

**EDUCATION CODE SECTION 49073.1 AMENDMENT TO AGREEMENT FOR
ACQUISITION OF LICENSE FOR Aeries™ SOFTWARE BETWEEN
PALOS VERDES PENINSULA UNIFIED SCHOOL DISTRICT AND
AERIES SOFTWARE**

This Amendment (“Amendment”) to the *Agreement For Acquisition Of License For Aeries™ Software* by and between PALOS VERDES PENINSULA UNIFIED SCHOOL DISTRICT, a public school district duly organized and existing under Chapter 1 of Division 3 of Title 2 of the Education Code of the State of California (“District”) and AERIES SOFTWARE (“Vendor”), dated October 12, 2000 (“Agreement”) (a true and correct copy of which is attached hereto as Exhibit “A”), is hereby made and entered into as of November 7 , 2019 (“Effective Date”) as follows:

WHEREAS, Vendor provides cloud-based student management software, which includes the digital storage, management, and retrieval of pupil records;

WHEREAS, as a California public school district, the District is subject to the Education Code;

WHEREAS, Vendor is a “third party” under Education Code section 49073.1(6), which defines “third party” as a provider of digital educational software or services, including cloud-based services, for the digital storage, management, and retrieval of pupil records;

WHEREAS, Education Code section 49073.1 requires that any contract for the provision of services entered into between District and Vendor contain provisions specified in sections (b)(1) through (b)(9) of Education Code section 49073.1;

WHEREAS, the District and Vendor desire to amend the terms in their Agreement that will satisfy the requirements of Education Code section 49073.1.

NOW THEREFORE, DISTRICT AND VENDOR AGREE TO THESE TERMS IN COMPLIANCE WITH EDUCATION CODE SECTION 49073.1:

1. Ownership and Control of Pupil Records. Pupil records shall continue to be the property of and under the control of the District. For purposes of this Amendment and the Agreement, “pupil records” means both any information directly related to a pupil that is maintained by the District and information acquired directly from the pupil through the use of instructional software or applications assigned to the pupil by a teacher or other District employee. For purposes of this Amendment and the Agreement, “pupil records” does not mean deidentified information, including aggregated deidentified information, used by Vendor to improve educational products for adaptive learning purposes and for customizing pupil learning; to demonstrate the effectiveness of Vendor's products in the marketing of those products; or for the development and improvement of educational sites, services, or applications. For purposes of this Amendment and the Agreement, “deidentified information” means information that cannot be used to identify an individual pupil.
2. Ownership and Control of Pupil-Generated Content. Pupils may retain possession

and control of their own pupil-generated content, or may transfer pupil-generated content to a personal account by notifying the District's Administrative Director, Educational Services in writing of such request. The District will provide a written request to Vendor's Support Manager Frank Perkins and/or Application Services Provider (ASP) Manager Michael Gehrke and Vendor shall return the pupil-generated content in a format acceptable to the District within five (5) days of receiving the District's request. For purposes of this Amendment and the Agreement, "Pupil generated content" includes essays, research reports, portfolios, creative writing, music or other audio files, photographs, but does not include pupil responses to a standardized assessment where pupil possession and control would jeopardize the validity and reliability of that assessment.

3. Use of Pupil Records. Vendor shall not use any information in the pupil records for any purpose other than those required or specifically permitted by this Amendment and the Agreement.
4. Review of Pupil Records. A parent, legal guardian, or pupil who has reached the age of 18 may review personally identifiable information in the pupil's records and correct erroneous information by notifying the District's Administrative Director, Educational Services in writing of such request. The District will meet with parent, legal guardian, or pupil who has reached the age of 18 to review and correct any information in the pupil's records. The District will notify Vendor of the need to review pupil records and or make corrections to any pupil records in writing. Vendor shall provide such records and/or correct such errors within five (5) days of receipt of written notice. Vendor shall cooperate with the District to review and/or correct pupil records.
5. Security and Confidentiality of Pupil Records. Vendor agrees to hold pupil records in strict confidence. Vendor shall not use or disclose pupil records received from or on behalf of District except as permitted or required by this Amendment and the Agreement, as required by law, or as otherwise authorized in writing by District. Vendor agrees that it will protect the pupil records it receives from or on behalf of District according to commercially acceptable standards and no less rigorously than it protects its own confidential information. Vendor will designate and train responsible individuals, to ensure the security and confidentiality of pupil records. Vendor shall develop, implement, maintain and use appropriate administrative, technical and physical security measures to preserve the confidentiality, integrity and availability of all electronically maintained or transmitted pupil records received from or on behalf of District. Pupil records shall not be stored or transmitted outside of the United States. These measures shall be extended by contract to all subcontractors used by Vendor.
6. Breach Notification Process. Vendor, within one (1) business day of discovery, shall report to District any use or disclosure of pupil records not authorized by this Amendment and the Agreement or in writing by the District. Vendor's report shall identify: (i) the nature of the unauthorized use or disclosure; (ii) the pupil records used or disclosed, (iii) who made the unauthorized use or received the unauthorized

disclosure, (iv) what Vendor has done or shall do to mitigate any effect of the unauthorized use or disclosure, and (v) what corrective action Vendor has taken or shall take to prevent future similar unauthorized use or disclosure. Vendor shall provide such other information, including a written report, requested by District. In the event of an unauthorized disclosure of a pupil's records, affected parents, legal guardians, or pupils who have reached the age of 18 will be notified in writing and provided with details and next steps to address the specific breach. Compliance with these requirements shall not, in itself, absolve Vendor of liability in the event of an unauthorized disclosure of pupil records.

7. Retention and Destruction of Pupil Records. Vendor certifies that a pupil's records shall not be retained or available to Vendor upon completion of the term of the Agreement. At the termination of the Agreement, pupil records in the possession of Vendor shall be returned and/or destroyed. Upon termination, cancellation, expiration or other conclusion of the Agreement, Vendor shall return all pupil records to District in a format acceptable to District, or if return is not feasible as determined by District in written notice to Vendor, destroy any and all pupil records. Vendor shall not destroy any pupil records without express written permission of District. Vendor shall comply with any litigation hold or order to preserve pupil records.
8. Compliance with Applicable Laws. The District and Vendor will jointly ensure compliance with the federal Family Educational Rights and Privacy Act (20 U.S.C. Sec. 1232g) through following the confidentiality provisions as set forth in this Amendment and the Agreement, as well as applicable District Board policies. The parties acknowledge and agree that the District is subject to federal and local laws relating to the protection of personally identifiable information of students ("PII"), including FERPA, and that Vendor is obtaining such PII as a "school official" under Section 99.31 of FERPA for the purpose of providing the services hereunder. In addition to FERPA, Vendor shall comply with all federal, State and local laws, rules, regulations and ordinances that are now or may in the future become applicable to Vendor; the services being provided by Vendor; Vendor's business, equipment and personnel engaged in operations covered by this Amendment and/or the Agreement; and the protection of pupil records and PII, including but not limited to Education Code section 49060 *et seq.*, the Children's Online Privacy Protection Act (COPPA) and the Student Online Personal Information Protection Act (SOPIPA). Vendor certifies that it is familiar with these laws, as well as any other applicable requirements for the storage and transmission of pupil records and Vendor will comply with all such requirements.
9. Prohibition on Targeted Advertising. Vendor shall not use PII in pupil records to engage in targeted advertising.
10. Insurance and Indemnity. Vendor shall defend, indemnify, and hold harmless ("Indemnify") the District, its trustees, officials, directors, officers, employees, and agents from and against all liabilities, losses, expenses, claims, actions, or

judgments (including attorney fees) recovered or made against the District for any damage, injury, or death to persons or damage to property caused by the negligent or intentional acts or omissions of Vendor, its officers, employees, agents, or subcontractors related to Vendor's performance under this Contract. Vendor's Indemnification extends to conditions created by this Contract or based upon violation of any statute, ordinance, or regulation. This provision is in addition to any common law or statutory liability and indemnification rights available to the District. Vendor's Indemnification of the District shall not apply to damage, injury, or death caused by the sole negligence or willful misconduct of the District, its officers, directors, employees, or agents. The District will promptly notify Vendor in writing of any such claim or demand to indemnify and shall cooperate with Vendor in a reasonable manner to defend such claim.

Vendor and its subcontractors shall insure its activities in relation to this agreement and keep in force and maintain the following:

- A. Commercial General Liability insurance with limits of no less than \$1,000,000 per occurrence covering against bodily injury, property damage, and personal and advertising injury liability arising out of the alleged or actual omission, act or negligence of Vendor in the performance of the obligations under this Agreement.
- B. Professional Liability insurance with limits of no less than \$1,000,000 per occurrence insuring against liability connected with the performance of "professional services" as defined by this Agreement.
- C. Cyber Liability insurance with limits of no less than \$5,000,000 per occurrence to cover damages sustained by a third party from the unauthorized access to or theft of data, the unauthorized disclosure or use of personally identifiable information, Business Interruption, Cyber Extortion, and Denial of Services in connection with this Agreement. Such cyber liability policy shall cover consumer notification expenses, credit monitoring costs and any other liability, loss or expense of any nature whatsoever arising out of or related to the unauthorized access to or theft of data and the unauthorized disclosure or use of personally identifiable information connected, in whole or part, to this Agreement.
- D. Additional Insured Endorsement: The liability policies referenced in (A) and (D) shall be endorsed to name the District, its Board, officers, agents and employees as an additional insured. Vendor shall furnish a Certificate of Insurance and endorsements needed to evidence compliance with all listed insurance requirements upon execution of this Agreement.

11. Termination. If District reasonably determines in good faith that Vendor has materially breached any of its obligations under this Amendment or the Agreement,

District, in its sole discretion, shall have the right to provide Vendor with written notice of a fifteen (15) day period to cure the breach. If Vendor fails to cure a breach within that period of time, District may terminate the Agreement immediately. If, in its sole discretion, District determines that cure is not possible, District may provide written notice of immediate termination of the Agreement.

- 12. Effect of Amendment. If any provisions of this Amendment to the Agreement conflict or are otherwise contrary to the original terms of the Agreement, the terms of this Amendment prevail.

Except as specifically modified herein, all other terms and conditions contained in the Agreement between the District and Vendor shall remain unchanged and in full force and effect.

Dated this ____ day of _____, 2019.

Palos Verdes Peninsula Unified School District

Aeries Software

EXHIBIT "A"

AGREEMENT ON FOLLOWING PAGES

AGREEMENT FOR ACQUISITION OF LICENSE FOR Aeries™ SOFTWARE

1. Introduction.

This is an Agreement between Jerry D. Lloyd, Inc., d.b.a. EAGLE SOFTWARE located at 505 N. Tustin Avenue, Suite 150, Santa Ana, California, 92705 (hereinafter "EAGLE SOFTWARE") and its customer Palos Verdes Peninsula Unified School DISTRICT, a public agency, ("hereinafter "DISTRICT"), under which is licensing software on a non-exclusive basis for the customer's use under the terms and conditions stated below. The effective date for purposes of the interpretation of the Agreement shall be October 12, 2000.

2. Definitions.

The following terms, when used in this Agreement, shall have the following meanings:

- "Acceptance" shall mean the date on which EAGLE SOFTWARE informs the DISTRICT and the DISTRICT confirms that the Licensed Software has been installed in accordance with the *Implementation Plan (Exhibit "B")*.
- "Agreement" shall mean this Agreement, Exhibits, and all documentation incorporated herein by reference.
- "Correction" or "Update" shall mean electronic media containing a Licensed Software correction or "bug fix" or a newly programmed feature intended to either rectify Licensed Software errors or cause the System to perform in a manner which conforms to the System Specifications.
- "Defect" shall mean the failure of the Licensed Software component to function in accordance with the System Specifications.
- "Documentation" shall mean all of EAGLE SOFTWARE'S training course materials, system specifications and technical manuals, and all other user instructions regarding the capabilities, operation, installation and use of the Licensed Software, including but not limited to manuals, handbooks, flow charts, technical information, and other reference materials relating to the Licensed Software.
- "Enhancement" or "Improvement" shall mean electronic media containing any functional or operational improvement made to the Licensed Software.
- "Equipment" shall mean the computer hardware comprising DISTRICT'S existing computer system.
- "First Productive Use" shall mean the first use of the System to process data of DISTRICT'S students in day-to-day operations.

- "Implementation" shall mean the activities such as training, data conversion and installation which are used to prepare the DISTRICT for use of the Licensed Software as provided in this Agreement.
- "Installation" shall mean the process which is used to make the Licensed Software available for DISTRICT'S use, testing, and training without regard to who performs the process.
- "Licensed Software" shall mean individually each, and collectively all, of the computer programs or Modules provided by EAGLE SOFTWARE under this Agreement, including Aeries™ (formerly known as EASY95, EASY96, EASY97, EASY98 and EASY99), and subsequent releases thereof, however denominated, including as to each program or Module; the processes and routines used in the processing of data, the source code and object code, tapes, disks, Documentation, Corrections, Updates, Enhancements, Improvements, Releases, and Versions to such programs or Modules as may generally be made available by EAGLE SOFTWARE, and any and all programs or Modules provided by EAGLE SOFTWARE in the future under this Agreement pursuant to the mutual written agreement of the parties.
- "DISTRICT" shall include Palos Verdes Peninsula Unified School DISTRICT, its officers, employees and agents, and any person or entity to which this Agreement is assigned in accordance with the terms and conditions of this Agreement.
- "Module" shall mean a self contained unit of the Licensed Software that has its own discrete function and may be separately compiled.
- "Proprietary or Confidential Information" shall mean, with respect to a party hereto, all information or material which (i) gives that party some competitive business advantage or the opportunity of obtaining such advantage or the disclosure of which could be detrimental to the interests of that party; or (ii) which is either (A) marked "Confidential," "Restricted," or "Proprietary Information" or other similar marking, (B) known by the parties to be considered confidential and proprietary or (C) from all the relevant circumstances should reasonably be assumed to be confidential and proprietary. Proprietary or Confidential Information includes, but is not limited to, the System and any trade secrets related thereto, and DISTRICT'S student data, provided, however, that no information constitutes Proprietary or Confidential Information if it is generic information or otherwise publicly known or in the public domain. All information regarding any student input into Aeries™ shall be considered confidential.
- "Reference Date" shall mean the earlier of the delivery of the Licensed Software to DISTRICT or the date of the DISTRICT'S purchase order or the date of this agreement or the date of the DISTRICT'S payment or the date of the official action approving acquisition of the Licensed Software by the DISTRICT'S governing board.

- "Release" shall mean the general availability of a new, modified or updated version of the Licensed Software containing an aggregation of Licensed Software Corrections or Enhancements made to the Licensed Software.
- "Source Material" shall mean the source code for the Licensed Software, including all new releases, updates, modifications, enhancements, corrections, patches, and improvements, and all Documentation and other proprietary information related to the source code.
- "System" shall mean the operation of the Licensed Software in a functionally integrated manner, with each System Component enabling Users to access and input information to, from, or between Module(s) of the Licensed Software as provided under this Agreement.
- "System Component(s)" shall mean individually each, and collectively all, of the Licensed Software.
- "System Specifications" shall mean the the minimum required computer hardware required to properly operate the Licensed Software.
- "Users" shall mean any individual or entity authorized by DISTRICT to use the Licensed Software under this Agreement.
- "Version" shall mean a descriptive reference (which is typically a number qualified by a date) to new Licensed Software features packaged and delivered as a significant revision to Licensed Software.
- "Implementation Plan" shall mean the documentation of tasks and events including the assignment of responsibilities leading to general productive use of the Licensed Software by the DISTRICT, attached hereto as *Implementation Plan (Exhibit "B")*.

3. Grant of Nonexclusive Software License.

EAGLE SOFTWARE hereby grants to DISTRICT a perpetual, non-exclusive license to use the Licensed Software and Documentation for its and its Users' business activities subject to the provisions of the *Nonexclusive Software License (Exhibit "C")*.

At no additional charge to DISTRICT, EAGLE SOFTWARE shall provide DISTRICT access to all Documentation on EAGLE SOFTWARE'S current Web site relating to the Licensed Software. DISTRICT may, at any time, reproduce copies of all Documentation and other materials provided by EAGLE SOFTWARE, distribute such copies to its Users, and incorporate such copies into its own technical manuals, provided that such reproduction relates to DISTRICT'S use of the Licensed Software or Module(s), and copyright notices, if any, are reproduced thereon.

4. Restrictions on Grant of Software License.

DISTRICT shall not actually nor attempt to disassemble, decompile, or reverse engineer modify, copy, duplicate, reproduce, license or sublicense the Software, or transfer or convey the Software or any right in the Software to anyone else without the prior written consent of Eagle Software; provided that DISTRICT may make one copy of the Software for backup or archival purposes. DISTRICT shall not be authorized to make the Licensed Software available for use to any person or entity that has no substantive affiliation or relationship with DISTRICT'S business.

DISTRICT may develop, install, and make operational DISTRICT Custom Programming, but DISTRICT shall be solely responsible for such programming and shall be the sole owner of such code modifications. During the first year following the Reference Date of this Agreement and any period during which the DISTRICT purchases and properly pays for maintenance and support of the Licensed Software from EAGLE SOFTWARE, DISTRICT shall have the right to acquire from EAGLE SOFTWARE any subsequent Release or Version of the Licensed Software produced by EAGLE SOFTWARE as an update to the Licensed Software at no charge to DISTRICT.

5. Licensed Software Installation, Implementation Plan, and First Productive Use.

EAGLE SOFTWARE agrees to install the Licensed Software in accordance with the time schedule as set forth in the *Implementation Plan (Exhibit "B")* or upon such reasonable time schedule as agreed to by and between the parties. The Licensed Software may be delivered to DISTRICT by electronic transmission. EAGLE SOFTWARE'S responsibilities for the delivery, installation, and First Productive Use, as applicable, as to each Module and as to the System, and the training of DISTRICT Users in the use of each Module and the System, shall be limited to the terms and conditions set forth herein and in the *Implementation Plan (Exhibit "B")*. Failure of EAGLE SOFTWARE to satisfy its responsibilities as set forth in the Implementation Plan as to any Module or as to the System, unless modified, shall be a material breach by EAGLE SOFTWARE of this Agreement, entitling DISTRICT, in addition to and cumulative of all remedies available to it at law, in equity or under this Agreement, to immediately commence withholding payments to EAGLE SOFTWARE under this Agreement until EAGLE SOFTWARE cures the Implementation Plan time schedule default. The amount of any payment(s) withheld by DISTRICT shall be in an amount that is in proportion to magnitude of the default.

6. System Configuration.

EAGLE SOFTWARE shall provide documentation of EAGLE SOFTWARE 's minimum and recommended hardware requirements and may assist the DISTRICT in evaluating the DISTRICT'S existing information systems, computer platform(s), operating system(s), applications, network connectivity, and workstation configurations (hereinafter collectively referred to as the "Existing System"). The DISTRICT is responsible for insuring that its Existing System is sufficient in size, capacity, and

processing capability to operate the Licensed Software for the use of DISTRICT and its Users. *Nothing in this agreement shall require EAGLE SOFTWARE to pay for any necessary hardware or third party software upgrades or third party services that DISTRICT may employ to enhance its system.*

The parties expressly acknowledge that EAGLE SOFTWARE is not providing any Equipment or software other than the Licensed Software under this Agreement. Further, DISTRICT expressly represents and EAGLE SOFTWARE is relying upon the representation that the Existing System consists of the DISTRICT computer platform(s), operating system(s), scanners, printers, applications, network connectivity (local and wide area networks), and workstations. The DISTRICT'S Existing System operates on personal computers using Windows 3.1 or later operating system on a Windows-compatible network, using Windows-compatible protocols. The DISTRICT is responsible for insuring that its Existing System is sufficient in size, capacity, and processing capability to operate the Licensed Software for the use of DISTRICT and its Users

7. Software Training.

EAGLE SOFTWARE shall provide training to the DISTRICT and its Users in accordance with the time schedule and assignment of responsibilities as agreed during the implementation planning and the pricing/number of days of training needed as outlined by the *Sales Proposal (Exhibit "A")*.

8. Payment of Software Licensing Fee and Related Fees.

In consideration of the license granted under this Agreement, DISTRICT shall pay EAGLE SOFTWARE the sum of \$87,300.00 plus sales tax for the license of the 'Aeries™' software in accordance with the *Sales Proposal (Exhibit "A")*. Payment shall be made upon installation and acceptance of the Licensed Software in accordance with the *Implementation Plan (Exhibit "B")*.

Maintenance and Support. In addition to the payment of the license fee, DISTRICT shall pay EAGLE SOFTWARE the sum of \$11,000.00 for maintenance and support as described in the Sales Proposal (Exhibit "A") for the period beginning with the Reference Date continuing through November 30, 2001. DISTRICT shall pay EAGLE SOFTWARE a fee for maintenance and support for any subsequent year's maintenance and support at the then current rate for maintenance and support.

Training Fees. In addition to the payment of the license fee, DISTRICT shall pay EAGLE SOFTWARE a fee as described in the *Sales Proposal (Exhibit "A")* for training of DISTRICT staff. DISTRICT may negotiate and pay for a schedule for additional days of training based upon EAGLE SOFTWARE'S fee for training services at the time of the request and the availability of EAGLE SOFTWARE'S Staff. Payment shall be made upon installation and acceptance of the Licensed Software in accordance with the *Implementation Plan (Exhibit "B")*.

Other Services. In addition to the payment of the license fee, DISTRICT may negotiate a schedule for additional services beyond those described in the *Sales Proposal (Exhibit "A")* based upon EAGLE SOFTWARE'S fee for any requested services at the time of the request and the availability of EAGLE SOFTWARE'S Staff.

9. Maintenance and Support.

EAGLE SOFTWARE shall correct any failure of the Licensed Software or any Module, to perform in accordance with the System Specifications, including without limitation, defect repair, programming corrections, and remedial programming, and provide such services and repairs required to maintain the Licensed Software so that it operates properly and in accordance with the System Specifications.

Further, EAGLE SOFTWARE shall provide support as follows:

(a) All requests for support shall be first directed to the DISTRICT'S Project Administrator if the *Sales Proposal (Exhibit "A")* documents the expectation that the DISTRICT will take responsibility for local support that is to be provided by the DISTRICT'S Project Administrator. The DISTRICT'S Project Administrator (if any) shall first make reasonable efforts to resolve the support issue before contacting EAGLE SOFTWARE.

(b) If the DISTRICT'S Project Administrator cannot resolve the support issue, the DISTRICT'S Project Administrator will contact EAGLE SOFTWARE. The DISTRICT'S Project Administrator shall transmit all information relevant to the support issue to EAGLE SOFTWARE, including the relevant hardware and operating system information and the circumstances under which the support issue arose. If the DISTRICT does not have a Project Administrator as documented by the absence of a support discount on the *Sales Proposal (Exhibit "A")* and the DISTRICT has purchased support services from EAGLE SOFTWARE as documented on the *Sales Proposal (Exhibit "A")* then a designated, technically competent DISTRICT Representative for each site may contact EAGLE SOFTWARE for support.

(c) All requests for support shall be made during normal business hours (8 a.m. to 4:30 p.m. Pacific Standard Time, Monday through Friday, other than legal holidays and days designated by EAGLE SOFTWARE as non-work days. A complete list of legal holidays and days designated by EAGLE SOFTWARE as non-work days is posted on EAGLE SOFTWARE'S Web site. No further notice will be provided.)

(d) During the term of this Agreement, EAGLE SOFTWARE shall make available to DISTRICT via the EAGLE SOFTWARE Web site Corrections, Updates, Enhancements, Improvements, and Releases to the Licensed Software, as they are made generally available to other EAGLE SOFTWARE clients.

(e) Charges to DISTRICT for maintenance and support for the initial term as of this Agreement are indicated in the *Sales Proposal (Exhibit "A")*. Thereafter, the

maintenance and support fees shall be calculated as set forth in Section 8 (Payment) above.

(f) *Notwithstanding the provisions of this Section, EAGLE SOFTWARE may terminate support with regard to the Licensed Software upon ninety (90) days written notice if (i) DISTRICT fails to remain within at least thirty (30) calendar days of EAGLE SOFTWARE'S most then-current production release of the Licensed Software and the failure to remain within thirty (30) calendar days of EAGLE SOFTWARE'S most then-current production release of the Licensed Software is not disputed by DISTRICT, or (ii) DISTRICT fails to pay undisputed invoices for support.*

(g) *Notwithstanding the provisions of this Section, EAGLE SOFTWARE may terminate support with regard to the Licensed Software upon thirty (30) days written notice if DISTRICT fails or refuses to (i) fully cooperate with EAGLE SOFTWARE, (ii) act in reasonable accordance with EAGLE SOFTWARE'S requests and requirements, (iii) respond in a reasonable time and manner to EAGLE SOFTWARE'S written notice or inquiry, or (iv) otherwise act in good faith in furtherance of the material terms and conditions of this Agreement.*

10. Ownership and Non-Disclosure of Proprietary or Confidential Information

The parties agree, both during the term of this Agreement and for a period of five (5) years after termination of this Agreement to hold each other's Proprietary or Confidential Information in strict confidence, except for DISTRICT'S student data which shall be held in such confidence in perpetuity. The parties agree not to make each other's Proprietary or Confidential Information available in any form to any third party or to use each other's Proprietary or Confidential Information for any purpose other than the implementation of and as specified in this Agreement. Each party agrees to take all reasonable steps to ensure that Proprietary or Confidential Information of either party is not disclosed or distributed by its employees, agents or consultants in violation of the provisions of this Agreement, and DISTRICT also agrees to take all such steps with respect to any Users of the System.

EAGLE SOFTWARE'S Proprietary or Confidential Information shall remain the sole and exclusive property of EAGLE SOFTWARE. DISTRICT'S Proprietary or Confidential Information shall remain the sole and exclusive property of DISTRICT. DISTRICT shall have no interest in, and no right to use, including, without limitation, any use resulting in disclosure to any third party any EAGLE SOFTWARE Proprietary or Confidential Information except as specifically provided for by this Agreement or as otherwise permitted and specified by separate written license agreement executed by both parties hereto.

Each party shall ensure that its employees, agents and consultants, and in the case of DISTRICT'S granting access to the System, its Users, as described in Section 2, shall be permitted access to the other party's Proprietary or Confidential Information only on a need-to-know basis and are instructed regarding, and agree in writing to act in

accordance with, the obligations of nondisclosure and non-use imposed by this Agreement.

Each party acknowledges that any use or disclosure of the other party's Proprietary or Confidential Information other than as specifically provided for in this Agreement and other written agreements between EAGLE SOFTWARE and DISTRICT may result in irreparable injury and damage to the non-using or non-disclosing party. Accordingly, each party hereby agrees that, in the event of use or disclosure by the other party other than as specifically provided for in this Agreement and in other written agreements between the parties, the non-using or non-disclosing party may be entitled to equitable relief as granted by any appropriate judicial body.

Each party expressly agrees to include, maintain, reproduce and perpetuate all notices or markings on all copies of all tangible media comprising each party's Proprietary or Confidential Information in the manner in which such notices or markings appear on such tangible media or in the manner in which either party may reasonably request.

EAGLE SOFTWARE acknowledges and agrees that all student records shall be subject to the confidentiality and disclosure provisions of federal and state law and agrees to maintain the confidentiality of all such records in accordance with such laws.

All of the DISTRICT data, records, and information processed by or input onto the System to which EAGLE SOFTWARE has access, or otherwise provided to EAGLE SOFTWARE under this Agreement shall be and remain the property of DISTRICT and DISTRICT shall retain exclusive rights and ownership thereto. The data of DISTRICT shall not be used by EAGLE SOFTWARE for any purpose other than as required under this Agreement, nor shall such data or any part of such data be disclosed, sold, assigned, leased or otherwise disposed of to third parties by EAGLE SOFTWARE or commercially exploited or otherwise used by or on behalf of EAGLE SOFTWARE, its officers, directors, employees, or agents.

EAGLE SOFTWARE shall provide, at no charge to DISTRICT, sufficient access control applications to enable DISTRICT to identify and authenticate Users and control access to System Modules.

11. EAGLE SOFTWARE'S Representations, Warranties and Covenants

Warranty of Title. EAGLE SOFTWARE hereby represents and warrants to DISTRICT that EAGLE SOFTWARE is the owner of the Software or otherwise has the right to grant to DISTRICT the rights set forth in this Agreement.

Warranty of Functionality. For a period encompassing the term of this Agreement, EAGLE SOFTWARE represents, warrants and agrees that the Licensed Software shall perform in all material respects according to EAGLE SOFTWARE'S specifications concerning the Licensed Software when used with the appropriate computer equipment.

Warranty of Response Time. EAGLE SOFTWARE represents and warrants that the response time for the Licensed Software shall be normal for commercial software. As with any PC-based software, the speed is completely dependent on the speed of the workstation computer, the quantity and type of other software that may be running on any individual workstation and the speed of the PC and quantity and type of software operating on any given server.

Exclusive Remedy. In the event of any breach or threatened breach of the foregoing representation and warranty, DISTRICT'S sole remedy shall be to require EAGLE SOFTWARE to either: (i) procure, at EAGLE SOFTWARE'S expense, the right to use the Software, (ii) replace the Software or any part thereof that is in breach and replace it with Software of comparable functionality that does not cause any breach, or (iii) refund to DISTRICT the full amount of the license fee upon the return of the Software and all copies thereof to EAGLE SOFTWARE. In the event of any breach or alleged breach of these warranties, DISTRICT shall promptly notify EAGLE SOFTWARE thereof and provide EAGLE SOFTWARE a reasonable opportunity to repair or replace the Licensed Software, at EAGLE SOFTWARE'S sole election. These warranties shall not apply to the Licensed Software if modified or if used improperly or on an operating system not approved by EAGLE SOFTWARE.

Warranty Disclaimer. EAGLE SOFTWARE DISCLAIMS AND DISTRICT SPECIFICALLY ACKNOWLEDGES THAT EAGLE SOFTWARE DISCLAIMS ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT, WITH RESPECT TO THE PROGRAM AND THE ACCOMPANYING WRITTEN MATERIALS. EAGLE SOFTWARE WILL NOT BE LIABLE FOR LOST PROFITS, LOST OPPORTUNITIES, OR INCIDENTAL OR CONSEQUENTIAL DAMAGES UNDER ANY CIRCUMSTANCES.

In no event shall any demonstration or any promotional materials pursuant to this Section constitute an endorsement, representation or warranty, express or implied, by DISTRICT, with respect to the Licensed Software. In the event of a dispute between DISTRICT and EAGLE SOFTWARE, DISTRICT'S agreement to participate in promotions and demonstrations under this Section and all statements made by DISTRICT in connection with such activities shall not be deemed an admission or declaration against interest of DISTRICT in any trial or dispute resolution proceeding between the parties.

12. Overall Limitation of Liability and Damages

IN NO CASE SHALL EAGLE SOFTWARE BE RESPONSIBLE FOR NOR SHALL THE AGGREGATE AMOUNT OF DAMAGES PAYABLE TO DISTRICT FROM ANY AND ALL PARTIES FOR ANY CLAIM ARISING FROM THE LICENSED SOFTWARE OR THIS AGREEMENT (INCLUDING, WITHOUT LIMITATION, ITS WARRANTY AND INDEMNIFICATION PROVISIONS) EXCEED THE AMOUNTS PAID BY DISTRICT TO EAGLE SOFTWARE UNDER THIS AGREEMENT.

13. Termination.

In addition to any other provision in this Agreement allowing a party to terminate this Agreement in whole or in part, and without limiting any other remedies available at law, in equity, or under this Agreement, if either party materially or repeatedly defaults in the performance of any of its duties or obligations under this Agreement, and: (1) within thirty (30) days after written notice is given to the defaulting party specifying the default, it is not cured to the reasonable satisfaction of the party giving the notice of default, or (2) with respect to those defaults that cannot reasonably be cured within thirty (30) days, if the defaulting party fails to commence curing the default within fifteen (15) days after receipt of the notice of default, and to continue proceeding with all due diligence to cure the default, then the party not in default may terminate this Agreement by giving written notice of termination to the defaulting party, which termination shall be effective immediately upon receipt of the notice of termination. If the default is incapable of being cured, then the thirty (30) day cure period shall not apply, and notice of termination may be given directly by the party not in default. If termination of this Agreement for any reason results in the DISTRICT'S need for services from EAGLE SOFTWARE of any type, EAGLE SOFTWARE shall be paid at its then current rates for such services.

14. Assignment.

This Agreement shall not be assigned by either party without the prior written consent of the other except as follows:

EAGLE SOFTWARE may assign this Agreement provided such assignment (i) is in writing and in a form reasonably acceptable to DISTRICT, (ii) states that the assignee is accepting all obligations of EAGLE SOFTWARE under this Agreement and agrees to be bound by and discharge the Agreement's terms, conditions, and obligations as if it were the original party hereto, and (iii) EAGLE SOFTWARE, the assignee entity, or both agree in writing to support the Licensed Software throughout the term of this Agreement.

DISTRICT may assign this Agreement to a parent or subsidiary entity, or any corporation or entity in which DISTRICT has an ownership interest, or in the event of merger, consolidation or other disposition of substantially all of its assets, between DISTRICT and a third party(ies), provided such assignment (i) is in writing and (ii) states that the assignee is accepting all obligations of DISTRICT under this Agreement and agrees to be bound by and discharge each of the Agreement's terms, conditions, and obligations as if it were the original party hereto.

15. General Provisions

Modification. The terms and conditions of the Agreement may not be altered, amended, or modified unless set forth in writing and the writing has been signed by EAGLE SOFTWARE and DISTRICT.

Waiver. All waivers under this Agreement shall be in writing in order to be effective. No waiver by a party of any breach of this Agreement or waiver of any warranty, representation, or other provision hereunder shall be deemed to be a waiver of any other breach, warranty, representation, or provision (whether preceding or succeeding, and whether or not of the same or similar nature), and no acceptance of performance by a party after any breach by the other party shall be deemed to be a waiver of any breach of this Agreement or of any representation, warranty, or other provision, whether or not the party accepting performance knows of such breach at the time of acceptance. No failure or delay by a party to exercise any right it may have by reason of the default of the other party shall operate as a waiver of default or modification of this Agreement or shall prevent the exercise of any right of the non-defaulting party under this Agreement.

Independent Contractor. EAGLE SOFTWARE acknowledges that it is at all times acting as an independent contractor under this Agreement and except as specifically provided herein, not as an agent, employee, or partner of DISTRICT. EAGLE SOFTWARE agrees to be solely responsible for all matters relating to compensation of its employees, including but not limited to compliance with laws governing workers' compensation, Social Security, withholding and payment of any and all federal, state and local personal income taxes, disability insurance, unemployment, and any other taxes for such persons, including any related employer assessment or contributions required by law, and all other regulations governing such matters, and the payment of all salary, vacation and other employee benefits. At EAGLE SOFTWARE'S expense as described herein, EAGLE SOFTWARE agrees to defend, indemnify, and hold harmless DISTRICT, its officers, agents, employees, members, subsidiaries, joint venture partners, and predecessors and successors in interest from and against any claim, action, proceeding, liability, loss, damage, cost, or expense, including, without limitation, attorneys' fees as provided herein arising out of EAGLE SOFTWARE'S alleged failure to pay, when due, all such taxes and obligations (collectively referred to for purposes of this Section as "Employment Claim(s)"). EAGLE SOFTWARE shall pay to DISTRICT any expenses or charges relating to or arising from any such Employment Claim(s) as they are incurred by DISTRICT.

Interpretation of Agreement. In the event of any conflict or inconsistency in the interpretation of this Agreement (including its Exhibits), such conflict or inconsistency shall be resolved by giving precedence first to the body of this Agreement, and then to the Exhibits.

Choice of Law. This Agreement shall be construed under and in accordance with the laws of the State of California.

Venue. The parties expressly agree that all actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the state or federal (if permitted by law and a party elects to file an action in federal court) courts located in the County of Orange, State of California. This choice of venue is intended by the parties to be mandatory and not permissive in nature, and to preclude the possibility of litigation between the parties with respect to, or arising out of, this

Agreement in any jurisdiction other than that specified in this Section. Each party waives any right it may have to assert the doctrine of *forum non conveniens* or similar doctrine or to object to venue with respect to any proceeding brought in accordance with this Section.

Agreement Drafted by All Parties. This Agreement is the result of arm's length negotiations between the parties and shall be construed to have been drafted by all parties such that any ambiguities in this Agreement shall not be construed against either party.

Terminology. All personal pronouns used herein, whether used in the feminine, masculine, or neuter gender, shall include all other genders, and the singular shall include the plural and *vice versa*.

Section Headings. The section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this Agreement.

Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and will become effective and binding upon the parties as of the Reference Date at such time as all the signatories hereto have signed a counterpart of this Agreement.

Notices. Any notices required or permitted to be given hereunder by either party to the other shall be given in writing: (1) by electronic facsimile with confirmation sent by United States first class registered or certified mail, postage prepaid, return receipt requested; (2) by bonded courier or by a nationally recognized overnight delivery company; or (3) by United States first class registered or certified mail, postage prepaid, return receipt requested, in each case, addressed to the parties as follows (or to such other addresses as the parties may request in writing by notice given pursuant to this section):

TO: DISTRICT @

Palos Verdes Peninsula Unified School District
c/o Willis Binnard
3801 Via La Selva
Palos Verdes Peninsula CA 90274.

TO: EAGLE SOFTWARE @

Jerry D. Lloyd, Inc.
505 N. Tustin Avenue, Suite 150
Santa Ana, California 92705
Fax: (714) 571-3966

and to

Jeffrey A. Dracup
Dracup & Patterson, A Law Corporation
505 N. Tustin Ave., Suite 282
Santa Ana, California 92705
Fax: (714) 542-6865

Notice shall be deemed received on the earliest, upon delivery by electronic facsimile with confirmation from the transmitting machine that the transmission was completed, twenty-four (24) hours following deposit with a bonded courier or overnight delivery company; or seventy-two (72) hours following deposit in the U.S. Mail as required herein.

Entire Agreement. This Agreement contains the entire agreement between EAGLE SOFTWARE and DISTRICT with respect to the subject matter of this Agreement, and it supersedes all other prior and contemporary agreements, understandings, and commitments between EAGLE SOFTWARE and DISTRICT with respect to the subject matter of this Agreement.

Severability. If any provision of this Agreement is found to be invalid or unenforceable by any court, such provision shall be ineffective only to the extent that it is in contravention of applicable laws without invalidating the remaining provisions hereof.

Mediation of Disputes. EAGLE SOFTWARE and DISTRICT agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Mediation fees, if any, shall be divided equally among the parties involved. If any party commences an action based on a dispute or claim to which this paragraph applies, without first attempting to resolve the matter through mediation, then that party shall not be entitled to recover attorney's fees, even if they would otherwise be available to that party in any such action.

Attorneys Fees. Should either party to this Agreement institute any action or proceeding, to enforce this Agreement or any provision hereof, or for damages by reason of any alleged breach of this Agreement, otherwise arising under this Agreement, or for a declaration of rights hereunder, the prevailing party in any such action or proceeding shall be entitled to receive from the other party all costs and expenses, including without limitation reasonable attorney's fees, incurred by the prevailing party in such arbitration, action or proceeding.

Promotions. The parties agree that EAGLE SOFTWARE may use DISTRICT as a reference for all clients and potential clients.

IN WITNESS WHEREOF,

DISTRICT hereby accepts the terms and conditions as set forth above and in the attached exhibits hereto,

DATE: 1/8, 2000

DISTRICT

By: William Bernard
Title: Director of Technology

EAGLE SOFTWARE hereby accepts the terms and conditions as set forth above and in the attached exhibits hereto,

DATE: Dec. 22, 2000

EAGLE SOFTWARE

By: Jerry D. Lloyd
Jerry D. Lloyd, Inc.,
d.b.a. EAGLE SOFTWARE

AGREEMENT FOR ACQUISITION OF LICENSE FOR Aeries™ SOFTWARE

EXHIBIT A - Sales Proposal

The following is a price proposal for the Palos Verdes Peninsula Unified School Districts' Aeries Administrative Student Information Software purchase.

QTY	DESCRIPTION	UNIT PRICE	AMOUNT
10	Aeries Student Software System (Elementary School version)	\$ 5,000.00	\$ 50,000.00
10	First year software support of Aeries Elementary School (District Coordinator discount of %50 off)	\$ 500.00	\$ 5,000.00
2	Aeries Student Software System (Middle School version)	\$ 7,000.00	\$ 14,000.00
2	First year software support of Aeries Middle School (District Coordinator discount of %50 off)	\$ 1,000.00	\$ 2,000.00
1	Aeries Student Software System (Cont. High School)	\$ 6,000.00	\$ 6,000.00
1	First year software support of Aeries Cont. High School (District Coordinator discount of %50 off)	\$ 1,000.00	\$ 1,000.00
1	Aeries Student Software System (High School version)	\$ 10,000.00	\$ 10,000.00
1	First year software support of Aeries High School (District Coordinator discount of %50 off)	\$ 1,000.00	\$ 1,000.00
1	Aeries Student Software System (District Office version)	\$ 10,000.00	\$ 10,000.00
1	First year software support of Aeries District Office (District Coordinator discount of %50 off)	\$ 1,000.00	\$ 1,000.00
15	Data file conversions from SASI-3	No Charge	No Charge
Software subtotal			\$ 90,000.00

<u>District purchase discount of 10% off software</u>		<\$9,000.00>
Revised software subtotal		\$ 81,000.00
Software sales tax 8.25%		\$ 6,682.50
Software support year one		\$ 9,000.00
TOTAL	(without sales tax)	\$ 90,000.00

AGREEMENT FOR ACQUISITION OF LICENSE FOR Aeries™ SOFTWARE

EXHIBIT B - Implementation Plan

Jerry D. Lloyd, Inc., d.b.a. EAGLE SOFTWARE, 505 N. Tustin Avenue, Suite 150, Santa Ana, California, 92705 (hereinafter "EAGLE SOFTWARE") proposes the following Implementation Plan for the Palos Verdes Peninsula Unified School DISTRICT'S (hereinafter "DISTRICT") purchase of the software license and services, installation, data conversion (if any) and training with respect to EAGLE SOFTWARE 's Aeries™ student administrative software package. This plan covers the scheduling and coordination of the tasks that are required to enable Palos Verdes Peninsula Unified School DISTRICT, consisting of ten (10) elementary schools, three (3) intermediate schools, one (1) continuation high school, one (1) high school and one (1) district office to make productive use of the Aeries™ software.

EAGLE SOFTWARE proposes to act in the role of "Product Reseller / Provider" of its' product known as Aeries™ for DISTRICT. EAGLE SOFTWARE shall act as an independent contractor and not an officer, agent or employee of DISTRICT.

EAGLE SOFTWARE proposes to develop an implementation schedule based upon discussions and in cooperation with DISTRICT'S designated Liaison/Project Administrator. This schedule will define the dates when installation, training, data conversion and first productive use are planned with regard to the Aeries™ software. DISTRICT will be responsible for scheduling and coordinating any related activities such as preliminary staff training in the use of a mouse/Windows and hardware/software acquisition/upgrades.

EAGLE SOFTWARE proposes to assist DISTRICT with the evaluation of DISTRICT'S various servers, workstations, networks and associated client skill level to determine the customer's readiness to use the EAGLE SOFTWARE. EAGLE SOFTWARE may make recommendations that could require DISTRICT'S attention before installation can begin. Minimum hardware and staff skill requirements will be discussed during the initial implementation-planning meeting. These discussions are proposed with DISTRICT'S satisfaction as the goal. The parties expressly recognize, acknowledge and agree that EAGLE SOFTWARE is not and will not be responsible for the setup and/or configuration of new equipment, hardware upgrades, network issues or ancillary software.

EAGLE SOFTWARE proposes that delivery of the Aeries™ Software and documentation is intended to facilitate installation and training. The software and documentation may be delivered at the initial implementation-planning meeting. DISTRICT may electronically download the Aeries™ software and its related product documentation once the DISTRICT has formally approved the Software License Agreement and has agreed to the purchase of services as outlined in the Sales Proposal attached thereto.

EAGLE SOFTWARE proposes that installation include the addition of the Aeries™ software product on each individual workstation and the file server. Desktop icons will

be added to each workstation. EAGLE SOFTWARE can do file server configuration provided EAGLE SOFTWARE'S employees are granted the necessary file server administration rights and permissions.

EAGLE SOFTWARE represents that certain features included in the Aeries™ software is designed to handle data file conversion. Any data file conversion which involves the EAGLE SOFTWARE programming staff as outlined in the Sales Proposal may require up to thirty workdays for completion after the data is available to the EAGLE SOFTWARE staff. Coordination of the data file conversion schedule with the DISTRICT'S staff will be necessary to insure that downtime and added workloads are minimized without loss of data. Data file conversion services, which are not handled by the features of the Aeries™ software "on site" at each school or the DISTRICT Office, will be performed at the EAGLE SOFTWARE offices in Santa Ana, California.

DISTRICT must be prepared to discuss, document and make decisions regarding their unique data files/fields/codes in order to facilitate the data conversion process in a timely manner. Once DISTRICT'S data conversion process has been defined in mutually agreeable terms and the actual conversion process has begun, no changes can be accommodated without additional cost to the DISTRICT.

EAGLE SOFTWARE proposes that it will provide training for the software end users according to EAGLE SOFTWARE'S established training practices based upon the number of days of training purchased as outlined in the sale proposal. EAGLE SOFTWARE will work with the DISTRICT to define the DISTRICT'S training requirements including the number of people to be trained, how the DISTRICT staff will be grouped for training, the levels/types of training needed, the preferred location and a proposed schedule.

EAGLE SOFTWARE proposes that it will provide product support if it is included as part of the Sales Proposal and purchased by the DISTRICT. This product support consists of toll-free telephone support during normal business hours (normal business hours are deemed to be 8:00 A.M. to 4:30 P.M. Pacific Time), and a 24-hour update service for Aeries™ via the EAGLE SOFTWARE Web site. Product support is available now and would begin as of the Reference Date of this agreement.

EAGLE SOFTWARE proposes that any additional services that may be required based upon the DISTRICT'S needs which are not covered by the Sales Proposal (Exhibit "A") and are not specifically noted above will be billed at EAGLE SOFTWARE 's then current hourly rate for such services. Written authorization will be required before these additional services can be delivered. Travel expenses will be added for services, which require driving more than thirty (30) miles from the EAGLE SOFTWARE staff's point of departure.

EAGLE SOFTWARE proposes that EAGLE SOFTWARE 's employees and/or the DISTRICT'S employees shall perform the services specified in this implementation plan as outlined below:

1. DISTRICT responsibilities shall include:

- A. Identification of a qualified customer Liaison/Project Administrator (and backup) that is technically competent and able to make decisions that will impact the implementation process.
- B. Commitment to an implementation schedule and coordination of both activities and staff time based upon the DISTRICT'S targeted date to be operational with live data.
- C. Planning and coordination activities which are independent of EAGLE SOFTWARE 'Ss involvement or responsibility such as preliminary staff training in the use of a mouse/Windows and hardware/software acquisition/upgrades.
- D. Verification that the DISTRICT'S staff has computer skills appropriate for their job including a basic ability use a mouse, size/move windows and start applications from menus.
- E. Verification that the DISTRICT'S technical users/trainers/support staff have advanced computer skills that will enable them to provide local DISTRICT level support.
- F. Definition of the DISTRICT'S training requirements in cooperation with EAGLE SOFTWARE including the number of people to be trained, How the DISTRICT staff will be grouped for training, levels/types of training, preferred location and proposed schedule.
- G. Verification that the DISTRICT'S computer hardware (workstations, servers, printers and scanners) networks, operating systems and other software configurations comply with EAGLE SOFTWARE 's specifications.
- H. Verification that the DISTRICT has an adequate number of licenses for Access97 and/or acquisition of licenses as needed.
- I. Definition, documentation and decisions regarding unique data files/fields/codes to facilitate data conversion.
- J. Arranging for EAGLE SOFTWARE 's staff to have access to DISTRICT computers/servers with appropriate levels of permission.
- K. Provision for staff access to an e-mail system that is adequate to facilitate communication and transfer of data files as attachments between the DISTRICT and the EAGLE SOFTWARE office.
- L. Provision for staff access to the Internet with the ability to download software, software updates and documents.

2. EAGLE SOFTWARE'S responsibilities shall include:

- A. Implementation planning, scheduling and coordination of tasks involving EAGLE SOFTWARE 's personnel based upon the sales proposal and license/purchase arrangements in cooperation with the DISTRICT'S Project Administrator.
- B. Delivery of the Aeries™ software and documentation or provision for downloading the software/documentation.

- C. Assisting the DISTRICT'S Project Administrator with evaluation of DISTRICT equipment, networks and general readiness of the DISTRICT for implementation of the EAGLE SOFTWARE.
- D. Assisting the DISTRICT'S Project Administrator with definition of training needs and scheduling of any training purchased from EAGLE SOFTWARE.
- E. Actual training of DISTRICT staff in use of EAGLE SOFTWARE (may use the train-the-trainer model) using the Sales Proposal as a basis for allocating purchased training time. Typical topics that may be included:
 - 1.) Three and one-half hours (3.5 hours) minimum of overview for everyone who will use Aeries™.
 - 2.) Three and one-half hours (3.5 hours) of system administration for appropriate/selected DISTRICT staff.
 - 3.) Separate three and one-half hour (3.5 hour) sessions for topics such as grades, scheduling, period attendance, daily attendance, enrolling students and Query based upon the DISTRICT'S needs, assignment of responsibilities and the amount of training days purchased as documented in the Sales Proposal.
- F. Assisting the DISTRICT with definition of polices and practices necessary to make proper use of the software. This task will be completed as a part of the system administration training.
- G. Installation of the Aeries™ Software in a manner defined during the license and purchase negotiations as documented in the Sales Proposal.
- H. Telephone support based upon the Sales Proposal and purchase arrangements.
- I. Data conversion as defined by the Sales Proposal and purchase arrangements.
- J. Provision for a Web site accessible by the DISTRICT where software fixes/updates and documentation can be reviewed and optionally downloaded by the DISTRICT.
- K. Providing optional items which may be purchased in addition to the items outlined in the Sales Proposal based upon DISTRICT needs/interests:
 - 1.) Training based upon a daily rate plus expenses.
 - 2.) Installation and/or implementation support based upon an hourly rate plus expenses.
 - 3.) Data conversion assistance for a fee.
 - 4.) Custom programming for a fee.

EAGLE SOFTWARE hereby expressly represents that the instant Implementation Plan is intended by EAGLE SOFTWARE only as a guideline and not as a definite or binding schedule, timetable or other commitment. EAGLE SOFTWARE expressly reserves the right to unilaterally amend, modify or revoke the instant Implementation Plan based upon the circumstances unique to DISTRICT.

EAGLE SOFTWARE hereby expressly represents to DISTRICT that the instant Implementation Plan is merely a proposal and is not binding upon either party unless and until both EAGLE SOFTWARE and DISTRICT have agreed in writing to the terms

and conditions set forth in the separate AGREEMENT FOR ACQUISITION OF LICENSE FOR Aeries™ SOFTWARE.

AGREEMENT FOR ACQUISITION OF LICENSE FOR Aeries™ SOFTWARE

EXHIBIT C - Nonexclusive Software License

Pursuant to the terms and conditions of the Software License Agreement, this is a License between Jerry D. Lloyd, Inc., d.b.a. EAGLE SOFTWARE, 505 N. Tustin Avenue, Suite 150, Santa Ana, California 92780 (hereinafter "EAGLE SOFTWARE ") and the Palos Verdes Peninsula Unified School District (hereinafter "DISTRICT"). This License states the terms and conditions upon which EAGLE SOFTWARE offers to license its software and the License is expressly conditioned upon DISTRICT'S acceptance thereof. The Licensed Software shall include source as well as machine-readable code and documentation (together "Software").

DISTRICT assumes full responsibility for the selection of the Software to achieve DISTRICT'S intended results, and for the installation, use and results obtained from the Software.

DISTRICT IS RESPONSIBLE FOR TAKING ALL NECESSARY PRECAUTIONS TO MAKE BACKUP COPIES OF, AND TO SAFEGUARD, DISTRICT DATA WHICH MAY BE CONTAINED IN THE SOFTWARE. EAGLE SOFTWARE ACCEPTS NO RESPONSIBILITY FOR ANY DATA WHICH MAY BE LOST.

BY SIGNING THIS AGREEMENT, OR BY USING THE SOFTWARE, DISTRICT IS AGREEING TO BECOME BOUND BY THE TERMS OF THIS LICENSE. IF DISTRICT DOES NOT AGREE TO THE TERMS OF THIS LICENSE, DISTRICT SHALL NOT USE THE SOFTWARE AND, WITHIN 15 DAYS, DISTRICT SHALL RETURN THE SOFTWARE AND ALL RELATED MATERIALS TO THE ENTITY FROM WHOM DISTRICT PURCHASED THE SOFTWARE, WITH ALL ITS CONTENTS, FOR A FULL REFUND.

LICENSE:

1. All Software enclosed is licensed, not sold, to DISTRICT on a non-exclusive basis for use only under the terms of this License, and EAGLE SOFTWARE reserves all rights not expressly granted to DISTRICT. DISTRICT owns the disk or other media on which the Software is originally or subsequently recorded or fixed, but EAGLE SOFTWARE retains all title and ownership of its respective Software and related documentation.
2. The Software may be used only at an authorized school, or other site, for which a license has been purchased. Additional schools or sites require the purchase of additional licenses.
3. DISTRICT and DISTRICT'S employees and agents are required to protect the confidentiality of the Software. DISTRICT may not distribute or otherwise make the Software available to any third party. Notwithstanding this paragraph, DISTRICT may provide access to the Software and DISTRICT'S information

stored with it to the extent necessary to comply with the California Public Records Act and to the extent required by law.

4. DISTRICT may not copy or reproduce the Software for any purpose except to make one (1) archival copy of the Software, for backup purposes only, in support of DISTRICT'S use of the Software. DISTRICT must reproduce and include EAGLE SOFTWARE 's copyright notice on the backup copy of the Software.

5. Any portion of the Software merged into or used in conjunction with another software will continue to be the property of EAGLE SOFTWARE and subject to the terms and conditions of this License. DISTRICT must reproduce and include EAGLE SOFTWARE 's copyright notice on any portion merged in or used in conjunction with another software.

6. DISTRICT may not sublease, assign or otherwise transfer the Software or this license to any other person without the prior written consent of EAGLE SOFTWARE. EAGLE SOFTWARE retains the right to require additional licenses for any portions of its code that are copied whether or not merged with any other code.

7. DISTRICT acknowledge that DISTRICT is receiving, on a LIMITED LICENSE TO USE, the Software and that EAGLE SOFTWARE retains all right, title and interest in and to the Software. DISTRICT acknowledges that EAGLE SOFTWARE has valuable proprietary interests in its Software. DISTRICT may not use, copy, modify, or transfer the Software or any copy, modification or merged portion in whole or in part except as expressly provided for in this License. If DISTRICT transfers possession of any copy modification or merged portion of the Software to another party, DISTRICT'S license is automatically terminated.

8. DISTRICT agrees to indemnify and hold harmless EAGLE SOFTWARE from any action or liability resulting from DISTRICT'S use of the Software, except to the extent that EAGLE SOFTWARE shall indemnify and hold DISTRICT harmless in accordance with the Agreement.

TERMINATION. The License granted to DISTRICT is effective until terminated. DISTRICT may terminate it at any time by returning the Software to EAGLE SOFTWARE together with all copies, modifications, and merged portions in any form. The License will also terminate upon conditions set forth elsewhere in the "Software License Agreement for Acquisition of License for Aeries™ Software" or if DISTRICT fails to comply with any term or condition of this License. DISTRICT agrees upon such termination to return the Software to EAGLE SOFTWARE. The portions of this License that protect the proprietary rights of EAGLE SOFTWARE will continue in force after termination of the License. EAGLE SOFTWARE shall have no right to terminate this License, except in the event of a material violation by DISTRICT of the terms and conditions of this License, and after first giving reasonable written notice to DISTRICT of

the violation and providing DISTRICT with a reasonable opportunity to cure the violation. In the event EAGLE SOFTWARE fails to provide such notice and opportunity to cure, the paragraph hereof entitled "Limitation of Remedies and Damages" shall not apply to such termination.

LIMITED WARRANTY. EAGLE SOFTWARE warrants, as the sole warranty, that the software will perform substantially in accordance with the accompanying documentation for a period of ninety (90) days from the date of receipt, except as provided in the "Software License Agreement for Acquisition of License for Aeries™ Software". No other entity or person is authorized to expand or alter this warranty or this License. EAGLE SOFTWARE does not warrant that the functions contained in the Software will completely meet DISTRICT'S requirements or that the operation of the Software will be uninterrupted or error-free. Except as stated above in this section, the Software is provided as-is without warranty of any kind, either expressed or implied, including the implied warranties of merchantability and fitness for a particular purpose. DISTRICT assumes the entire risk as it applies to the quality and performance of the Software. This warranty gives DISTRICT specific legal rights and DISTRICT may also have other rights that vary from country or state. Some countries and states do not allow the exclusion or limitation of implied warranties, so this exclusion may not apply to DISTRICT.

LIMITATION OF REMEDIES AND DAMAGES – WAIVER AND RELEASE OF LIABILITY FOR CONSEQUENTIAL DAMAGES. To the maximum extent permitted by applicable law, in no event shall EAGLE SOFTWARE be liable for any damages whatsoever (including without limitation, special, incidental, consequential, or indirect damages for personal injury, loss of business profits, business interruption, loss of business information, or any other pecuniary loss) arising out of the use of or inability to use this product, even if EAGLE SOFTWARE has been advised of the possibility of damages, except as provided under the "Agreement for Acquisition of Aeries™ Software". EAGLE SOFTWARE 's entire liability and DISTRICT'S exclusive remedy shall be limited to the following:

1. The replacement of any disk not meeting EAGLE SOFTWARE 's "Limited Warranty" explained above and which is returned to the place of purchase with a copy of DISTRICT receipt, or
2. If EAGLE SOFTWARE is unable to deliver a replacement disk that conforms to the warranty provided under this Agreement, DISTRICT may terminate this Agreement by returning the Software to the respective Company, authorized Company distributor or dealer from whom DISTRICT obtained the program and DISTRICT license fee will be refunded.

In no event will EAGLE SOFTWARE be liable for damages to DISTRICT or any other entity in excess of the amount of the license fee paid by DISTRICT to use the Software regardless of the form of the claim. Any action brought under this License must be brought within six (6) months from the time the action accrues.

This license does not include technical support that must be purchased separately.

EAGLE SOFTWARE and DISTRICT expressly acknowledge and agree that the instant Nonexclusive Software License is not binding upon either party unless and until both EAGLE SOFTWARE and DISTRICT have agreed in writing to the terms and conditions set forth in the separate Software License Agreement and separate Implementation Plan.

DISTRICT hereby accepts the terms and conditions as set forth above

DATE: 1/8, 2000

DISTRICT

By: William Binnard
Title: Director of Technology

EAGLE SOFTWARE hereby accepts the terms and conditions as set forth above

DATE: Dec. 22, 2000

EAGLE SOFTWARE

By: Jerry D. Lloyd
Jerry D. Lloyd, Inc.,
d.b.a. EAGLE SOFTWARE