

12/4/12

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE ADMINISTRATOR OF THE DEPARTMENT OF PARKS AND RECREATION TO ENTER INTO AN AGREEMENT WITH VERMONT SYSTEMS FOR THE PURCHASE OF A WEBTRAC SYSTEM IN THE AMOUNT OF ONE HUNDRED TWENTY-FOUR THOUSAND DOLLARS (\$124,000.00), WITH A CONTINGENCY FEE IN THE AMOUNT OF FIVE THOUSAND DOLLARS (\$5,000.00) FOR CUSTOMIZATION IF NEEDED.

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BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That the Administrator of the Department of Parks and Recreation be and is hereby authorized to enter into an agreement with Vermont Systems for the purchase of a WebTrac System in the amount of \$124,000.00, with a contingency fee in the amount of \$5,000.00 for customization if needed.

ADOPTED: \_\_\_\_\_, 2012.

/mms

# City of Chattanooga



## Resolution Request Form

(This form is only required for resolutions requiring expenditure of City funds)

Date Prepared: October 31, 2012

Preparer: Wanda Eckstein

Department: Parks & Recreation

**Brief Description of Purpose for Resolution:**

Resolution Number (if approved by Council): \_\_\_\_\_

A resolution is needed authorizing the Administrator of the Department of Parks and Recreation to enter into an agreement with Vermont Systems for the purchase of a WebTrac System in the amount of One Hundred Twenty Four Thousand (\$124,000.00) Dollars with a contingency fee in the amount of Five Thousand (\$5,000.00) for customization if needed.

Total project cost \$ Vermont Systems  
Total City of Chattanooga Portion \$ 124,000  
City Amount Funded \$ 124,000  
New City Funding Required \$ 124,000  
City's Match Percentage % \_\_\_\_\_

New Contract/Project? (Yes or No) YES  
Provide Fund 4015  
Provide Cost Center L31122  
Proposed Funding Source \_\_\_\_\_  
Grant Period (if applicable) \_\_\_\_\_

**List all other funding sources and amount for each contributor.**

Amount(s)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Grantor(s)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Agency Grant Number \_\_\_\_\_

CFDA Number if known \_\_\_\_\_

Other comments: (Include contingency amount, contractor, and other information useful in preparing resolution)

Approved by: \_\_\_\_\_

Reviewed by: FINANCE OFFICE

DESIGNATED OFFICIAL/ADMINISTRATOR

Please submit completed form to @budget, City Attorney and City Finance Officer

**VERMONT SYSTEMS, INC.**  
**SOFTWARE LICENSE, MAINTENANCE AND SUPPORT AGREEMENT 5-21-12**

This SOFTWARE LICENSE, MAINTENANCE AND SUPPORT AGREEMENT ("Agreement"), is made and entered into on \_\_\_\_\_, by and between Vermont Systems, Inc., a Vermont corporation (hereinafter "VSI" or "Licensor", and **City of Chattanooga, Tennessee** (hereinafter "Customer" or "Licensee"), collectively referred to herein as the "Parties" or singularly "Party".

In consideration of the mutual covenants and obligations expressed herein, the Parties agree to the following:

**ARTICLE 1 – Software License**

- 1.1 VSI shall provide the Licensee and the Licensee agrees to accept a perpetual, non-transferable, and non-exclusive right to use the Licensed Software and Related Materials, as described in the attached Exhibit B price quote. The Licensed Software includes Related Materials, such as User Reference Manuals, Reports Manuals, Installation Planning Guides, Installation Instructions, On-Line Help, and Sample Database with Tutorials.
- 1.2 VSI uses the Progress OpenEdge V10 Development software to develop its' applications and deploys using the OpenEdge Deployment software that includes Client Networking, Web Client, Load Balancer, and Personal, Workgroup, or Enterprise RDBMS (embedded database) with RDBMS support for 4GL, SQL, ODBC, JDBC, and Enterprise Cluster Manager Integration, and OpenEdge Application Server, Basic and Enterprise Editions with Replication. Therefore, Progress software with RDBMS is required to operate the application software by platform type, and they are included in the attached Exhibit B.
- 1.3 The license granted herein authorizes the Customer to install the Licensed Software on the designated computer platform for live processing and on testing/disaster recovery systems without incurring additional license charges. Further, the Customer can make copies of the Licensed Software for safe keeping purposes only. If VSI is not providing complete hosting services, Item 1.3 does not apply.
- 1.4 At any time, the Customer can add software and users under the terms of this Sales Agreement by paying the additional license and maintenance fees. The total number of authorized user workstations permitted to use the Licensed Software is limited to the number listed in Exhibit B.

**ARTICLE 2 – Annual Software Maintenance and Support Services**

- 2.1 VSI shall provide the Licensee with Software Maintenance and Software Support services for the Licensed Software in accordance with VSI standard Sales and Support Policies, as described in Exhibit A. The extent of support services being provided are specifically listed in Exhibit B.
- 2.2 The Annual Software Maintenance support shall include distribution of product update releases, including software repairs and enhancements subsequent to the initial purchase. Biennial software updates will be distributed in accordance with VSI standard Sales and Support Policies, as described in Exhibit A, while periodic program only updates are available at any time. If VSI is providing complete hosting services, VSI will provide software installation and upgrade services and coordinate both with each Licensee.
- 2.3 The Software Maintenance and Support fee will be billed annually, and it becomes effective on the first day of your **January 1<sup>st</sup>** —, **May 1<sup>st</sup>** —, **July 1<sup>st</sup>** \_\_, or **October 1<sup>st</sup>** fiscal year for one year. New customers will be charged on a prorated basis from the first day of the installation month through the end of the current fiscal year.
- 2.4 The required Software Maintenance and Support Agreement will automatically renew annually, unless the Licensee notifies VSI in writing that the Licensee is terminating VSI Maintenance Support. VSI reserves the right to increase annual maintenance fees annually. Customers can contact VSI in advance to obtain a firm quote for the next fiscal year.

\_\_\_\_\_ VSI Initials \_\_\_\_\_ Customer Initials

### ARTICLE 3 – Software Training and Installation Services

- 3.1 Training is offered at the Customer site, at VSI (12 Market Place, Essex Junction, Vermont), and remotely based on a quoted daily rate, as described in the VSI standard Sales and Support Policies; Exhibit A.
- 3.2 Any training services and estimated charges for each Licensee, including the number of training days, and travel, lodging, meals, and other expenses, are itemized in Exhibit B. All training dates must be mutually agreed upon by VSI and the Licensee. The Licensee can request a change of training dates and number of training days. However, if a change is made after travel arrangements have been completed, the Licensee will be responsible for any additional costs incurred as a result of the changes.
- 3.3 If VSI is providing other Installation Services, such as hardware and network operating system installation and setup services, they will be listed in Exhibit B, as well.
- 3.3 The Licensee is responsible for reimbursing VSI for all reasonable expenses, such as travel, lodging, meals, and other expenses necessary to complete the training, as requested by the Customer. While the estimated out-of-pocket expenses are listed in Exhibit B, only the actual expenses will be billed to the Customer, unless the Customer requires a fixed price in advance.
- 3.4 VSI will honor training and other services quotes for up to 120 days, but reserves the right to modify these rates thereafter.

### ARTICLE 4 – VSI Hosting Services

- 4.1 If the WebTrac software is being licensed, it requires a web server, either in-house or hosted, to link the Customer's transaction server with the internet. If the Customer selects the VSI hosting option for a minimum of one year, the fee will be included in Exhibit B and it will be billed annually in advance. New customers will be charged on a prorated basis from the first day of the installation month through the end of the current fiscal year. Exhibit C web server hosting *does not* apply to this Agreement, so has been deleted.
- 4.2 If the Customer selects complete VSI hosting services, whereby the VSI application software and Progress software are installed on VSI servers at the Tech Vault data center, the monthly fee for this option will be included in Exhibit B. Since VSI *will not* be providing complete hosting services for the Licensee, Exhibit D hosting services specifications *do not* apply to this Agreement, so has been deleted.
- 4.3 Hosting services rates are guaranteed for one year.

### ARTICLE 5 – Charges and Payment

- 5.1 Customer On-Premise Hosted Software – if the Customer is installing the software on its own servers, the Licensed Software charges will be billed to the Customer when shipped or following the initial training session, based on circumstances, and will be due within 30 days.
- 5.2 VSI Hosted Software: if VSI is providing complete Hosting Services, VSI will install the software on the Customer's servers at the Tech Vault data center. The Licensed Software charges will be billed to the Customer when the software applications become available for Customer use or following the initial training session, and will be due within 30 days.
- 5.3 For Customer On-premise Hosted Software, the initial Software License fee includes ground shipping of the DVD that contains the software and electronic copies of all documentation. If special shipping is requested, the Customer shall pay all associated additional charges. Any third party shipping costs for hardware and software are chargeable.
- 5.4 The Customer shall pay all applicable sales, consumer use, and other taxes required by law, unless it is exempt from any or all of these taxes. If tax-exempt, the Licensee must provide a tax exemption certificate.
- 5.5 VSI will invoice the Customer for training and installation services, along with travel and other expenses, immediately following the completion of each occurrence of training or other services.

\_\_\_\_\_ VSI Initials \_\_\_\_\_ Customer Initials

#### **ARTICLE 6 – Security of Programs**

- 6.1 The Customer shall be solely responsible for the supervision and control of the licensed Customer hosted software to ensure that it is stored in a secure location for Customer use only and that no unauthorized and unlicensed third party gains access to it. VSI is responsible for the security of all VSI hosted software.
- 6.2 Under no circumstances shall the Customer be authorized to perform Reverse Engineering of the software object code, in order to illegally generate source code.

#### **ARTICLE 7 – Warranties**

- 7.1 VSI warrants that it has the right to license the Licensed Software, and that there are no pending liens, claims, or encumbrances against the software.
- 7.2 VSI warrants that the software shall conform to its published specifications in the Related Materials, including, but not limited to, the Capabilities Summary, On-Line Help, Reports Manual, User Reference Manual, and Training Tutorials. VSI warrants that the software is merchantable, in that it will properly install and operate according to the specifications herein.
- 7.3 VSI warrants to the Customer that it is solvent, not in bankruptcy proceedings or receivership, nor is it engaged in any proceedings, which would have an adverse effect on its ability to perform its obligations under this Agreement.
- 7.4 VSI warrants that there has been no violation of copyrights or patent rights in connection with the Licensed Software in this Agreement. VSI shall indemnify and save harmless the Licensee from any suit or proceeding brought against the Licensee by reason of any such infringement or any wrongful use. VSI will defend or settle any such claim, although the Licensee shall be entitled to be independently represented by counsel of its own choice.

#### **ARTICLE 8 – Limitation of Liability**

- 8.1 Except for the warranties specified in Section 7, VSI grants no warranties, expressed or implied, including, but not limited to any implied warranties of fitness for a particular purpose. Notwithstanding anything to the contrary in this Agreement, it is expressly agreed that neither VSI nor the Customer shall be liable to the other Party for special, incidental, indirect, or consequential damages, or for any loss or claim by either Party.
- 8.2 The Parties agree that the laws of the State of Vermont will govern this Agreement, and that the venue for legal resolution shall be in Chittenden County, Vermont.

#### **ARTICLE 9 – Risk of Loss**

- 9.1 For Customer hosted installations, the risk of loss or destruction, regardless of the cause, shall be the responsibility of VSI until the Licensed Software and Related Materials have been delivered to the Customer's premises. For VSI hosted installations, VSI will be responsible for the risk of loss or destruction.
- 9.2 For Customer hosted installations, the Customer shall be responsible for verifying that the Licensed Software and Related Materials have been received, installed on the designated computer(s), and are operational, unless the Agreement specifies that VSI will install the Licensed Software as part of the on-site training. For VSI hosted installations, VSI will be responsible for installing the software on the Customer' servers.

#### **ARTICLE 10 – Application Source Code**

- 10.1 The Source Code for all VSI application software, along with a list of licensed customers, is held in escrow by VSI's Escrow Agent, Kolvoord, Overton, & Wilson, Attorneys, at 6 Joshua Way, Suite B, Essex Junction, Vermont 05452, Attn: Jason Ruwet 802-878-3346, [jfr@essexvtlaw.com](mailto:jfr@essexvtlaw.com). The source code held in escrow is updated after each software release. If VSI defaults in providing software maintenance support due to company failure, or discontinuance of said service by VSI or VSI's bankruptcy, then the source code will be made available to the Customer within thirty days of written notice by the Escrow Agent for Customer support use only.

\_\_\_\_\_ VSI Initials \_\_\_\_\_ Customer Initials

#### **ARTICLE 11 – Independent Contractor**

- 11.1 In performing the work under this Agreement, VSI acts as an Independent Contractor and is solely responsible for necessary and adequate workers' compensation insurance, as well as personal injury and property damage insurance.

#### **ARTICLE 12 – Change Orders or Extensions**

- 12.1 The Customer may require changes in the scope of services to be performed by VSI. Such changes, including any increase or decrease in compensation amount, must be mutually agreed upon in writing by the Licensee and VSI. VSI shall be compensated for all authorized changes in services.

#### **ARTICLE 13 –Termination; Non-assignment**

- 13.1 The Customer may terminate this Agreement without cause for any reason. Said termination shall not be deemed a breach of contract by the Customer. The Customer shall give the Licensor at least thirty days (30) days written notice before the effective termination date. The Licensor shall be entitled to compensation for authorized expenditures and satisfactory services completed as of the termination date, but in no event shall the Customer be liable to the Licensor for compensation for any service which has not been rendered. The final decision as to the amount, for which the Customer is liable, shall be determined by the Customer. Should the Customer exercise this provision, the Licensor shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- 13.2 If the Licensor fails to fulfill its obligations under this Agreement in a timely or proper manner, or if the Licensor violates any terms of this Agreement, the Customer shall have the right to immediately terminate the Agreement and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Licensor shall not be relieved of liability to the Customer for damages sustained by virtue of any breach of this Agreement by the Licensor.
- 13.3 Licensor shall not assign this agreement without express written approval of the Customer.

#### **ARTICLE 14 – Audit**

- 14.1 The Customer or its assign may audit all financial and related records (including digital) associated with the terms of the Agreement including timesheets, reimbursable out of pocket expenses, materials, goods, and equipment claimed by the Licensor. The Customer may further audit any Licensor records to conduct performance audits (to identify waste and abuse or to determine efficiency and effectiveness of the contract or agreement) or to identify conflicts of interest.
- 14.2 The Licensor shall at all times during the term of the contract or agreement and for a period of five (5) years after the end of the Agreement, keep and maintain records of the work performed pursuant to this Agreement. This shall include proper records of quotations, contracts, correspondence, invoices, vouchers, timesheets, and other documents that support actions taken by the Licensor. Documents shall be maintained by the Licensor necessary to clearly reflect all work and actions taken. All such records shall be maintained in accordance with generally accepted accounting principles. The Licensor shall at its own expense make such records available for inspection and audit (including copies and extracts of records as required) by the Customer at all reasonable times and without prior notice.
- 14.3 If the Licensor fails to fulfill its obligations under this Agreement in a timely or proper manner, or if the Licensor violates any terms of this Agreement, the Customer shall have the right to immediately terminate the Agreement and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Licensor shall not be relieved of liability to the Customer for damages sustained by virtue of any breach of this Agreement by the Licensor.

**ARTICLE 15 – Authorization and Entire Agreement**

- 15.1 Each party represents and warrants that it has the power and ability to enter into this Agreement, to grant the rights stated herein, and to perform the duties and obligations described herein.
- 15.2 This Agreement and the attached Exhibits A and B constitute the entire Agreement between Vermont Systems and the Licensee.
- 15.3 If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced, then all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect.

Vermont Systems, Inc.

Licensee

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Kate W. Mitchell, Vice President  
Printed Name and Title

\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**EXHIBIT A**  
**Customer Sales and Support Policies 5-21-12**

**1. SOFTWARE LICENSE:**

The application software license is a one-time fee, which provides for the perpetual use of the software. While a deposit will not be required, the full software license fee is due for all accounts within 30 days of completion of the first training session. The Progress OpenEdge V10 Application Server software and Personal, Workgroup, or Enterprise Relational Database Management System (RDBMS imbedded database) software licenses are also required to operate the VSI Windows WebClient/Client application software.

**2. ANNUAL SOFTWARE MAINTENANCE AND SUPPORT:**

The required annual maintenance support fee is prorated from the first day of the installation month to the end of the first fiscal year, and thereafter, it is due annually on the first day of each new fiscal year. This fee includes the following: Worldwide telephone (800 US & Canada) and web support for VSI and Progress software five (5) days/week, Monday-Friday, 8am-8pm ET, and availability of chargeable Extended Hours Pager Support Monday – Friday, 8pm–10pm ET, and Saturday, Sunday, & Holidays 8am-5pm ET. Further, Pre-Arranged Non-Standard Hours Pager Support is also available, as described in Section 4 below. The following are included:

- Maintenance and repair of application software malfunctions with an acknowledgement response, as described in the Call Process, Section 5 below.
- One major application software upgrade every two years, along with multiple optional periodic updates. Major upgrades usually require a database conversion, while other periodic updates are program only. Enhancements are based primarily on user requests, but they also include an extensive number of VSI initiated improvements, all of which are added at the discretion of VSI. In its' quarterly newsletter, VSI notifies all Customers regarding the status and availability of all software releases. The same data is available on the VSI web site at all times. Customers must request all major software upgrades, which are distributed on a DVD with standard ground shipping. Program only updates can be downloaded via VSI's web page [www.vermontsystems.com](http://www.vermontsystems.com) under Support or by requesting the update DVD at any time.
- One biennial database conversion by VSI via FTP or WebEx during standard VSI business hours. VSI FTP/WebEx database conversion services are only chargeable, if started and/or completed during non-standard VSI business hours (before 8am and after 5pm ET, Monday through Friday and on weekends and holidays). Please note that all non-production database conversions are billable at standard VSI support rates.
- Federal and State regulatory requirement changes.
- User ID and Password login access to Customer Support and Downloads sections on VSI web site.
- Phone support to explain how to configure database, how system works, and how to prepare for implementation of certain functions, such as those listed below under Extended Dedicated Support.
- Updates to financial and other interfaces due to VSI application software modifications and not due to application software modifications by other vendors.

Any of the following costs associated with customer support are **not included**:

- Actual usage of Extended Hours Pager/Telephone Support at rates listed in Section 4 below.
- Pre-Arranged Non-Standard Extended Hours Pager/Telephone Support is chargeable with a minimum of four hours, which can be nonconsecutive, as described in Section 4 below.
- Any associated travel and out-of-pocket expenses for installation and training services.
- Installation and configuration of product enhancements or releases, database repairs, and more than one bi-annual database conversion are chargeable, unless VSI is providing hosted services..
- Telephone support related to computer hardware, operating systems, networking, and reinstallation and configuration of application software is chargeable. If the hardware and software configurations are modified after VSI has completed on-site or telephone installation services, additional requested support services are chargeable.
- Telephone training, as a substitute for on-site training or classroom training at VSI, as well as for untrained operators, is chargeable. Refer to Sections 6 and 7 below for hourly pricing.
- VSI application software WAN Client access configuration.
- Customized print programs and updates are chargeable at the rate listed under Section 6 below.

- Interfaces to export or import data from or to other application software databases are chargeable.
- Extended Dedicated Support to implement or change certain functions, such as 1) Switching from Cash to Accrual Accounting; 2) Reinstall WebTrac software on server; 3) Customize Splash Page; 4) Create Web Bypass Links; 5) WebTrac Style Sheets changes; and, 6) Database Support to analyze and correct out-of-balance condition.

**3. PROGRAMMING ENHANCEMENTS:**

Although our policies provide for charging for special programming, we generally do not charge for individual enhancement requests. All **approved** enhancements and repairs are automatically included in all updates as part of the annual maintenance fee.

**4. VSI EXTENDED HOURS PAGER/TELEPHONE SUPPORT SERVICES PRICING:**

Standard Extended Hours Pager/Telephone Support

Monday - Friday 8pm – 10pm ET, and Saturday, Sunday, & Holidays 8am-5pm ET. If extended hours support is actually provided, it is chargeable at \$100/hour with a minimum of \$50 per call or multi-call issue.

Pre-Arranged Non-Standard Extended Hours Pager/Telephone Support

Non-Standard Extended Hours support may be pre-arranged by calling VSI at least one full business day in advance. While the stand-by rate is \$50/hour with a minimum of 4 hours, the actual extended pager support is chargeable at \$150/hour with a minimum of \$75 per issue, which could involve multiple phone calls. VSI reserves the right to modify these extended hours pager rates at any time.

**5. SUPPORT CALL PROCESS:**

To provide high quality support and to effectively assign resources to incoming calls, three types of call priorities are identified as follows: Priority 1 is considered Urgent or High Priority, Priority 2 is classified as Medium Priority, and Priority 3 is deemed to be Low Priority. The criteria used to establish guidelines for these priorities are as follows:

**Priority 1 – High**

Consists of errors that cause unrecoverable loss or corruption of data or loss of essential software functionality that prevents Customer processing, and there is no workaround. Generally, the system would be down.

**Priority 2 – Medium**

Consists of errors that cause loss of essential software functionality that prevents Customer processing, but has a workaround, or loss of non-essential software functionality that does not have a workaround. Generally, the system is not down, but the problem is causing staff inconvenience.

**Priority 3 – Low**

Consists of errors that may be causing loss of non-essential software functionality, but have a workaround. While the system is not down generally, the Customer's operational questions need to be resolved.

**Response Times**

VSI will respond to Priority 1-3 support calls in accordance with The Table of Service below, and all time references are clock hours or calendar days, unless otherwise specified. The Customer will use the VSI telephone number or support email address during standard VSI business hours, as described in Section 2, or the VSI pager number during standard pager support hours, as described in Section 4. The Customer can also call the pager number to request support during pre-arranged non-standard pager support hours, as described in Section 4. The Customer and VSI support person may also use cell phones for more efficient responses.

All issues or questions reported to support are tracked via a logged support call that contains at a minimum the Customer name, contact person, software product and version, module and/or menu selection, nature of issue, detailed description of the question or issue, and any other pertinent information. The support person will provide the Customer with a call number to track each call issue. Each call will be stored in a queue and the first available support representative will be assigned to the next call issue.

While reviewing the call issue, the assigned support person will contact the Customer, if additional information is needed. The VSI support person will either resolve the issue with the Customer or advise the Customer regarding the status and the course of action being taken to resolve it. All correspondence and actions associated with a call are tracked in the support database. If the issue needs to be escalated to a development resource, the Customer will be informed. While issues escalated to development will be scheduled for resolution, they may not be resolved immediately depending on the nature and complexity of the issue. The Customer may contact the support department at its convenience for a status update on development issues.

**Escalation Process**

In the event that VSI is unable to provide either a permanent or a mutually acceptable temporary resolution within the applicable timeframes set forth in the Table of Service below, VSI will initiate escalation procedures at VSI's sole expense, except if due to hardware malfunctions, utility failures, air conditioning malfunctions, non VSI software problems, communications malfunctions, environmental problems, user errors or any other cause outside VSI's reasonable control, in which case VSI may charge the Customer at the hourly rates listed in Sections 4, 6, & 7. However, VSI will continue to assist the Customer to resolve the problem, even when VSI and Customer may not agree on the cause of the problem.

**Table of Service Requirements.**

The table below lists the service level required by the three Priority levels described above:

Service Level Required	Priority 1	Priority 2	Priority 3
	(time measured from initial call to VSI)		
Initial Response Due	1 hour	4 hours	5 days
Correction identified and a mutually agreeable correction plan will be developed within	24 hours	7 days	As mutually agreed
Escalation Stage 1 (Support Managers)	12 hours	7 days	N/A
<i>Stage 1 Status Report Intervals</i>	Every 4 hours during standard business hours	daily	N/A
Escalation Stage 2 (Vice President of Support)	24 hours	7 days	N/A
<i>Stage 2 Status Report Intervals</i>	Every 4 hours during standard business hours	daily	N/A
Escalation Stage 3 (President)	72 hours	10 days	N/A

**6. VSI SUPPORT SERVICES PRICING (Non-Military)**

The on-site training rate is \$700 per 8-hour day, plus out-of-pocket travel expenses. The VSI classroom-training rate is \$700 per 8-hour day for up to two trainees and \$150 per day for each additional trainee. Other services include 800 telephone training at \$100/hour, programming, hardware, and network configuration support services at \$1040/day or \$130/hour. Any hours in excess of eight are chargeable. Travel time is charged at \$350 daily plus travel expenses. VSI reserves the right to modify these rates at any time.

**7. VSI WEEKEND SUPPORT SERVICES PRICING (Non-Military):**

The weekend training rate is \$1,040/day, while the hourly rate is \$150 with a two-hour minimum. If the Customer asks the VSI Trainer to stay over a weekend, in order to save on travel costs, and no training is provided, the rate is \$250/day, plus all normal travel expenses. VSI reserves the right to modify these rates at any time.

- 8. ON-SITE TRAINING SHORT NOTICE CANCELLATION PENALTY:**  
If scheduled on-site training is cancelled with less than 3 weeks' notice, the Customer will be responsible for any travel expenses losses, as well as a \$500 penalty to partially offset VSI Trainer rescheduling costs.
- 9. TRAINING CANCELED DURING SCHEDULED ONSITE TRAINING WEEK:**  
If the Customer cancels training for any reason (weather, trainee sickness, etc) while the VSI Trainer is onsite, Customer must still pay VSI daily rates for training and travel expenses.
- 10. TELEPHONE SUPPORT:**  
Telephone support worldwide, during VSI standard business hours, is included in the Annual Software Maintenance and Support fee, provided that VSI has previously trained the individuals being supported. Otherwise, chargeable telephone or on-site training must be completed.
- 11. APPLICATION SOFTWARE SOURCE CODE:**  
The Source Code for the VSI application software, along with a list of licensed customers, is held in escrow by VSI's Escrow Agent, Kolvoord, Overton, & Wilson, Attorneys, at 6 Joshua Way, Suite B, Essex Junction, Vermont 05452, Attn: Jason Ruwet, 802-878-3346, [jfr@essexvtlaw.com](mailto:jfr@essexvtlaw.com). If VSI defaults in providing software maintenance support due to company failure, discontinuance of support services, or VSI's bankruptcy, the Escrow Agent will make the source code available to the Customer within thirty days of written notice by the Escrow Agent. The source code can only be used to support each VSI licensed customer.
- 12. DOCUMENTATION:**  
All documentation is provided electronically on a DVD by application and it includes the User Reference Manual, Installation Planning Guide, Reports Manual, Installation Instructions, On-Line Help, and Sample Database with Tutorial. Customers can print any number of copies needed to train their staffs and manage their operations. Hard copy manuals are available at \$75 each and this amount is subject to change.
- 13. INSTALLATION PLANNING:**  
After receiving your order, VSI will assist you to develop a plan, which will assign Customer and VSI responsibilities for the various elements required to successfully complete the installation and training.
- 14. THIRD PARTY VENDOR GENERAL LEDGER/CASH RECEIPTS INTERFACE PROCEDURES:**  
The VSI Trainer will configure RecTrac/GolfTrac software for the appropriate vendor interface and will show the Customer how to generate the batch export file that contains the summary or detailed transactions for the day (or any date range). At this point, it is the Customer's responsibility to contact the financial software vendor to arrange for assistance to import the daily batch file for automatic posting to the cash receipts or general ledger system. The VSI trainer is not responsible for importing the batch files into any third party application software and for contacting the vendor.
- 15. HARDWARE PAYMENT & WARRANTY:**  
Full payment for the hardware and systems software is due following delivery, after verification of the order. The verification process must be completed, so that all payments can be made within 30 days of delivery. The VSI supplied hardware includes Warranties from the manufacturers or distributors for specified periods. Please review the Warranty chart provided by VSI. After the warranty period or add-on warranty period, hardware vendors also provide time and materials maintenance support. Warranty and Maintenance Contract service provided on a Depot Basis can require several days to complete. Therefore, plan your purchases to include **spare critical units**, in order to provide your users with uninterrupted operations.
- 16. VSI POS HARDWARE SUPPORT:**  
To support our POS software applications, VSI offers a broad range of hardware computers and peripherals that we have evaluated, qualified, and configured to function properly with our software. This requires an extensive investment of resources including labor and the purchase of one or more of each type hardware product. Further, these hardware products are essential to support our customers and for testing each software upgrade. Most customers appreciate the availability of these qualified products, since it saves them from experiencing the same expensive process.

Our priority is to offer only high quality products with extended warranties at competitive prices, but not necessarily at the lowest prices. A qualified product that is competitively priced is much more important than the lowest price. More often than not a lower priced, unqualified product will eventually cost much more for all concerned. VSI hardware support policies are as follows:

**Qualified POS Hardware Purchased from VSI – Full Support:**

VSI will be responsible for ordering the properly configured hardware with the correct cables and other features, delivery, installation and configuration assistance, toll free telephone support, and warranty service arrangements, as needed.

**Qualified POS Hardware Purchased from Another Source – Partial Support:**

VSI is not responsible for resolving problems resulting from incorrectly ordered hardware, resulting installation and configuration problems, and warranty service arrangements. However, VSI will provide limited guidance and support, during the installation of the hardware. If issues are not resolved within a few minutes, then VSI will continue to provide 800 phone assistance at the standard VSI rate of \$100 per hour.

**Non-Qualified POS Hardware Purchase from another Source – Limited Support:**

VSI does not support non-VSI qualified POS hardware using our 800 support lines. However, if a customer calls for assistance and the VSI support person determines that the request is for a non-qualified product, he/she will discuss options as follows: 1) Select qualified hardware on the VSI price list, or 2) Discuss qualifying a new product with VSI management. If a customer requests VSI to consider qualifying a non-qualified product, we will evaluate the circumstances, and if justified, will attempt to qualify. In order to proceed, the customer must send an evaluation unit to VSI and we will attempt to qualify it at the rate of \$100/hour. The customer must specify a qualifying spending limit. If successful, VSI may or may not add the product to our price list. If added, VSI will continue to support the product, as described under qualified hardware options. If not, any on-going qualifying that might be required, as a result of hardware or software upgrade changes, will be chargeable at \$100/hour.

**POS Hardware Onsite Installation Support:**

If you expect the VSI Trainer to install POS hardware during an onsite training trip, you must allocate sufficient time in the schedule to complete the software training and the hardware installation and configuration. The time allocated will vary based on the three situations described above, but the most time-consuming will involve hardware that VSI has not qualified. The time allocated will also vary depending on the number units to be installed. If the VSI Trainer installs and configures the hardware during a normal 8-hour workday, then this would be included in the previously approved onsite training fee. If the VSI Trainer is required to work in excess of 8 hours on any given day, in order to complete the hardware setup and software training during the scheduled onsite visit, then the Customer will be billed for overtime fees.

