

TEAMS™ SOFTWARE LICENSE COMMISSION AND ROYALTY AGREEMENT

This **TEAMS™ SOFTWARE LICENSE COMMISSION AND ROYALTY AGREEMENT** (“**Agreement**”) is entered into effective as of November 6, 2007 (“**Effective Date**”), by **PROLOGIC TECHNOLOGY SYSTEMS, INC.**, a Texas corporation, with its principal business offices located at 9600 N Mopac Expressway, Suite 300, Austin, Texas 78759 (“**Prologic**”), and **PLANO INDEPENDENT SCHOOL DISTRICT**, a governmental subdivision, with its principal business offices located at 2700 West 15th Street, Plano, Texas 75075 (“**Plano ISD**” or “**PISD**”).

WITNESSETH:

WHEREAS, Prologic and Plano ISD had entered into a certain Data Processing Agreement dated September 1, 2002;

WHEREAS, that certain Data Processing Agreement contemplated that Prologic might be tasked with development of custom software for PISD;

WHEREAS, that certain Data Processing Agreement contemplated that other school districts and entities might have interest in licensing the software developed at PISD expense;

WHEREAS, in that Certain Data Processing Agreement, Prologic and PISD established that PISD was entitled to receive twenty (20%) of any licensing fees derived from the development of that custom software;

WHEREAS, Prologic and PISD have decided to develop the **TEAMS™** software package with PISD support;

WHEREAS, PISD has invested four million dollars (\$4,000,000.00) for the development of the **TEAMS™** software package; and

WHEREAS, Prologic and PISD, because of the scope of the development of the **TEAMS™** software package have decided to set out a separate agreement detailing the development of the software package;

NOW, THEREFORE, Prologic and PISD agree as follows:

In consideration of the mutual promises hereinafter set forth, the parties hereto, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS.

a. **“TEAMS™ Software”** shall mean Prologic’s software module(s), developed in collaboration with PISD, described on **Exhibit A** and includes revisions, new releases, and any repackaging or renaming to the TEAMS™ Software module(s), but does not include future products having materially different functionality or features. TEAMS™ is a trademark of Prologic.

b. **“Invoice Amount”** shall mean the License fees paid by the Licensee solely for the TEAMS™ Software module(s) licensed by the Licensee.

c. **“License”** shall mean a license agreement entered into by Prologic with a school district customer providing the school district with a license to use some or all of the TEAMS™ Software module(s). A License may be for some or all of the completed TEAMS™ Software module(s).

d. **“Licensee”** shall mean the school district that entered into the License with Prologic.

e. **“Net Invoice Amount”** shall mean the initial License fees paid by the Licensee solely for the TEAMS™ Software module(s) licensed by the Licensee during the term of this Agreement net of discounts and allowances and exclusive of amounts billed for any renewals, services, support, maintenance, development, reimbursed expenses, taxes, or otherwise.

2. PAYMENT OF COMMISSIONS AND ROYALTIES.

During the term of this Agreement, Prologic will pay Plano ISD a commission as outlined in **Exhibit B**. Payment will be paid within thirty (30) days of the end of each calendar quarter for the preceding calendar quarter following Prologic’s receipt from the Licensee of any payment of Prologic’s invoices to the Licensee during the preceding quarter for the TEAMS™ Software module(s) licensed by the Licensee. Along with such quarterly payments, Prologic will also provide Plano ISD with a summary report detailing the calculation by which the amount to be paid to Plano ISD was derived. Such report should include, at a minimum, identification of each Licensee, the Invoice amount, and the length of the license. Prologic acknowledges that it has received payments from Licensee’s for which it has not yet paid Plano ISD the commissions to which Plano ISD is entitled. Plano ISD agrees that the payment of the unpaid commissions and future commissions shall be Prologic’s sole financial obligation to Plano ISD hereunder and that no payments will be made for Licenses entered into after the term of this Agreement. Prologic shall not be liable for the failure of Prologic to produce any TEAMS™ Software module(s) or for the failure of any Licensee to make payment to Prologic as and when required.

3. TERM.

The Term shall begin on the Effective Date and shall end on the first anniversary of The Effective Date or such anniversary thereof to which the Term has been extended pursuant to this Section 3 (“Expiration Date”). This Agreement shall automatically renew and be extended for successive additional one-year periods unless either Party provides prior written notice to the other of its election not to extend the Term at least 180 (one hundred eighty) days prior to any Expiration Date. In the event Prologic terminates this agreement, Prologic will pay PISD an amount equal to \$4,000,000 minus royalty payments received on the license of TEAMS.

4. INFORMATION CONCERNING LICENSEES.

Plano ISD will not, except as expressly required by law or regulation or as authorized in writing by Prologic, publish or disclose, or authorize anyone else to publish, disclose, or make use of any information pertaining to any Licensee or the amounts paid by any Licensee to Prologic. Nothing in the foregoing shall preclude Plano ISD from disclosing the aggregate commissions paid by Prologic to Plano ISD as long as information pertaining to individual Licensees is not disclosed. The provisions of this Section 4 will survive the termination of this Agreement indefinitely.

5. AUDIT.

From time to time upon fifteen (15) days prior written notice to Prologic, Plano ISD may audit Prologic’s applicable books and records during normal business hours to confirm the amount of commissions due and payable to Plano ISD by Prologic under this Agreement. Plano ISD shall bear the cost of each such audit except that if as a result of any such audit it is determined that Prologic has under-reported fees due Plano ISD under this Agreement by five percent (5%) or more, then Prologic shall bear the cost of the audit. Such audit shall not unreasonably interfere with Prologic’s business activities. Audits will not be performed more than once a year unless Plano ISD has a good faith basis to believe that Prologic is not paying the commissions owed hereunder, in which case Plano ISD shall so notify Prologic in writing stating the complete basis for Plano ISD’s belief.

6. **ADDITIONAL OBLIGATIONS OF THE PARTIES PROLOGIC.**

A.) Exhibit A describes the present intention of Prologic to create the TEAMS™ Software modules identified therein and the estimated dates of completion. There can be no assurance that these modules will be completed as described or when anticipated. Prologic shall keep PISD informed of any deviation from the schedule in Exhibit A by more than thirty (30) days. Although the TEAMS™ Software to be developed as set forth in Exhibit A is referenced as development for licensing to third parties, the development contemplated in Exhibit A is being developed in collaboration with PISD, with consideration of PISD's needs. Further, any delay in development of the software that requires notice as described above, alleviates PISD from any outstanding payment obligation for development until such time as that module has been completed and accepted by PISD.

B.) PISD shall assist with Prologic with the development and marketing of the TEAMS™ software package as outlined in **Exhibit C**. Prologic agrees to pay any and all past due commissions as outlined in Client Schedule per Exhibit B.

C.) Prologic agrees to indemnify Plano ISD with respect to any claims brought by any third party regarding the TEAMS software package or failure of Prologic to meet any of its financial obligations.

D.) In the event Prologic sells the rights to TEAMS or is purchased, PISD is to receive an amount equal to \$4,000,000 minus royalty payments received on the license of TEAMS.

7. **NOTICES.**

All notices or other communications required under this Agreement will be given in writing and delivered to the other party by personal delivery, certified mail, return receipt requested, or overnight courier properly addressed (any notices sent by facsimile shall be effective only if and when received) to the addresses set forth above. Either party may change the address for notice by so advising the other party.

8. DISPUTE RESOLUTION.

Any dispute between the Parties arising out of or relating to this Agreement, including with respect to the interpretation of any provision of this Agreement and with respect to each Party's performance hereunder, shall be resolved as provided in this Article.

8.1. Non-binding, Mediation.

(a) If the Parties are unable to resolve any dispute arising hereunder, each shall consider in good faith jointly referring the dispute to non-binding mediation pursuant to mutually agreed-upon procedures. If the Parties do not agree to such mediation then either Party shall have the right to commence litigation proceedings.

8.2. Litigation.

(a) Notwithstanding the provisions of Section 8.1, where a Party may make a good faith determination that a breach of the terms of this Agreement by the other Party is such that seeking remedies at law or in equity through a litigation proceeding, or a temporary restraining order or other injunctive relief is the only appropriate and adequate remedy, or (ii) an action must be filed immediately to avoid the expiration of the applicable statute of limitations, and commence litigation without recourse to non-binding mediation.

(b) Jurisdiction. The Parties consent to venue in Collin County, Texas. The Parties further consent to the jurisdiction of any state court located within a district which encompasses assets of a Party against which a judgment has been rendered, either through arbitration or through litigation, for the enforcement of such judgment or award against the assets of such Party.

8.3. Governing Law.

This Agreement and performance under this Agreement shall be governed by the laws of the State of Texas without regard to conflict of laws and applicable provisions, if any, of the Uniform Commercial Code as adopted in the State of Texas.

9. LIMITATION OF LIABILITY.

WITH THE EXCEPTION OF THE REQUIREMENTS OF PARAGRAPH 6, ABOVE, IN NO EVENT WILL PROLOGIC BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR INDIRECT DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, LOST BUSINESS PROFITS.

NOTHING IN THIS AGREEMENT IS CONSIDERED IN ANY WAY TO ALTER OR MODIFY THAT CERTAIN DATA PROCESSING AGREEMENT BETWEEN PROLOGIC AND PISD DATED SEPTEMBER 1, 2002 OR SUBSEQUENT DATA PROCESSING AGREEMENTS ENTERED INTO BETWEEN THE PARTIES.

10. MISCELLANEOUS.

(a) If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws during the term hereof, such provision shall be fully severable. This Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof, and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance herefrom. Furthermore, in lieu of such illegal, invalid, or unenforceable provision there shall be added automatically as a part of this Agreement a legal, valid, and enforceable provision as similar in terms to the illegal, invalid, or unenforceable provision as may be possible.

(b) The parties' relationship during the term of this Agreement shall be that of independent contractors. Neither party shall have, nor shall represent that it has, any power, right or authority to bind the other, or to assume or create any obligation or responsibility, express or implied, on behalf of the other or in such other party's name, except as herein expressly provided. Nothing stated in this Agreement shall be construed as constituting a partnership, joint venture or as creating the relationships of employer/employee, franchisor/franchisee or principal/agent between the parties. This Agreement is not intended to make Plano ISD a third-party beneficiary of any contract, license or agreement by and between Prologic and a Licensee.

(c) This Agreement, constitutes the entire agreement between the parties concerning the subject matter herein contained and may only be modified by a written instrument executed by an authorized officer of each party. This Agreement is made in and will be construed in accordance with the laws of the State of Texas applicable to contracts made and to be performed in Texas. All proposals, negotiations and representations (if any) made prior, and with reference to the subject matter of this Agreement, are merged herein. Neither Plano ISD nor Prologic will be bound by any oral agreement or representation irrespective of by whom or when made. This Agreement may be executed in two (2) or more counterparts and each counterpart will be deemed an original, but all counterparts together will constitute a single instrument. This Agreement has been negotiated by the parties and their advisers and will be interpreted fairly in accordance with its terms and without strict construction in favor or against either party. This Agreement is not intended to alter, in any way, the obligations, representations and/or covenants set forth in that certain Data Processing Agreement between Prologic and PISD, dated September 1, 2002 or subsequent data processing agreements.

IN WITNESS WHEREOF, the parties hereto intending to be legally bound have read and executed this Agreement as of the last date written below.

PROLOGIC TECHNOLOGY SYSTEMS, INC. PLANO INDEPENDENT SCHOOL DISTRICT

By: _____

Signature: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Exhibit A

TEAMS™ SOFTWARE

This Exhibit A describes the present intention of Prologic to create the TEAMS™ Software modules below and the estimated dates of completion.

<i>Human Resources</i>	<i>Finance</i>	<i>Student</i>
Reporting		
Security		
PEIMS		
Position Inventory		
Workflow		
<i>Online Application</i>	<i>General Ledger</i>	<i>Student Enrollment/Demographics</i>
<i>Applicant Tracking</i>	<i>Budgeting</i>	<i>Student Scheduling</i>
<i>Hiring Process</i>	<i>Accounts Payable</i>	<i>Scheduling Maintenance</i>
<i>Employee Records</i>	<i>Accounts Receivable</i>	<i>Scheduling Teaming</i>
<i>Employee Self-Service</i>	<i>Fixed Assets</i>	<i>Attendance</i>
<i>Payroll</i>	<i>Textbook Accounting</i>	<i>Grading</i>
<i>Time and Attendance</i>	<i>Warehouse Inventory</i>	<i>Parent Portal</i>
<i>Employee Benefits</i>	<i>E*payments</i>	<i>Health</i>
<i>Absence Reporting</i>	<i>Procurement</i>	<i>Discipline</i>
<i>Substitute Calling</i>	<i>Bid Management</i>	<i>Special Programs</i>
<i>Professional Development</i>	<i>Copy Center</i>	<i>Teacher Gradebook</i>
	<i>After School Care</i>	<i>Transcripts/Graduation Requirements</i>
	<i>After School Care - Enrollment</i>	<i>Master Schedule Builder</i>
	<i>After School Care - Site Management</i>	<i>Student Assessment</i>
	<i>Facility Management/Rental</i>	<i>Student Portal</i>
	<i>Travel Request/Reimbursement</i>	
	<i>Transportation</i>	
	<i>Field Trip Management</i>	
	<i>Food Service Point of Sale (POS)</i>	

Exhibit B

TEAMS™ SOFTWARE

Commission Agreement

TEAMS Software Commission Schedule

PISD will earn 5% commission on annual license sales between \$5 million and \$10 million.

PISD will earn 10% commission on annual license sales between \$10 million and \$15 million.

PISD will earn 15% commission on annual license sales between \$15 million and \$20 million.

PISD will earn 20% commission on annual license sales > \$20 million.

Examples:

Annual Sales	Percentage	\$ 8,000,000	\$ 14,000,000	\$ 25,000,000	\$ 35,000,000
\$5 - \$10	5%	\$ 150,000	\$ 250,000	\$ 250,000	\$ 250,000
>\$10 - \$15	10%	\$ -	\$ 400,000	\$ 500,000	\$ 500,000
>\$15 - \$20	15%	\$ -	\$ -	\$ 750,000	\$ 750,000
>\$20	20%	\$ -	\$ -	\$ 1,000,000	\$ 3,000,000
		\$ 150,000	\$ 650,000	\$ 2,500,000	\$ 4,500,000

On software subscriptions the maintenance will be deducted from the subscription amount and the remainder will apply to that years annual license sales total.

EX: XYZ ISD subscribes for \$60,000 a year. Their normal maintenance and support is \$20,000 a year. \$40,000 would apply to annual license sales.

The following page contains the commissions paid and those still owed to Plano ISD as referenced in Section 6.

Client	Product	License Amount	Revenue Recognized	PISD Per License Amount	PISD Per Revenue Recognized	Paid To PISD	Due To PISD
Arlington ISD	HR/Payroll	\$ 829,180	\$ 457,800	\$ 165,836	\$ 91,560		\$ 91,560
63000	Finance	\$ -	\$ -		\$ -		\$ -
	Student	\$ -	\$ -	\$ -	\$ -		\$ -
		\$ 829,180	\$ 457,800	\$ 165,836	\$ 91,560	\$ -	\$ 91,560
							\$ -
Beaumont ISD	HR/Payroll	\$ 252,057	\$ 252,057	\$ 50,411	\$ 50,411	\$ 34,125	\$ 16,286
19500	Finance	\$ 329,614	\$ -	\$ 65,923	\$ -		\$ -
	Student	\$ 498,576	\$ 498,576	\$ 99,715	\$ 99,715	\$ 59,829	\$ 39,886
		\$ 1,080,247	\$ 750,633	\$ 216,049	\$ 150,127	\$ 93,954	\$ 56,173
Canutillo ISD	HR/Payroll	\$ 84,132	\$ 50,479	\$ 16,826	\$ 10,096		\$ 10,096
5500	Finance	\$ 104,652	\$ -	\$ 20,930	\$ -		\$ -
	Student	\$ 170,544	\$ 153,490	\$ 34,109	\$ 30,698		\$ 30,698
		\$ 359,328	\$ 203,969	\$ 71,866	\$ 40,794	\$ -	\$ 40,794
Lubbock ISD	HR/Payroll	\$ 390,693	\$ 334,360	\$ 78,139	\$ 66,872		\$ 66,872
28000	Finance	\$ 510,907	\$ -	\$ 102,181	\$ -		\$ -
	Student	\$ 777,075	\$ 777,075	\$ 155,415	\$ 155,415		\$ 155,415
		\$ 1,678,675	\$ 1,111,435	\$ 335,735	\$ 222,287	\$ -	\$ 222,287
Seguin ISD	HR/Payroll	\$ 135,972	\$ 31,817	\$ 27,194	\$ 6,363		\$ 6,363
7600	Finance	\$ 135,972	\$ -	\$ 27,194	\$ -		\$ -
	Student	\$ 291,369	\$ 102,271	\$ 58,274	\$ 20,454		\$ 20,454
		\$ 563,313	\$ 134,088	\$ 112,663	\$ 26,818	\$ -	\$ 26,818
Sherman ISD	HR/Payroll	\$ 114,660	\$ 68,796	\$ 22,932	\$ 13,759		\$ 13,759
6500	Finance	\$ 149,940	\$ -	\$ 29,988	\$ -		\$ -
	Student	\$ 245,700	\$ 221,130	\$ 49,140	\$ 44,226		\$ 44,226
		\$ 510,300	\$ 289,926	\$ 102,060	\$ 57,985	\$ -	\$ 57,985
Tyler ISD	HR/Payroll	\$ 234,528	\$ 174,717	\$ 46,906	\$ 34,943	\$ 43,506	\$ (8,563)
18000	Finance	\$ 263,963	\$ -	\$ 52,793	\$ -		\$ -
	Student	\$ 498,491	\$ 498,491	\$ 99,698	\$ 99,698	\$ 73,000	\$ 26,698
		\$ 996,982	\$ 673,208	\$ 199,396	\$ 134,642	\$ 116,506	\$ 18,136
Vidor ISD	HR/Payroll	\$ 71,048	\$ 42,629	\$ 14,210	\$ 8,526	\$ 5,684	\$ 2,842
4900	Finance	\$ 92,908	\$ -	\$ 18,582	\$ -		\$ -
	Student	\$ 155,548	\$ 139,993	\$ 31,110	\$ 27,999		\$ 27,999
		\$ 319,504	\$ 182,622	\$ 63,901	\$ 36,524	\$ 5,684	\$ 30,840
Totals		\$ 6,337,529	\$ 3,803,681	\$ 1,267,506	\$ 760,736	\$ 216,144	\$ 544,592

Exhibit C

TEAMS™ SOFTWARE DEVELOPMENT AND MARKETING SUPPORT

Plano ISD commits to providing additional support for TEAMS beyond the financial investment in these manners:

Development

1. Plano ISD will host any desired focus group sessions at the Sockwell Center.
2. All departments will participate in scheduled focus group sessions.
3. All departments will participate in scheduled requirements gathering sessions, requirement review sessions, user interface review sessions.
4. All departments will provide testing of developed modules for a minimum period of one week in the Plano ISD user acceptance (UA) environment. Feedback will be provided on a daily basis via the operational process established by both parties.
5. All departments will assist in the design and delivery of user training for completed modules.
6. Expert users will be identified for each module to serve as second level testers and possible trainers.

Marketing

1. Plano ISD will host any desired TEAMS Users meetings at the Sockwell Center.
2. Plano ISD will provide speakers and trainers for sessions at these meetings if requested.
3. Plano ISD will host individual district visits to view TEAMS in use within departments.
4. Plano ISD will assist with potential district clients in support of the TEAMS product.
5. Plano ISD will provide support for TEAMS RFP responses.
6. Plano ISD will provide design support for brochures, mailings and related literature.
7. Plano ISD will submit conference proposals for TEAMS demonstrations at appropriate Texas conferences.
8. Plano ISD will solicit media support of their local TEAMS implementation through print and non-print sources.