.
- Tech Vault is a node on each carrier's regional SONET ring.
- Dual fiber routes installed from both providers.
- Virtually unlimited internet capacity available.
- Internet utilizes Border Gateway Protocol to provide 100% Internet availability.

Additional Tech Vault Features:

- 24/7/365 Facility Environmental Monitoring by Tech Vault staff.
- 3M NOVEC 1230 Clean Agent Fire Suppression Agent.
- Hardware Monitoring (SNMP) and Diagnostics.
- Operating System Monitoring and Patch Management.
- Network documentation, diagram, and copies of configuration files.
- Environmental Rack Reporting (Power, Cooling, Security, & Bandwidth Utilization).
- 100% uptime for bandwidth and power.

**SCHEDULE C
VSI HOSTING SERVICES**

| Item | Description | Silver | Gold | Platinum |
|------|---|------------|------------|----------|
| 1. | Flat monthly fee (no transaction fees) based on Service Level and number of concurrent users. | Yes | Yes | Yes |
| 2. | No forced convenience fee passed on to patrons. VSI customer can elect to charge a convenience fee to the patron for WebTrac transactions, but this is a user-defined parameter. | Yes | Yes | Yes |
| 3. | Servers managed by VSI in one of two secure data centers located in eastern and western regions of the United States. All server hardware and operating system maintenance is provided by trained VSI professionals. | Yes | Yes | Yes |
| 4. | All VSI application updates will be published by VSI in advance and will be automatically loaded by customer workstations at next login. | Yes | Yes | Yes |
| 5. | All VSI application upgrades will be performed by VSI. These upgrades will involve "planned" downtime and will be coordinated with the customer during off-peak hours. Program updates related to these upgrades will be deployed normally through the VSI Deployment Server. | Yes | Yes | Yes |
| 6. | Test application upgrades performed prior to the live database upgrade so that a customer will have an accurate understanding of the planned downtime period needed to perform the upgrade. | Chargeable | Chargeable | Yes |
| 7. | After Image (.AI) snapshot window in minutes. These snapshots reduce the potential data loss if a system failure takes place. A lower value equates to greater "insurance coverage". | 180 | 120 | 60 |
| 8. | Daily Live Database Backups and nightly off-premise backups are performed by VSI on a rolling 7 day basis. In addition, VSI maintains a rolling quarter-end backup and a rolling annual backup for three years. | Yes | Yes | Yes |
| 9. | Receipt, photo, button, and other similar PDF, JPG, DAT, BMP, and D files that exist outside the application database will be organized by VSI. In addition, these files will be archived daily using the normal backup schedule covered in Item #8. | Yes | Yes | Yes |
| 10. | Toll Free phone support including WebEx diagnostic sessions. | Yes | Yes | Yes |

| Item | Description | Silver | Gold | Platinum |
|------|--|---|-------------|--------------|
| 11. | ODBC Connection for third party access to reporting database updated once every 24-hours to accommodate dashboards and custom reporting. | Chargeable | Chargeable | Yes |
| 12. | Redundant servers, power supplies, bandwidth in and out of the hosted servers, network connections, RAID 10 disk arrays, and SAN/NAS configuration. | Yes | Yes | Yes |
| 13. | Monthly third party external PCI scan provided by Trustwave | Yes | Yes | Yes |
| 14. | Automatic checks every "X" minutes to be sure WebTrac home page is accessible. | 90 Min | 60 Min | 30 Min |
| 15. | Library of WebTrac Splash Pages available for loading into a customer's hosted database. | Chargeable | 50% Disc | Yes |
| 16. | WebTrac Style Sheet and image changes forced by a VSI enhancement or update will be updated by VSI. | Yes | Yes | Yes |
| 17. | Staff training using phone and WebEx when applicable. These hours can be used to train new staff; refresher sessions for existing staff; or to learn a new function in a VSI hosted application. Each training segment is a maximum of four hours and is limited to number of sessions listed. | Chargeable (Standard Training Rate Applies) | One Session | Two Sessions |
| 18. | Library of Membership Card, Gift Card, and Ticket templates available for loading into a customer's hosted database. | Yes | Yes | Yes |
| 19. | Maximum recovery time associated with any unplanned outage. | 12 Hours | 6 Hours | 2 Hours |
| 20. | 24/7 Pager Support related to hosting issues included at no additional charge. Hosting support ends at the RecTrac login screen. Standard application software support services become effective, as soon as a user can login into RecTrac. | Yes | Yes | Yes |
| 21. | LIVE to DEMO database copies performed by VSI during standard support hours. Number in this column represents the copies allowed per month at no additional charge. | 1 | 2 | 4 |
| 22. | Web Agents included for processing both staff and patron functions. Each agent can service approximately 20 simultaneous requests per second. Additional Agents can be licensed or rented, if needed. | 25 | 25 | 50 |

| Item | Description | Silver | Gold | Platinum |
|------|---|--------|------|----------|
| 23. | <p>Key data center facts:</p> <p>A) HIPAA-compliant facility built to Homeland Security specifications.</p> <p>B) Fully redundant N+1 architecture</p> <p>C) Man-Trap access only with dual-factor biometric scan and integrated HID proximity reader.</p> <p>D) Two Tier-One internet providers (Level 3 and Fairpoint) with dual fiber routes installed by both providers.</p> <p>E) Green Building Council Gold Certification</p> <p>F) PCI-DSS and SSAE-16 (formally SAS70) Certified</p> | Yes | Yes | Yes |

**SCHEDULE D
POS AND MEMBERSHIP EQUIPMENT**

POS and Membership Equipment

| | |
|------|---|
| 4 | Microsoft LifeCam Studio Camera, Auto Focus 1080p |
| 4 | Adjustable Tripod Stands for LifeCam Cameras |
| 18 | Honeywell MS7580 Genesis Imager, 1D PDF417, USB |
| 24 | Magtek Dynamag, Mini MSR, 3Trk, USB, Non-encrypted |
| 24 | Star TSP143UII, 40 col Thermal USB printers with cutter |
| 2 | Thermal 1 Ply Paper, Plain, 50 rolls/case |
| 20 | MMF Advantage 17Wx18D cash drawers |
| 1 | Elo 2201L iTouch Monitor 22" LCD, Zero-Bezel |
| 2500 | Key Fob, Teslin, Preprinted |

Total Equipment Price

**SCHEDULE E
APPLICATION SOFTWARE PRICE**

| Application Software | License Fee | Maintenance Fee |
|---|--------------------|------------------------|
| Activity Registration | \$2,750.00 | \$490.00 |
| Facility Reservation | \$2,750.00 | \$490.00 |
| Pass Management Photo | \$2,750.00 | \$490.00 |
| Point of Sale/Inventory Control/Tickets | \$2,750.00 | \$490.00 |
| Trip Reservations | \$1,950.00 | \$350.00 |
| Incident Processing and Reporting | no charge | no charge |
| System Administration | \$400.00 | \$400.00 |
| 37 additional user licenses (39 total) | \$11,100.00 | \$1,850.00 |
| AP Batch Refund Interface | \$1,500.00 | \$300.00 |
| General Ledger Interface | \$1,500.00 | \$300.00 |
| Activity Registration Custom Brochure Interface | \$1,500.00 | \$300.00 |
| Pass Mgmt Ext Integration | \$450.00 | \$180.00 |
| VSI Credit Card External Redirect Interface | \$1,500.00 | \$300.00 |
| Web Internet Software (26-39 RecTrac users) | \$5,450.00 | \$1,090.00 |
| WebTrac Activity Registrations | \$1,450.00 | \$290.00 |
| WebTrac Pass Registrations/Renewals | \$1,450.00 | \$290.00 |
| WebTrac Trip Reservations | \$1,250.00 | \$250.00 |
| Mobile RecTrac | \$2,450.00 | \$490.00 |
| Mobile WebTrac | \$2,450.00 | \$490.00 |
| WebTrac Workgroup Base 25 Agents | \$1,250.00 | \$250.00 |
| WebTrac Workgroup Additional 25 Agents | no charge | no charge |
| WebTrac Standard Brochure Interface | no charge | no charge |
| WebTrac First Style Sheet Service Initial and Major | \$750.00 | no charge |
| Standard Splash Page Options | \$500.00 | no charge |
| <u>Third Party Products</u> | | |
| Progress OpenEdge Workgroup Appl Server & RDBMS | \$10,250.00 | \$1,974.00 |
| Application Software Price | \$58,150.00 | \$11,064.00 |
| VSI Services | | |
| Training (23 days RecTrac on-site training, 5 days WebTrac on-site training, 8 hours Remote WebTrac training) | \$21,800.00 | |
| Estimated Travel Expenses | \$17,490.00 | |
| VSI Hosting Solution (Platinum) Monthly Fee | \$1,850.00 | |

**SCHEDULE F
PROJECT SCHEDULE**

The following is the Project Schedule for the implementation of the Application Software:

| Date | Event |
|--|--|
| 14 days after the execution of this Agreement | Installation of the Application Software on the VSI Hosting Solution* |
| 60 days after the project start date** | Completion of the Training |
| 45 days after completion of Training | Completion of the Acceptance Testing and Application Software Acceptance |
| Within 60 days after Application Software Acceptance | Live processing |

* Shipping and Installation of the POS and Membership Equipment will be at the sole option of the Park District as defined in section 5.0.

** After the execution of the agreement, Park District and VSI shall identify the mutually agreed to project start date.

**SCHEDULE G
PAYMENT SCHEDULE**

| <u>Payment Date</u> | <u>Amount</u> | <u>Calculation</u> |
|---|-----------------------|---------------------------------------|
| Execution of Agreement | \$8,722.50 | 15% of the Application Software Price |
| Completion of Training | \$20,352.50 | 35% of the Application Software Price |
| Application Software Acceptance | \$14,537.50 | 25% of the Application Software Price |
| 60 days after Application Software Acceptance or live processing, whichever is first. | \$14,537.50 | 25% of the Application Software Price |
| Total Application Software | \$58,150.00 | |
| Delivery of POS and Membership Equipment* | | \$17,660.00 |
| VSI Services** | | |
| 23 days on-site RecTrac training at \$750 per day | | \$17,250.00 |
| 5 days on-site WebTrac training at \$750 per day | | \$3,750.00 |
| 8 hours off-site WebTrac set-up at \$100 per hour | | \$800.00 |
| Total VSI Services | | \$21,800.00 |
| Travel Expenses*** | | |
| | <u>Estimated</u> | <u>Estimated</u> |
| <u>RecTrac</u> | <u>Unit Cost</u> | <u>Extended Cost</u> |
| 5 days travel time | \$375.00 per day | \$1,875.00 |
| 23 days travel expenses | \$330.00 per day | \$7,590.00 |
| 5 airfare tickets | \$1,000.00 per ticket | \$5,000.00 |
| <u>WebTrac</u> | | |
| 1 day travel time | \$375.00 per day | \$375.00 |
| 5 days travel expenses | \$330.00 per day | \$1,650.00 |
| 1 airfare ticket | \$1,000.00 per ticket | \$1,000.00 |
| Total Estimated Travel Expenses | | \$17,490.00 |
| VSI Hosting Solution Monthly Fee | | \$1,850.00 |

* Payment for the POS and Membership Equipment will be made when the equipment is delivered to the Park District.

** The Park District will be charged for VSI services as the services are rendered.

***The Park District will be charged the actual travel expenses incurred by VSI during the installation and training as they are incurred.

Attachment B

Letter dated May 12, 2015 from Vermont Systems, Inc., to the City of Los Angeles, Department of Recreation and Parks authorizing the City of Los Angeles to utilize the contract between VSI and Palatine Park District for the purchase, licensing, installation, training, maintenance and support of a recreation management application software, and agrees to enter into a separate contract with the Department of Recreation and Parks in accordance with the terms and conditions of the Software License Agreement dated September 25, 2014.

Vermont



Recreation & Parks Software

May 12, 2015

Gino Ogtong
PO Box 86328
Los Angeles, CA 90086-0328

Dear Gino,

Vermont Systems, Inc. (VSI) authorizes the City of Los Angeles, Department of Recreation and Parks to utilize the contract between VSI and Palatine Park District, Palatine, Illinois, for the purchase, licensing, installation, training, maintenance and support of a recreation management application software. VSI agrees to enter into a separate contract with the Department of Recreation and Parks in accordance with the terms and conditions of the Software License Agreement between Palatine Park District and VSI dated on September 25, 2014.

While VSI agrees to apply the terms of the Palatine Park District, Palatine, IL Agreement to the City of Los Angeles Agreement, the pricing will vary due to Enterprise vs Workgroup size database, the modules selected, the number of users, the number of onsite training days, optional hosting services selected, and POS hardware models and quantities selected.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Giles N. Willey', written over a light blue horizontal line.

Giles N. Willey

President

Vermont Systems, Inc.

Attachment C

Letter dated March 25, 2015 from Palatine Park District to the City of Los Angeles, Department of Recreation and Parks authorizing the City of Los Angeles to utilize the Palatine Park District contract terms and conditions for the purchase and acquisition of application software licenses, equipment and technical support, for the recreation management and reservation software.



March 25, 2015

City of Los Angeles
Department of Recreation and Parks
P.O. Box 86328
Los Angeles, CA 90086-0328

Re: Palatine Park District Contract with Vermont Systems, Inc.

To Whom It May Concern:

The Palatine Park District of Palatine, Illinois authorizes the City of Los Angeles, Department of Recreation and Parks to utilize Palatine Park District contract terms and conditions for the purchase and acquisition of application software licenses, equipment and technical support, for the recreation and parks management and reservation software. The contract is based on Vermont Systems Quote #43781.

Sincerely,

A handwritten signature in black ink, appearing to read "Elliott F. Becker".

Elliott F. Becker
Superintendent of Finance