

## SOFTWARE SPECIFICATIONS AGREEMENT

THIS AGREEMENT made effective as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

BETWEEN:

**CUSTOMER**  
[address]  
(the "Customer")

**OF THE FIRST PART**

- and -

**DEVELOPER**  
[address]  
(the "Developer")

**OF THE SECOND PART**

WHEREAS:

- A. Customer is in the business of supplying integrated software packages for office administrative and management systems.
- B. Developer is in the business of developing system software packages and providing ongoing technical and other support services for such software packages.
- C. Customer wishes to engage Developer to develop an integrated software package (the "Software") for Customer for distribution by Customer to its clients in certain professional services fields. The Software will include modules for time and billing, accounts receivable, accounts payable, client scheduling and client database management. The Software must be operational on a variety of computer operating system platforms.
- D. Developer and Customer have jointly prepared a set of functional specifications for the Software (the "Functional Specifications") setting out those business activities and standards which the Software must respectively perform and meet.
- E. Developer and Customer have entered into this Agreement in order to set out in detail the steps to be followed by the parties in the development of detailed specifications for the Software, the coding and debugging of the Software, acceptance testing of the Software and the ongoing support of the Software by Developer.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereby agree as follows:

### 1. Definitions

In this Agreement, the following words and phrases shall have the meanings set out below unless the context requires otherwise:

- (a) "Acceptance Date" means the date on which the Software has passed all acceptance tests in accordance with the provisions of Section \_\_ or has otherwise been accepted by Customer under the terms of Section \_\_.
- (b) "Commencement Date" means the date of execution of this Agreement.
- (c) "Detailed Specifications" means design specifications and acceptance test criteria for the Software, and includes any amendments thereto.

- (d) "Effective Performance Level(s)" means the response time criteria established for the Software, as set out in Schedule "A" attached hereto.
- (e) "Functional Specifications" means the functional specifications of the Software as set out in Schedule "B" attached hereto, which describes those business activities and standards that the Software is to meet following acceptance by Customer. The Functional Specifications include any Detailed Specifications which are subsequently incorporated into the Functional Specifications as more particularly set forth in Section 2.
- (f) "Hardware" means the list of central processing units on which the Software is intended to run ("CPUs"), as listed in Schedule "C" attached hereto.
- (g) "Implementation Schedule" means the schedule of events leading to the implementation of the Software, as set out in Schedule "D" attached hereto.
- (h) "Operating Systems" means the list of computer operating systems under which the Software is intended to run following its acceptance by Customer, as listed on Schedule "E" attached hereto.
- (i) "Software" means the integrated computer software package to be developed, sold and supported by Developer pursuant to this Agreement.
- (j) "Software Documentation" means the documents referred to in Schedule "G" together with all other flowcharts, specifications, test data, screen layouts, data dictionaries, report layouts, current source code listings of the Software and all operating, technical, reference and other manuals, documents and materials whatsoever describing the development, operation and management of the Software.

## **2. Development of Detailed Specifications**