ACG, Incorporated – Professional Services Agreement

This agreement ("Agreement") is made by and between ACG, Incorporated, an Ohio corporation ("ACG"), and the customer identified at the end of this agreement ("Customer").

Basis of Agreement

ACG offers certain implementation and training services that help customers implement SAGE and Bestl software products ("Software Product") licensed by Customer and Customer wishes to engage these implementation and/or training services in the deployment of certain SAGE and Bestl software products within Customer's organization.

Therefore, for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, ACG and Customer agree as follows:

Section 1. Definitions.

- 1.1 "Statement of Work" means any written statement of work as mutually agreed upon and signed by ACG and Customer and subject to the terms of this Agreement.
- 1.2 Other Defined Terms. Except as expressly defined in this Agreement, capitalized terms shall have the meanings ascribed to them in the License Agreement between the parties governing Customer's use of SAGE and Bestl's software products in connection with which Services are being provided hereunder.

Section 2. Statement of Work.

- 2.1 Services. A CG a grees to p erform, and C ustomer a grees to cooperate with A CG and p ay for the p erformance of, the services detailed in any Statement of Work (collectively "Services") and the associated schedule of fees for Services.
- 2.1.1 Subsequent Statements of Work. All subsequent requests for additional services that are not within the scope of the then current Statement of Work shall be mutually agreed to in a written Statement of Work as a subsequent exhibit to this Agreement and the services described in any such subsequent Statement of Work shall be considered "Services" under this Agreement. ACG will provide Services to maintain the conformance to the Software Product of any custom solution previously delivered to Customer by ACG pursuant to a Subsequent Statement of Work as provided in Section 2.1.1 of this Agreement and such work will be billed on a time and materials basis using the then-current Professional Services rate structure.
- 2.1.2 Changes to Current Statement of Work. Customer understands and acknowledges that under any Statement of Work, ACG is required under the terms and conditions of this Agreement to perform only those Services described in writing therein. All Customer requests for changes to the scope of any Statement of Work shall be mutually agreed upon and signed by ACG and Customer and shall become exhibits to this Agreement.
- 2.2 Service Fees and Expenses. All Services set forth in the attached Statement of Work shall be performed for the hourly rate(s) set forth in the Proposal. In addition, Customer agrees to pay all expenses incurred on Customer's behalf in connection with performing Services under this Agreement and such expenses will be stated in ACG invoices. ACG shall invoice customer for Services performed and related expenses at the end of each week. Expenses shall be invoiced in accordance with ACG's expense reimbursement policy and shall be limited to reasonable "out-of-pocket" expenses, including travel expenses, necessarily and actually incurred by ACG in the performance of the Services. Customer agrees to remit full payment of invoiced amounts to ACG upon receipt of invoice. In the event any invoice remains unpaid for thirty (30) days or more, ACG reserves the right to cease work on the Services until the Customer's account is brought current. PLEASE BE ADVISED THAT THIS CEASATION OF WORK FOR COLLECTION PURPOSES WILL IN FACT VOID ANY AND ALL AGREED UPON PROJECT COMPLETION SCHEDULES.
- 2.3 <u>Cancellation of Scheduled Work.</u> In the event Customer cancels, pursuant to Section 7.3, any scheduled Services agreed to in a Statement of Work on less than fourteen (14) days prior notice, ACG reserves the right to charge Customer, and Customer agrees to pay ACG the fee for such cancelled Services and all non-recoverable expenses incurred by ACG in anticipation of performing the cancelled Services; provided, however, that ACG will make commercially reasonable efforts to reassign the Staff that had been scheduled to perform the Services during such period to another billable client and, if it succeeds in doing so, Customer will only be charged for any staff time that ACG is unable to bill to another client.

Section 3. ACG Personnel.

ACG Staff. ACG will provide trained, knowledgeable and skilled staff, which may include qualified sub-contractors, that ACG reasonably believes is adequate to complete the Services. With Customer's approval, ACG may replace or reassign the staff assigned to perform the Services, except for changes required by personnel status changes of ACG's staff (such as termination, promotion, etc.) or physical inability of members of ACG's staff to work, which shall not require Customer's approval.



- 3.2 Relationship of Parties. ACG is an independent contractor and neither ACG nor ACG's staff are, or shall be deemed to be employed by Customer. Customer is contracting with ACG for the Services, and ACG reserves the right to determine the method, manner, and means by which the Services will be performed. ACG is not required to perform the Services during a fixed hourly or daily time and if the Services are performed at the Customer's premises, ACG's time spent at the premises is to be at the discretion of ACG subject to the Customer's normal business hours and security requirements.
- Non-Solicitation of Personnel. Each of the parties hereto agree that during the term of this Agreement and for a period of twelve (12) months thereafter, neither party will, except with the other party's prior written approval, directly or indirectly solicit, hire, or otherwise retain as an employee or independent contractor a member of the other party's staff engaged in any efforts under this Agreement. Further, Customer agrees that it will not solicit, hire, or otherwise retain as an employee or independent contractor any of ACG's Software Product-specific personnel (e.g. technical support or quality assurance personnel) to provide internal support for the Software Product.

Section 4. Customer's Cooperation.

- 4.1 <u>Customer's Commitment of Resources</u>. Customer agrees to ensure that ACG has reasonable and adequate access to Customer's records, facilities, workflow information, data formats, computer systems, and all other normal and reasonable materials required to perform the Services. Customer further agrees to make its employees and third-party contractors available to ACG as necessary to be trained or to otherwise facilitate the performance of the Services as reasonably required by ACG.
- Frustration of Performance. In the event ACG staff reports to Customer's site to work and is unable to work a full or a portion of an six (6) hour day because of Customer's equipment failure, Customer's early closing, Customer's meetings that suspend work, Customer's failure to make its employees available as necessary, Customer's failure to satisfy previously identified prerequisites, or any other factor under Customer's control, ACG will bill for a full or the appropriate portion of a normal six (6) hour day for each staff member so affected. Any such time billed will be considered by the parties to be outside the scope of the Statement of Work and in addition to the fee.

Section 5, Taxes.

5.1 Taxes. Customer shall pay all applicable sales, use, excise, and other taxes or similar governmental charges or duties applicable to the performance of the Services. In lieu of payment of such taxes, charges, or duties, Customer shall provide ACG with a certificate acceptable to the taxing authorities exempting Customer from payment of these taxes.

Section 6. Proprietary Rights and Confidential Information.

- Proprietary Rights. All programs, specifications, work of authorship, inventions, techniques, concepts, and ideas developed or provided by ACG under any Statement of Work are the property of ACG and all rights, title and interest therein shall vest in ACG. To the extent that title to any such works may not, by operation of law, vest in ACG or such works may be considered works made for hire, all rights, title and interests therein are hereby irrevocably assigned by Customer to ACG. All such materials, products, and deliverables shall belong exclusively to ACG, with ACG having the right to obtain and to hold in its own name copyrights, patents, or trademark registrations, or such other protection as may be appropriate to the subject matter, any extensions and renewals thereof. Customer agrees to give ACG and any person designated by ACG, reasonable assistance, at ACG's expense, required to perfect the rights defined in this Section.
- 6.2 <u>Confidentiality</u>. Customer and ACG acknowledge that during the term of this Agreement, they may receive non-public information which is confidential and/or proprietary to the other party, and is marked or otherwise identified as such, and each party agrees not to use such information except in performance of this Agreement and not to disclose such information to third parties.

Section 7. Term and Termination.

- 7.1 Term. This Agreement shall commence on the date set forth below ACG's signature at the end of this Agreement (the "effective date") and shall continue thereafter until it either terminates in accordance with its provisions or expires twelve (12) months from the effective date. Any Services performed on a milestone on which ACG has commenced work and which ACG has not completed due to the failure of Customer to timely and fully complete its stated responsibilities shall be deemed delivered, due and payable on a percentage of completion basis upon expiration or termination by Customer pursuant to paragraph 7.3 of this Agreement.
- 7.2 <u>Termination Breach</u>. In the event of any material breach of this Agreement by either party, the other party may terminate this Agreement by giving thirty (30) days prior written notice thereof, provided the party allegedly in breach shall have thirty (30) days in which to cure or remedy the material breach to prevent termination.
- 7.3 <u>Termination by Customer.</u> In the absence of a material breach of this Agreement by ACG, Customer may terminate this Agreement or any Statement of Work hereunder by giving ACG prior written notice of its election to terminate said Agreement or a specific Statement of Work. The terms of Section 2.3 above apply where termination involves cancellation of a Statement of Work with less than fourteen (14) days notice.

Section 8. Limited Warranty.

8.1 <u>Limited Warranty - Services</u>. ACG warrants that the Services to be provided under this Agreement shall be performed by qualified personnel in a professional manner conforming to generally accepted industry standards and practices and that all work will be performed in all material respects in accordance with the applicable Statement of Work. ACG's entire liability and Customer's sole remedy for any non-conformance with the foregoing warranty shall be ACG's re-performance

- of any non-conforming Services; provided, however, that if ACG cannot correct such non-conformity within ninety (90) days from the date Customer notifies ACG in writing of the non-conformity, ACG shall refund the fees for Services paid for the applicable milestone.
- 8.2 <u>Limitations of Warranty.</u> ACG does not warrant that performance of the Services will be uninterrupted, or that all deficiencies or defects in the Services will be corrected. ACG does not warrant deficiencies in the Services attributable to: malfunctions of any of Customer's hardware systems/computer software with which ACG's software products are used, including, but not limited to, malfunctions due to Year 2000 errors in such hardware systems/computer software and Customer's failure to use such hardware systems/computer software in accordance with the applicable specifications; or accident, neglect, misuse, or abuse by Customer, or Customer's employees or third-party consultants.
- 8.3 <u>Disclaimer of Warranty.</u> THIS IS A SERVICES AGREEMENT. EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION 8, THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR IMPLIED WARRANTY ARISING OUT OF COURSE OF PERFORMANCE, COURSE OF DEALING, OR USAGE OF TRADE.

Section 9. Miscellaneous.

9.1 Survival. Sections 2.2, 3, 5, and 6 of the Agreement shall survive expiration or termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto each acting with proper authority have executed this Agreement as indicated below.

| ACG, Inc. | | CUSTOMER: City of Gahanna | | | |
|-----------|-----------------|---------------------------|--------|-------|--|
| By: | | Date: January 9, 2003 | By: | Date: | |
| | | | | | |
| Name: | Shawnda Bowers | | Name: | | |
| Title: | Account Manager | | Title: | | |

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