

SOFTWARE DEVELOPMENT AGREEMENT

THIS AGREEMENT made the ___ day of _____, _____.

BETWEEN:

«COMPANY», a body corporate, incorporated pursuant to the laws of
_____ (the "Company")

OF THE FIRST PART

and

«DEVELOPER», a body corporate incorporated pursuant to the laws of
_____ (the "Developer").

OF THE SECOND PART

WHEREAS:

- A. The Developer is in the business of developing computer software;
- B. The Company wishes to acquire a software package that will perform certain functions;
- C. This Agreement sets out the basis on which the Developer will develop the software package for the Company.

IN CONSIDERATION of the mutual covenants set forth in this Agreement, the parties hereto agree as follows:

1. Definitions - In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the following meanings:

- (a) "Acceptance Date" means the date on which the Company signs the acknowledgment referred to in paragraph 6(1).
- (b) "Acceptance Test" means the acceptance tests referred to in paragraph 6.
- (c) "Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular paragraph or other portion hereof and include any Agreement or instrument supplemental or ancillary hereto and the expression "paragraph" followed by a number means and refers to the specified paragraph of this Agreement.
- (d) "Business Day" means each of the days Monday through Friday, except where any of these days occurs on a statutory holiday observed in _____.
- (e) "Deficiencies" refers to failures of the Software Package to function in accordance with the Functional Specifications and the Detailed Specifications.
- (f) "Detailed Specifications" means the detailed system design specifications for the Software Package that are in accordance with the Functional Specifications set forth in Schedule "A".
- (g) "Documentation" refers to the Functional Specifications, the Detailed Specifications and the User Manual (if any).
- (h) "Functional Specifications" means the specifications for the Software Package set forth in Schedule "A" and any amendments to it.

- (i) "Installation Completion Date" means the date on which installation of the Software Package is complete under paragraph 5(2).
- (j) "Software Package" means the software package to be custom developed by the Developer under this Agreement.
- (k) "User Manual" refers to the manual containing operating instructions for the Software Package and including at least the following:
 - (i) descriptions of all procedures and tasks;
 - (ii) system prompts, acceptable responses, and corresponding actions;
 - (iii) procedure timing and task dependency requirements; and
 - (iv) error messages and recovery procedures.

2. Deliverables - The Developer agrees to develop the Software Package in accordance with this Agreement and agrees to supply the following to the Company:

- (a) the Software Package, including the source files (if any) and project files (if any) in machine-readable form;
- (b) the Documentation;
- (c) the training described in paragraph 7; and
- (d) the software support described in paragraph 8.

3. Price

- (a) The Company shall pay to the Developer a price of _____ (\$_____) DOLLARS, for the Software Package which shall be paid as follows:
 - (i) the sum of \$_____ shall be paid upon the execution of this Agreement as a deposit;
 - (ii) the sum of \$_____ shall be paid upon the Installation Completion Date; and
 - (iii) the sum of \$_____ shall be paid upon the Acceptance Date.
- (b) If the Company requests any additions, modifications, changes, or enhancements to the Software Package, the Developer shall submit to the Company a written estimate of the cost of and the additional time required to make them. If the Company notifies the Developer, within five (5) Business Days of receipt of the Developer's estimate, that the Company desires that the additions, modifications, changes, or enhancements be implemented, the Developer shall implement them, and this Agreement shall be deemed to be amended to reflect any changes set out in the Developer's estimate to the date specified in paragraph 5(2) as the latest date for the Installation Completion Date and to the price specified in paragraph 3(1).
- (c) The Developer shall provide the training described in paragraph 7 at the charge of \$_____ per hour.
- (d) The Developer shall provide the additional software support described in paragraph 8 at a charge of \$_____ per hour.