



Student Management System Contract – 2014 fiscal year

Palouse Prairie School

Attn: Ms. Debbie Berkana



HANE Solutions Software License Agreement

THIS AGREEMENT, by and between **HANE Solutions LLC, located at 7212 W Warner Street, Phoenix, AZ 85043**, hereinafter referred to as "COMPANY" own and operate SchoolDex , and **Palouse Prairie School, 1500 Levick St.(Old Brown's Furniture Building). Moscow, Idaho, 83843** hereinafter referred to as "CUSTOMER", in consideration of the mutual promises and subject to the terms and conditions set forth herein, is as follows:

- A. **SPECIFIC SOFTWARE PRODUCTS.** COMPANY hereby agrees to provide CUSTOMER with the Licensed Software Products as specifically set forth in Attachment A. Each Licensed Software Product shall consist of the object code for applications, programs and database.

- B. **LICENSE.** CUSTOMER is hereby granted a limited license for the use of the Licensed Software Products as set forth in Attachment A. The license granted hereby is for use by the CUSTOMER and their affiliates only. CUSTOMER agrees not to duplicate or permit the Licensed Software Products to be used by others without the express written consent of COMPANY.

- C. **INTELLECTUAL PROPERTY OWNERSHIP.** This License gives CUSTOMER limited license to use the Software. COMPANY retains all right, title and interest, including all copyright and intellectual property rights, in and to, the Program/Software and all copies and derivatives thereof. All rights not specifically granted in the Agreement, including Federal and International Copyrights, are reserved by COMPANY.

- D. **LICENSE RESTRICTIONS.**
 - 1. CUSTOMER MAY NOT make or distribute copies of the Software, or electronically transfer the Software from one computer to another or over a network.
 - 2. CUSTOMER MAY NOT alter, merge, modify, adapt or translate the Software, or decompile, reverse engineer, disassemble, or otherwise reduce the Software to a human-perceivable form.
 - 3. CUSTOMER MAY NOT sell, rent, lease or sublicense the Software.
 - 4. CUSTOMER MAY NOT export the Software into any country prohibited by the United States Export Administrative Act and the regulations thereunder.
 - 5. In the event that CUSTOMER fails to comply with the terms and conditions of this Agreement, COMPANY may terminate the license and CUSTOMER must destroy all copies of the Software (with all other rights of both parties and all other provisions of this Agreement surviving such termination). CUSTOMER must delete all versions of the program from their Computers and/or cease from using the Program in any and every way.

- E. LIMITED WARRANTY.** FOR A PERIOD OF TWELVE (12) MONTHS FOLLOWING THE DATE OF THIS AGREEMENT, COMPANY SHALL CORRECT ALL MATERIAL SUBSTANTIVE ERRORS IN THE LICENSED SOFTWARE PRODUCTS AS REPORTED TO COMPANY BY CUSTOMER IN WRITING. COMPANY WILL MAKE EVERY EFFORT TO CORRECT ALL ERRORS WITHIN SIXTY (60) TO NINETY (90) DAYS FROM THE DATE THAT WRITTEN NOTICE IS RECEIVED BY COMPANY. COMPANY'S LIABILITY HEREUNDER SHALL BE LIMITED TO THE CORRECTION OR REPLACEMENT OF THE LICENSED SOFTWARE PRODUCTS. COMPANY SHALL NOT BE LIABLE TO CUSTOMER OR ANY OTHER PERSON, FIRM, OR ORGANIZATION FOR ANY LOST PROFITS, ANY CLAIM OR DEMAND AGAINST CUSTOMER BY ANY OTHER PARTY, OR FOR CONSEQUENTIAL DAMAGES, NOTWITHSTANDING THE FACT COMPANY MAY HAVE HAD PREVIOUS KNOWLEDGE OF THE POTENTIAL OF LOSS OR DAMAGES. COMPANY AND CUSTOMER ACKNOWLEDGE THAT THIS AGREEMENT DOES NOT CONSTITUTE A SALE OF GOODS AND THAT THERE ARE NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- F. PROPRIETARY RIGHTS.** CUSTOMER recognizes that the Licensed Software Products licensed under this Agreement are proprietary and that COMPANY, or the Licensed Software Product's owner, hereinafter referred to as "Proprietor", retains ownership of all rights, titles and interest to the Licensed Software Products. Enhancements made on the behalf of or at the request of the CUSTOMER by COMPANY shall be owned by and proprietary to COMPANY. CUSTOMER shall have the right to make changes, modifications, alterations or enhancements (collectively referred to as "Enhancements") to the Licensed Software/Program Products, provided such Enhancements are made solely by CUSTOMER. CUSTOMER shall not own said Enhancements. In addition, (i) CUSTOMER shall not receive or otherwise acquire any interest in the Licensed Software Products or their derivatives nor any other rights not specifically granted under this License Agreement; (ii) CUSTOMER shall not sell, license or sublicense the Enhancements to any third party without the prior written consent of COMPANY, which consent may be withheld in COMPANY'S sole and absolute discretion; (iii) Enhancements are for the SOLE use of the CUSTOMER; (iv) CUSTOMER must provide COMPANY with a copy of any and all Enhancements; and (v) COMPANY WILL NOT technically support these Enhancements, nor be responsible in any manner or form for said Enhancements. Further, if it is determined by COMPANY, in COMPANY'S SOLE determination, that any such Enhancements by CUSTOMER cause the Licensed Software/Program to not operate properly, or cause it to malfunction, all warranties, expressed or implied by COMPANY will immediately be null and void upon such determination.

- G. CONFIDENTIAL AND VALUABLE SUBSTANCE.** CUSTOMER recognizes that the Licensed Software Products have substantial monetary value and are considered TRADE SECRET, PROPRIETARY, and/or CONFIDENTIAL. COMPANY is desirous of maintaining rigorous control over the Licensed Software Products. CUSTOMER, therefore, agrees that it will exercise due care to prevent disclosure of the Licensed Software Product to any third party.
1. CUSTOMER shall ensure that any identification labels or legal notices contained in or on any of the Licensed Software Products are not altered, modified, suppressed or in any other way made inconspicuous.
 2. CUSTOMER shall restrict access to the Licensed Software Product to only those employees of the CUSTOMER who must have such access in order to perform their specific duties or obligations pursuant to the CUSTOMER's business. CUSTOMER agrees to take all necessary and proper precautions to ensure that unnecessary and unauthorized access to the Licensed Software products by its employees does not occur.
 3. CUSTOMER agrees that it will take all reasonable precautions to ensure that non-CUSTOMER personnel, including non-employee agents of the CUSTOMERs, do not obtain access to or knowledge of the Confidential information without first obtaining the express written consent of COMPANY. COMPANY agrees that it will not unreasonable withhold such consent. Non-employee agents must sign confidentiality agreement.
 4. CUSTOMER shall treat the ideas and expressions contained in the Licensed Software Products as TRADE SECRETS, PROPRIETARY, and CONFIDENTIAL and belonging solely to Proprietor and shall not, without the written consent of the Proprietor, copy or duplicate any physical embodiments of the License Software Products (except as required for security and archival purposes).
 5. CUSTOMER agrees to notify COMPANY immediately, in writing, of any unauthorized possession, use or disclosure of any of the Licensed Software Products by CUSTOMER or a by a third party due to CUSTOMER's failure to protect COMPANY's proprietary information, either directly or indirectly. CUSTOMER shall promptly furnish COMPANY with full details of such possession, use or disclosure; assist in preventing any recurrence thereof; and cooperate with COMPANY in any litigation or other proceedings deemed necessary by COMPANY to protect the Proprietor's rights. CUSTOMER agrees to pay for or to reimburse COMPANY for all legal fees associated with such unauthorized possession, use or disclosure.

- H. **CONTROL OF CHANGES.** CUSTOMER shall submit all requests for changes in writing. The COMPANY will evaluate the change request and if applicable and can be implemented an estimate along with the time will be provided to the CUSTOMER.
- I. **PAYMENT.** The licensing fees to be paid by CUSTOMER for the Licensed Software Product are set forth in Attachment A. CUSTOMER agrees to pay, on a non-refundable basis, 100% of the license fees set forth in Attachment A upon receipt of the software products, provided that the CUSTOMER has had the opportunity to test the software products and the software has been installed on the CUSTOMER's computer server and demonstrated to the CUSTOMER that the software will reasonably provide the services requested by the CUSTOMER and as represented by COMPANY, further provided that in the event that the CUSTOMER has not accepted and paid for the software in full within thirty (30) days after installation of the software products, COMPANY shall, at COMPANY's option, have the sole right, in its discretion, to terminate the license at which time CUSTOMER shall return all copies of the Licensed Software Products in the possession of CUSTOMER to COMPANY and shall not use or permit to be used any of the Licensed Software Products by CUSTOMER or any of its employees. If the application access has been disabled due to nonpayment a reconnection fee of \$500 will be charged to the CUSTOMER.
- J. **TAXES.** CUSTOMER agrees to pay amounts equal to any taxes resulting from the licensing of the Licensed Software Products or the services to be performed pursuant to this Agreement, exclusive of taxes based on net income of COMPANY.
- K. **ASSIGNMENT.** This Agreement and the rights granted hereunder shall not be assigned or otherwise transferred by CUSTOMER without the prior written consent of COMPANY, which consent may be withheld in COMPANY's sole and absolute discretion.
- L. **CHOICE OF LAW.** This Agreement shall be interpreted under and construed in accordance with the laws of the State of Arizona, without reference to the rules of conflicts of law thereof.
- M. **TERM OF AGREEMENT.** July 1, 2013 – June 30, 2014 or elsewhere stipulated.
- N. **BINDING.** This Agreement shall be binding upon and inure to the benefit of the administrators, successors and assigns of the parties.
- O. **GENERAL.** No amendments, modifications, or supplements to this Agreement shall be binding unless they are in writing and signed by both parties hereto. The COMPANY is NOT liable for any SAIS related suggestions or recommendations provided at the request of the CUSTOMER due to

an upload error or transaction code or format. It is the CUSTOMERS responsibility to verify and monitor upload errors or transaction errors done to the state. The COMPANY can provide SAIS upload assistance or manage uploads for an additional monthly fee of \$300 and a separate quote and contract will be provided to the CUSTOMER.

- P. **DISPUTE RESOLUTION.** This Agreement and the obligations of the Parties hereunder shall be interpreted, construed and enforced in accordance with the laws of the State of Arizona. The undersigned Parties hereby irrevocably agree to waive any rights to a jury trial and further agree to submit any and all disputes concerning the interpretation, application, or enforcement of this Agreement or any claim or cause of action that arises from this Agreement to final binding arbitration before either Stephen Scott, Esq. or Christopher Skelly, Esq. of Scott & Skelly, LLC in Phoenix, Arizona. The Arbitration shall be commenced by the service of a Statement of Claim and Demand for Arbitration by one party on the other. The other party shall have thirty (30) days in which to submit a written Answer to the Statement of Claim. The Statement of Claim and Demand for Arbitration and the Answer to the Statement of Claim shall conform in all material respects to the requirement of Rules 8 through 11, Arizona Rules of Civil Procedure. The Arbitration of the matter shall be completed no more than three (3) months after the answer is served. Discovery shall be limited to the procedures provided in Rules 26.1, 33 and 34 of the Arizona Rules of Civil Procedure. The Parties shall exchange final witness and exhibit lists no later than 20 days prior to the first scheduled day of the Arbitration. The party that does not prevail at Arbitration shall be responsible for all costs and fees associated with the Arbitration including the arbitrator's fees and the attorneys' fees of the prevailing party.

In the event that neither Stephen Scott nor Christopher Kelly is able to act as arbitrator, such dispute shall be settled by arbitration in Maricopa County, Arizona in accordance with the Rules of the American Arbitration Association ("AAA") in effect at the time such dispute arises. In such event, the Creditor and Debtor shall each name one (1) arbitrator and the two (2) arbitrators shall name a third arbitrator. If the third arbitrator is not named within thirty (30) days after naming of the second arbitrator, then the AAA shall name the third arbitrator. The award by two or three of the arbitrators shall be final and binding and judgment may be entered in any court of law having competent jurisdiction and residing in Maricopa County, Arizona. All other provisions of the Arbitration shall be as stated hereinabove.


- Q. Neither party shall be liable for any delay or failure to perform its obligations under this Agreement if a force beyond its control causes such delay or failure. The phrase "force beyond its control" shall include, but not be limited to: war, embargoes, strikes, civil strife or disturbances, fires, floods acts of God, governmental restrictions of all kinds, communication line failures, power failures (including third party vendor delays), and any other cause totally beyond the control of either party.

R. No action, regardless of form, arising out of this Agreement may be brought by either party more than one (1) year after the cause of action has arisen, or in the area of nonpayment, more than one (1) year from the date of the last payment.

S. **DEFINITIONS.** None

T. **COMPANY AND CUSTOMER INFORMATION.**

COMPANY and the CUSTOMER have caused this Agreement to be executed on the dates set forth below.

COMPANY:	HANE Solutions LLC _____
Address:	7212, W Warner Street, Phoenix – AZ 85043 _____
Phone:	623-385-8506 _____
Signature:	 _____
Printed Name:	Ashok Bhupathy
Title:	President
Date:	June 12, 2013

CUSTOMER: Palouse Prairie School

Address: 1500 Levick St.(Old Brown's Furniture Building)

Moscow, ID 83843

Phone: (208)-882-3684

Signature:

Printed Name:

Title:

Date:



ATTACHMENT A

For a nonexclusive, nontransferable license for the use of SchoolDex in a manner set forth by the terms of this Agreement. Licensee shall not make nor permit any use of SchoolDex, or any intellectual property related thereto and licensed hereby other than specifically authorized herein.

Acknowledgements:

Licensee acknowledges that HANE Solutions LLC is the sole Agent / Owner of the computerized student management system known as SchoolDex.

Licensee acknowledges that, in the production and manufacturing of SchoolDex, third party software may have been incorporated into the program. This third party software may only be used in conjunction with the contracted SchoolDex programs. Licensee may not use this third party software, or any of the software or programming contained within this program in any fashion other than within this program.

Licensee acknowledges that this Agreement constitutes a license, not a sale, and, in no way grants the Licensee any rights of ownership for SchoolDex and any third party software, or their contents and programs. All material licensed under this Agreement unless otherwise specified by this Agreement, will remain the sole property of HANE Solutions LLC, or the third parties that provided the software.

Licensee Obligations:

Licensee agrees to abide by the terms of this License Agreement and use SchoolDex only as is expressly permitted by said Agreement. Licensee further agrees to purchase from HANE Solutions one (1) license for each student enrollment in Licensee's school and/or school district. If at any time the Agreement terminates, whether by breach, or the end of the contract period, Licensee agrees to pay to HANE Solutions within 30 days of termination any outstanding balances.

Payment terms for all subsequent purchases will be determined by the evaluation of a completed HANE Solutions Customer Credit Application by the HANE Solutions Accounting Department. It is the Licensee's responsibility to submit a Customer Credit Application for payment terms to the Accounting Department. The absence of a fully completed Credit Application that has been evaluated by HANE Solutions may result in a prepaid status for Licensee. The Licensee will be required to provide a letter to HANE Solutions if the licensee requests any payments terms. If the payment terms are accepted by HANE Solutions a payment terms contract will be executed and signed by HANE Solutions and the Licensee.



Licensee will be required to submit an audit report of student enrollments produced by the SchoolDex program for HANE Solutions not more than twice annually for each year of the contract period. Report shall be due February 1 and July 1, and may be transmitted to HANE Solutions by mail, e-mail, or facsimile. HANE Solutions agrees not to share any information collected regarding enrollments with any parties other than those involved with this Agreement.

Custom Development for both SchoolDex :

HANE Solutions will first analyze and review the custom development requirements provided by the CUSTOMER. Project cost and schedule will be provided for CUSTOMER for approval. Custom reports that can be generated in either applications [SchoolDex] would have a nominal fee of \$250 unless otherwise agreed upon by both parties.

Pricing: Prices for student licenses are evaluated and determined by HANE Solutions on a yearly basis. The pricing listed below shall remain in force for the life of the Contract Period of this Agreement except where otherwise documented within this Agreement, or in case of breach.

License Description	Cost Per Student
Student License per student for SchoolDex - \$ 19.95	
Discount for fiscal year 2012 – \$ 5	
2014 - SchoolDex License per student	\$14.95

Non-License Fees: These fees represent fees not associated with the student license for SchoolDex. The table below represents the fees guaranteed for the term of this contract unless otherwise set forth in this Agreement.

License Fees	Description	Cost Per Student
Application Hosting Fee		\$
Data Entry Fee		\$



Training: SchoolDex

Training on the use and implementation of SchoolDex- for new CUSTOMERS is required. Existing or continuing customer will be charged a nominal fee of \$250 per day for training. For new CUSTOMERS with less than three hundred students a live webinar training for 1 day (7 hours) will be provided for free. For Customers more than three hundred students an onsite training for 1 day (7 hours) will be provided. For Customers with more than one thousand students the training will be provided onsite and for 2 days (7 hours each day). All trainings are subject to availability and HANE Solutions makes no guarantee of said availability. Inability to schedule a satisfactory training date for both parties shall not be determined a breach of this Agreement. Requests for additional days or seats for training will result in extra charges at HANE Solution's discretion.

Training will be provided only on HOW TO USE SchoolDex and not ISEE codes or rules set by the state.

GOVERNANCE

The parties hereby indicate by their signatures below that they have read and agree with the terms and conditions of this Agreement in its entirety.

COMPANY: HANE Solutions

CUSTOMER:

Signature:

A handwritten signature in black ink, appearing to read "Ashok Bhupathy", written over a horizontal line.

Signature:

Name: Ashok Bhupathy

Name:

Date: June 12, 2013

Date: