December 23, 2013

Subject: IRIS FILE CERTIFICATION STATUS

Dear Teton School District:

As you are aware, PERSI is implementing a new pension administration system, IRIS, to better serve our employers and members. As a result of this implementation the payroll reporting requirements have changed for the payroll files up-loaded to PERSI. The new reporting requirements and file specifications were released one year ago in December of 2012. An enhanced file specification document was released 4 months ago.

As part of this effort we require that your vendor's file passes certification in our test environment before you go live. Our date for completion of the file certification is March 31, 2014.

The purpose of this letter is to provide you with a status on your payroll software vendor's progress toward this goal.

As of December 23, 2013, our records show the following information regarding your vendor's progress in meeting the certification requirements. Your vendor has been notified of this status information.

Vendor:	**Skyward**
First Test File Submitted:	**06/10/2013**
Number of Test Files Submitted:	**2**
Percentage of Certification Requirements Met:	**0%**

If your payroll software vendor is unable to meet the March 31, 2014 deadline, please contact our Project Manager, Wayne Ellis, at 208-287-9300 or wayne.ellis@persi.idaho.gov.

Best regards,

Don Drum
Executive Director

SOFTWARE LICENSE AGREEMENT

This Software License Agreement ("Agreement") is made and entered into effective the 3rd day of June, 2011 (the "Effective Date"), by and between **Skyward, Inc.**, a Wisconsin Corporation, with its principal offices located at 5233 Coye Drive, Stevens Point, Wisconsin, 54481, ("Skyward") and **Teton County School District 401**, an Idaho K-12 public school, whose principal office is at 445 North Main Street, Driggs, Idaho, 83422, ("Customer").

RECITALS

A.   Skyward is a computer software developer, and hardware and software reseller, which provides computer systems composed of hardware and software which involves procurement, assembly, installation, training, and other forms of support and maintenance in accordance with predetermined system specifications.

B.   Skyward has provided Customer with one or more proposals to provide Customer with a computer system including certain software, hardware, support, maintenance, and training associated with said computer system.

C.   Customer has carefully reviewed said proposals and clearly understands the terms outlined therein as it relates to the manufacturer, description, quantity, capability, and pricing, as well as the type of training and other support services offered and the cost thereof and Customer accepts the same and has requested that Skyward proceed according to said proposals, subject to the terms and conditions of this Agreement.

TERMS AND CONDITIONS

ARTICLE I
Sale and Limited License

Section 1.1 *Proposals and Terms and Conditions.* Skyward has previously provided Customer with one or more proposals setting forth the specific software, hardware, support, maintenance, and training to be provided by Skyward to Customer, the costs associated therewith, and the terms and conditions of such sale and purchase. Such proposals further contain Skyward's Standard Terms and Conditions which govern the sale and purchase of the items listed in said proposals. As used herein, the term "Proposal" shall include: (a) all proposals entered into between Skyward and Customer prior to or simultaneous with the Effective Date and Skyward's Standard Terms and Conditions attached thereto, copies of which are attached hereto and incorporated herein by reference; and (b) all subsequent proposals entered into between Skyward and Customer that make specific reference to this Agreement. In the event any of the provisions of the Proposal conflicts with the provisions of this Agreement, the terms and conditions of this Agreement shall control

Section 1.2 *Sale and Purchase.* Subject to the terms and conditions of this Agreement, Skyward agrees to sell and license to Customer and Customer agrees to purchase from Skyward, the products, materials, licenses, and services described in the Proposal and this Agreement (hereafter collectively referred to as the "System").

Section 1.3 *Limited License.* Skyward has developed and is the owner of certain application software that is part of the System (hereafter collectively referred to as the "Software"). Subject to the terms and conditions of this Agreement, Skyward hereby grants to Customer a nonexclusive and nontransferable limited license to use the Software in object code form on a single central processing unit owned or leased by Customer, or otherwise embedded in equipment provided by Skyward. Customer shall not permit the Software or any portion thereof to be downloaded, embedded, or otherwise transferred to a third party processor, host, or any other server or equipment not under the exclusive control of Customer or Skyward. Skyward further grants to Customer a nonexclusive and nontransferable limited license to use all instruction manuals and other materials related to the Software and System produced and owned by Skyward and provided to Customer for its use in association with its purchase of the System (hereafter collectively referred to as the "System Materials").

ARTICLE II
Purchase Price and Payment

Section 2.1 *Purchase Price and Payment.* The purchase price to be paid by Customer for the System and the payment thereof shall be governed by Skyward's Standard Terms and Conditions contained in the Proposal. Interest on all past due amounts will be charged at the maximum rate allowed by law.

Section 2.2 *Sales and Use Tax.* Customer warrants and represents to Skyward that it is a tax-exempt entity and agrees to provide written confirmation of such exemption, upon the request of Skyward. If at any time during the term of this Agreement Customer is no longer a tax exempt entity, Customer agrees to pay any sales, use, ad valorem, personal property, general intangibles tax, and any registration fees arising out of this Agreement and the transactions contemplated herein, except for any taxes levied on the gross income of Skyward. Customer may not deduct from payments to Skyward, any amounts paid to third parties, however designated.

ARTICLE III
Ownership and Protection of Intellectual Property

Section 3.1 *Reservation of Title*. Customer acknowledges and agrees that: (a) the Software, including the specific design and structure of individual programs, input formats, and source code; (b) the System; and (c) the System Materials, all constitute trade secrets, confidential and proprietary information, and copyrighted material of Skyward. Customer further acknowledges and agrees that this Agreement does not affect any transfer of title in the Software, System, and System Materials and that Skyward is the sole owner of the Software, System, and System Materials. Customer shall implement reasonable security measures to protect such trade secrets, confidential and proprietary information, and copyrighted material.

Section 3.2 *Customer's Responsibilities*. Customer shall protect the Software, System, and System Materials as confidential and proprietary information and the trade secrets of Skyward, and Customer shall devote its best efforts to ensure that all Customer's personnel protect the Software, System, and System Materials as confidential and proprietary information and the trade secrets of Skyward to any other person, firm, organization, or employee that does not need (consistent with Customer's right of use hereunder) to obtain access to the Software, System, and System Materials.

Section 3.3 *Back-Up Copies*. Customer may make copies of the Software and System Materials for back up use only. Such back up copies are for use by the Customer only and the sole purpose and intent of such back up copies are to allow the Customer to have a back up of the Software and System Materials licensed to Customer by Skyward. All copies made for back up purposes in accordance with this Section must be labeled as such and must contain all Skyward notices of ownership and proprietary rights thereto. EXCEPT FOR THE BACK UP COPIES AUTHORIZED ABOVE, CUSTOMER SHALL NOT: COPY, IN WHOLE OR IN PART, THE SOFTWARE AND SYSTEM MATERIALS; MODIFY, ENHANCE, REVERSE COMPILE OR REVERSE ASSEMBLE ALL OR ANY PORTION OF THE SOFTWARE OR SYSTEM MATERIALS; OR RENT, LEASE, DISTRIBUTE, SELL, OR CREATE DERIVATIVE WORKS OF THE SOFTWARE OR SYSTEM MATERIALS. Provided however, the Customer shall have the right to reproduce the System Materials for authorized use by personnel of Customer as required to operate the System, provided that Customer includes in those reproductions all Skyward notices of ownership and proprietary rights thereto. Said reproductions of the System Materials shall be subject to the same restrictions on use and disclosure as the original provided by Skyward hereunder.

Section 3.4 *Duration of Protection*. The duties and obligations of Customer under this Article III shall remain in full force and effect for so long as Customer continues to control, possess, or use the Software, System, and System Materials. Customer shall promptly notify Skyward and return the Software, System, System Materials, and any back-up copies thereof upon (a) termination of this Agreement or the limited license granted herein for any reason, or (b) abandonment or other termination of Customer's control, possession or use of the Software, System, or System Materials.

ARTICLE IV
Limited Warranty and Limitation of Liability

Section 4.1 *Limited Warranty*. Skyward warrants that for a period of thirty (30) days from the date of the first day of training provided by Skyward to Customer: (a) that the Software will be free of defects in materials and workmanship under normal use; and (b) that the Software substantially conforms to its published specifications. Except for the foregoing, the Software, System, and System Materials are provided AS IS. This limited warranty extends only to Customer as the original licensee. Customer's sole and exclusive remedy and the entire liability of Skyward under this limited warranty will be, at Skyward's option, repair or replacement of the Software. In no event does Skyward warrant that the Software is error free or that Customer will be able to operate the Software without problems or interruptions. This limited warranty does not apply if Customer has failed to pay the annual license fees due under the terms of this Agreement or if the Software: (i) is in the form of a back up copy created by Customer in accordance with the terms of this Agreement, (ii) has been altered in any way, except by Skyward, (iii) has not be installed, operated, repaired, or maintained in accordance with instructions and specifications supplied by Skyward, or (iv) has been subjected to abnormal physical or electrical stress, misuse, negligence, or accident. EXCEPT AS SPECIFIED IN THIS LIMITED WARRANTY, ALL EXPRESS OR IMPLIED CONDITIONS, REPRESENTATIONS, AND WARRANTIES INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXCLUDED TO THE EXTENT ALLOWED BY APPLICABLE LAW.

Section 4.2 *Limitation of Liability*. The liability of Skyward to Customer for any claim whatsoever related to this Agreement, including any cause of action arising in contract, tort, or strict liability, shall not exceed the total amount of all payments made under this Agreement by Customer to Skyward with respect to the Software during the 365 days preceding the cause of action. IN NO EVENT WILL SKYWARD BE LIABLE FOR ANY LOST REVENUE, PROFIT, OR DATA, OR FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, OR PUNITIVE DAMAGES HOWEVER CAUSED AND REGARDLESS OF THE THEORY OF LIABILITY ARISING OUT OF THE USE OF OR INABILITY TO USE THE SOFTWARE EVEN IF SKYWARD HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Skyward shall not be held liable for any claims or demands brought against Customer by any other party unless Customer has properly notified Skyward as to such damages, claims, or demands, and Customer has taken action to minimize such damages, claims, or demands. The Customer further agrees that Skyward will not be liable for any claim or action whatsoever or damages, regardless of type, resulting from the Customer's failure to property save or back up all data and information inputted by Customer.

ARTICLE V
Third Party Software and Hardware

Section 5.1 *System Compatibility*. In the event Skyward provides any third party software and/or hardware in conjunction with the performance of its obligations under the terms of this Agreement, said third party software and/or hardware will be compatible with the System. Customer shall be solely responsible for acquiring any additional software and/or hardware not identified in the Proposal. Skyward makes no representations or warranties as to the compatibility of any third party software and/or hardware not provided by Skyward and Skyward will not be responsible for any maintenance and support associated therewith.

Section 5.2 *Third Party Warranties*. In the event Skyward provides any third party software and/or hardware in conjunction with the performance of its obligations under the terms of this Agreement, Skyward shall assign any third party warranties associated therewith to Customer to the extent allowed by such warranties. Customer acknowledges and agrees that it will benefit from and be bound by any and all third party warranties, warranty limitations, license agreements, and any other rights and obligations provided by the third party software and/or hardware supplier to the purchasers and users of its products, whether provided in written or electronic format. Skyward does not provide any warranties for third party software and hardware.

ARTICLE VI
Customer Records and Confidential Information

Section 6.1 *Confidentiality of All Data*. All personally identifiable information and data relating to Customer's students and/or employees used by Customer in conjunction with the Software shall at all times be treated as confidential by Skyward and will not be copied, used or disclosed by Skyward for any purpose. Skyward recognizes that personally identifiable information is protected against disclosure by federal and state statutes and regulations and Skyward agrees to comply with said restrictions.

Section 6.2 *Family Educational Rights and Privacy Act*. The parties expect and anticipate that Skyward may receive education records from Customer only as an incident of service or training that Skyward is required to provide to Customer pursuant to the terms of this Agreement. In the event Customer provides Personally Identifiable Information ("PII") (including but not limited to personally identifiable student information as defined by applicable state and federal law) to Skyward, they shall be deemed a "school official determined to have a legitimate educational interest" under 34 CFR 99.31(a)(1), as provided by Customer's policies and procedures. Skyward acknowledges that PII is the confidential information of Customer and shall not use it for any purpose, commercial or otherwise, except as expressly provided in this Agreement. Skyward agrees to abide by the requirements of applicable federal and state law pertaining to the disclosure of PII, and agrees to take all reasonable measures to protect against the unauthorized disclosure of any PII. Except for use and disclosure to their employees and personnel to the extent necessary to fulfill its obligations under the terms of this Agreement, Skyward shall not use or further disclose PII. Upon the expiration or termination of this Agreement, Skyward agrees to promptly return to Customer any and all PII in Skyward's possession.

Section 6.3 *Health Insurance Portability and Accountability Act*. In the event that Customer is converting its data and information management system or systems to the System contemplated by this Agreement, then the parties represent and acknowledge that such conversion process may necessarily involve the incidental receipt of data by Skyward that constitutes personal health information, as that term is defined by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). In addition to the terms and conditions contained herein, Skyward and Customer may enter into a HIPAA Business Associate Agreement providing for the protection of such personal health information as required by HIPAA.

Section 6.4 *Open Database Connection*. If requested by Customer and agreed to by Skyward, Skyward may establish an open database connection ("ODBC") between Skyward's database and the database of Customer. In the event such an ODBC is established by Skyward, Customer will be permitted to insert its data into the Skyward database subject to the following terms and conditions: (a) Customer will be the sole and exclusive owner of all data inserted into the Skyward database, (b) Customer agrees to hold Skyward harmless from any liability relating to Customer's insertion of data into the Skyward database, including but not limited to the corruption of such database, (c) Customer shall compensate Skyward to repair any problems relating to the corruption of the Skyward database arising from or related to the insertion of the Customer's data, (d) Customer agrees to log all data inserts by date, time, database, table and field and to create a backup of the database prior to inserting any data, and (e) Customer shall not allow any third party vendors, suppliers, or other individuals or entities associated with Customer access to the ODBC without the prior written consent of Skyward and Skyward may, in its sole discretion, require that any such third party execute a confidentiality and nondisclosure agreement in the form and substance required by Skyward. The Customer further agrees that Skyward will not be liable for any claim or action whatsoever or damages, regardless of type, resulting from the Customer's failure to property save or back up all data and information inputted by Customer through the ODBC.

ARTICLE VII
Infringement and Defense

Section 7.1 *Ownership*. Skyward represents and warrants that it has full right, power and authority to license the Software and System Materials to Customer subject to the terms and conditions of this Agreement. Skyward shall indemnify and hold Customer harmless from any and all claims, liabilities, or actions brought by any third party against Customer for infringement of Customer's right to use the Software or System Materials in accordance with the terms of this Agreement.

Section 7.2 *Infringement Claim.* Notwithstanding the express limitation of liability contained in Section 4.2 above, at Skyward sole expense, Skyward shall defend and hold harmless Customer from and against any and all claims, actions, and liabilities brought by any third party alleging that the Software and/or System Materials infringe upon a trade secret, or a registered patent or copyright in the United States and Skyward shall pay all costs and damages arising out of any such claim. To qualify for such defense and payment, Customer must give Skyward prompt written notice of such claim and allow Skyward to control or institute all defenses to a such claim, including settlement of all such claims, in litigation or otherwise, provided no such settlement adversely affects Customer's ability to exercise the rights granted in this Agreement, unless Customer consents thereto.

Section 7.3 *Remedy.* Customer agrees that if the Software and/or System Materials become or, in the opinion of Skyward, is likely to become the subject of a trade secret, patent, or copyright infringement claim, Customer shall permit Skyward at Skyward's option and expense, to: (a) promptly procure for Customer the right to continue to use the Software and/or System Materials; or (b) replace the Software and/or System Materials with an alternative that functions substantially the same as the product which becomes or is likely to become the subject of such a claim; or (c) modify the Software and/or System Materials in a manner which causes it to function substantially the same as it had prior to modification.

Section 7.4 *Source Code.* Subject to the terms and conditions contained in this Agreement, in the event Skyward at any time files for bankruptcy, has an involuntary petition for bankruptcy filed against it, makes an assignment for the benefit of creditors, or otherwise in any way discontinues support for the then current version of the Software, Skyward agrees to deliver to Customer a copy of the current source code for the Software at no charge to Customer. Provided however, Customer acknowledges and agrees that any such source code provided to Customer shall continue to be subject to the license and protections contained in this Agreement.

ARTICLE VIII
Event of Default, Termination, and Injunctive Relief

Section 8.1 *Event of Default.* The occurrence of any one or more of the following shall be deemed an "Event of Default" by Customer: (a) any attempted sale, sublicense, transfer or assignment of all or any part of the Software, System, or System Materials without the prior written consent of Skyward; (b) any attempt to decompile, disassemble, or otherwise reverse engineer all or any part of the Software, System, or System Materials, or assist another in so doing; (c) Customer fails to pay when due any amounts due Skyward under the terms of this Agreement and any Proposals; or (d) any other breach of Skyward's confidential and proprietary rights, trade secrets, or copyrights in the Software, System, or System Materials.

Section 8.2 *Termination.* Upon the occurrence of an Event of Default, Skyward shall have the right to immediately terminate this Agreement. Upon Skyward's termination of this Agreement, all of Customer's rights and privileges under this Agreement, including but not limited to Customer's rights to use the Software, System, and System Materials shall be immediately terminated.

Section 8.3 *Injunctive Relief.* Skyward and Customer acknowledge and agree that any Event of Default by Customer will result in Skyward suffering irreparable harm that cannot be adequately compensated in damages in an action of law. Therefore, in the event of an Event of Default, in addition to the right to terminate in Section 8.2 above, Skyward will be entitled, without proof of damages, to immediate injunctive relief (including but not limited to, a temporary restraining order, temporary injunction and permanent injunction, all without bond), restraining Customer from any further use of the Software, System, and System Materials and requiring that all copies (including any permitted back up copies) be immediately returned to Skyward. Notwithstanding anything contained herein to the contrary, this Section will not be construed to limit Skyward's rights to pursue any other remedy or relief available under this Agreement or otherwise available. Customer further agrees that Skyward's pursuit of any remedy under this Agreement or otherwise available will not constitute an election of remedies by Skyward. If Skyward prevails in any suit or proceeding to enforce its rights under this Agreement, Customer shall indemnify Skyward for all expenses incurred by Skyward in such suit or proceeding, including reasonable attorneys' fees.

ARTICLE IX
Interpretation and Construction

Section 9.1 *Governing Law and Venue.* This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin and any applicable federal trademark, copyright and/or patent laws. The exclusive forum for any lawsuit or legal action that arises in whole or part out of this Agreement shall be the Circuit Court of Portage County, Wisconsin and Customer hereby consents to the personal jurisdiction of the Circuit Court of Portage County, Wisconsin.

Section 9.2 *Successors or Assigns.* This Agreement shall inure to the benefit of and be binding on the parties and their respective successors, affiliates, and permitted assigns.

Section 9.3 *Waiver.* Each party agrees that no failure or delay by the other party in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

Section 9.4 *Counterparts and Signatures.* This Agreement may be executed in any number of counterparts, all of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties agree that facsimile or PDF signatures when attached to this Agreement shall bear the same legal import as original signatures on one document.

Section 9.5 *Severability*. If any provision of this Agreement is found or declared to be invalid or unenforceable by any court having jurisdiction, such finding or declaration shall not invalidate any other provision hereof, and this Agreement shall thereafter continue in full force and effect except that such invalid or unenforceable provision, and (if necessary) other provisions hereof, shall be reformed by a court of competent jurisdiction so as to effect insofar as is practicable the intention of the parties as set forth in this Agreement. Provided, that if such court is unable or unwilling to effect such reformation, the invalid or unenforceable provision shall be deemed deleted to the same extent as if it had never existed.

Section 9.6 *Entire Agreement*. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes any and all prior and contemporaneous representations, proposals, agreements, negotiations, advertisements, statements, or understandings, whether oral or written. No amendment to this agreement shall be binding on either party unless such amendment is in writing and is executed by authorized representatives of both parties to this Agreement. No provision of this Agreement shall be construed for or against either of the parties based on whether it or its representative drafted this Agreement.

Section 9.7 *Assignment*. Customer will not assign, transfer, mortgage, encumber, lease, or sublicense this Agreement, the right to use the Software, System, and System Materials, without the prior written consent of Skyward. Any assignment by Customer in contravention of this Section will be void. Skyward reserves the right to assign or transfer unilaterally its interest in this Agreement, including all rights and obligations arising hereunder, without Customer's approval or consent. Any assignment or transfer by Skyward will inure to the benefit of Skyward's successors and assigns. Skyward will provide Customer with written notice of any such assignment or transfer.

Section 9.8 *Notices*. Any notice required or permitted to be given pursuant to this Agreement shall be valid only if in writing and shall be deemed to have been duly given (a) when personally delivered, (b) when transmitted by fax if confirmation of receipt is printed out on the sending fax machine, or (c) three business days after being mailed by certified mail, postage prepaid, addressed to the person receiving notice at the address listed in the opening paragraph of this Agreement, unless that person otherwise notifies the Company in accordance with this Section of a change of address.

Section 9.9 *Headings*. Section headings in this Agreement are for convenience of reference only and shall not govern the interpretation of any of the provisions of this Agreement.

Section 9.10 *No Third Party Beneficiaries*. This Agreement is solely for the benefit of the parties hereto, and their respective successors and permitted assigns. No provision of this Agreement shall be deemed to confer upon other third parties any remedy, claim, reimbursement, cause of action or other right.

Section 9.11 *Survival*. The provisions contained in Articles III, IV, VI, and VIII, this Section, and any other provisions of this Agreement which by their very nature are intended to survive the termination or expiration of this Agreement will survive the termination or expiration of this Agreement and will inure to the benefit of and be binding upon the parties hereto.

The undersigned have agreed to the terms and conditions of this Agreement as of the Effective Date.
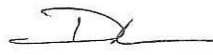
CUSTOMER:

Signature

Monte R. Woolstenhulme
Printed Name

Superintendent / Principal
Printed Title

SKYWARD, INC.:

Digitally signed by Dave Ilkka
Date: 2011.06.08 13:57:12
-05'00'

Signature

David R. Ilkka
Printed Name

VP of Sales and Marketing
Printed Title

SKYWARD®

YOUR SCHOOL MANAGEMENT SYSTEM PROPOSAL

Driggs, ID

The following pricing for software and services is provided specifically for your district. If you would like information on a product or service not included below, please contact your Account Executive.

Web Installation

School Management System Investment Summary

	One-Time Investment		Services		Annual License Fee		Total	
School Business Suite	$	35,587.00	$	26,824.00	$	13,060.00	$	75,471.00
System Wide Services and Software		-		9,090.00		270.00		9,360.00
Total School Management System :	$	*35,587.00*	$	*35,914.00*	$	*13,330.00*	$	*84,831.00*

Total School Management System Investment:	$	*84,831.00*

Five Year Investment Estimate

First Year	$	84,831.00
Second Year		13,837.00
Third Year		14,363.00
Fourth Year		14,909.00
Fifth Year		15,476.00
Estimated Five Year Investment	$	*143,416.00*

This 5-year cost projection is based on an estimated annual increase of 3.8%. This is only an estimate.

Pricing Detail

School Business Suite

School Business Suite Financial Software	One-Time Investment	Services	Annual License Fee	Total
Finance	$ 21,730.00	$ 8,175.00	$ 6,113.00	$ 36,018.00
Automatic Check Reconciliation	1,331.00	-	-	1,331.00
eSign - Electronic Signature - 2 blocks	480.00	-	-	480.00
School Based Activity Accounting	3,422.00	750.00	941.00	5,113.00
School Business Suite Human Resources Software				
Payroll	8,936.00	6,100.00	2,458.00	17,494.00
Employee Management	4,753.00	3,900.00	1,307.00	9,960.00
Employee Access	8,149.00	375.00	2,241.00	10,765.00
New Installation Question and Answer Time	-	1,500.00	-	1,500.00
Employee Management Custom Setup	-	2,000.00	-	2,000.00
Subtotal School Business Suite Software :	$ 48,801.00	$ 22,800.00	$ 13,060.00	$ 84,661.00
Skyward Discount: [1]	(13,214.00)	-	-	(13,214.00)
Subtotal School Business Suite Software :	$ 35,587.00	$ 22,800.00	$ 13,060.00	$ 71,447.00
School Business Suite Data Migrations [2]				
Standard Budgetary	$ -	$ 2,144.00	$ -	$ 2,144.00
Open Purchase Orders	-	864.00	-	864.00
Standard Payroll	-	1,680.00	-	1,680.00
W2 History	-	3,360.00	-	3,360.00
Subtotal School Business Suite Data Migrations :	$ -	$ 8,048.00	$ -	$ 8,048.00
Skyward Discount: [3]	-	(4,024.00)	-	(4,024.00)
Subtotal School Business Suite Data Migrations :	$ -	$ 4,024.00	$ -	$ 4,024.00
Total School Business Suite Solution: [4]	$ 35,587.00	$ 26,824.00	$ 13,060.00	$ 75,471.00

System Wide Services and Software

Services	One-Time Investment	Services	Annual License Fee	Total
Web Software Setup/Installation [5]	$ -	$ 2,560.00	$ -	$ 2,560.00
System Administration Class	-	280.00	-	280.00
Progress Media Fee	-	-	270.00	270.00
SmartStart Implementation Service				
Consultative Services	-	375.00	-	375.00
Project Management	-	5,875.00	-	5,875.00
Total System Wide Services and Software:	$ -	$ 9,090.00	$ 270.00	$ 9,360.00

Optional Services

ASP Hosting Services

ASP Service provides an option to remotely host your Skyward solution through an Application Service Provider (ASP). Our ASP Provider operates servers within its own facilities allowing you secure access to all applications through a browser via the Internet. The ASP Service is fully responsible for all aspects involved in database disaster recovery, loading releases and updates, operating and maintaining host servers, software, and databases.

The ASP monthly cost for your district to run the School Business Suite would be: $ 475.00   *
    * This is a 36 month contract.

If you are interested in learning more about the ASP option or would like a complete ASP proposal, please contact your Skyward Account Executive for further information.

OpenEdge Management

OpenEdge (OE) Management provides a tool to monitor all your Skyward database services to ensure peak performance and up time. OE Management monitors your database and associated web services and will send immediate notifications for any issues that arise as well as report on performance. Additionally, the notification will include critical information that will enhance analysis and troubleshooting. The summary pricing below includes your first year of license fees and setup/training.

The first year pricing for your district to run OpenEdge Management for 1583 students would be: $ 2,778.30   *

If you are interested in learning more about OpenEdge Management or would like a complete OpenEdge Management proposal, please contact your Skyward Account Executive for further information.

Software Modules and Data Migrations Not Included on this Proposal

School Business Suite Software Modules
Bid Management
Accounts Receivable
Fixed Assets
Inventory
Work Request System
Employee Online Review
FastTrack
Third Party Applicant Tracking Application
Flex Benefits
Insurance Tracking
Salary Negotiations
Substitute Tracking
TrueTime

School Business Suite Data Migrations
Time-Off Summary Balances
Retirement History
Certifications
Professional Growth
Standard Fixed Assets
Standard Inventory

System Wide Software Modules
Schools Interoperability Framework (SIF) Agent
Data Warehouse
Workflow Manager
Skylert
Crystal Reports

Pricing Footnotes

[1] *This proposal includes a discount off of the Skyward one-time investment fees.*
This discount is valid for a limited time and may be discontinued without prior notice.   *111403dp*

[2] *Data Mapping: Skyward data migrations do not include a data mapping deliverable (documentation on field association between previous system and Skyward tables / fields). If your district is interested in Skyward providing detailed data mapping documentation, please contact your Account Executive for a proposal on Data Mapping deliverable options.*

[3] *This proposal includes a discount off of the Skyward data migration fees.*
This discount is valid for a limited time and may be discontinued without prior notice.   *111514dp*

[4] *A/P checks, payroll checks, W-2 forms and 1099 forms can only be printed using supported laser printers.*
Dot-matrix printers are not supported.
Skyward software requires client access to run Microsoft products Excel and Word.

One (1) license of Crystal Reports Developer must be purchased from Skyward to use Crystal within Skyward's Custom Reports option.

Skyward requires an SSL (Secure Socket Layer) certificate to run any web-based applications.
Skyward's IT Services can provide you more information including cost and installation of an SSL certificate for your district.

[5] *Prior to the acceptance of the proposal Skyward must verify web access to your server.*
If not available, Skyward will provide a quote for on-site installation and setup.

Software Installation and Training

Web Hardware Scope of Work

- *Installation of one (1) database server. Includes Progress installation, Skyward program installation, Monolith Setup, and backup script setup.*
- *Installation of one (1) program server. Includes Skyward program installation, configuring up to 2 clients, and Monolith product update feature.*
- *Installation of one (1) separate Webspeed server.*
- *Load and configure converted data (via the web).*
- *Training on Database administration.*

School Business Suite

Software Training Includes:	Classroom and On-Site Software Training			
	Max. Number of People Attending	Total Class Days at Skyward	Class Breakdown	On-Site Days
Finance				
Application Setup	Web Installation/Setup			
On-Site Setup	10	-	-	1
Overview Training	Web Training			
Process Training	10	-	-	3
Employee Access Requisitions	Web Training			
Automatic Check Reconciliation	Phone/Mail Training			
eSign - Electronic Signature	Phone/Mail Training			
School Based Activity Accounting	Web Training			
Payroll				
Application Setup	Web Installation/Setup			
Data Verification	10	-	-	1
Overview Training	Web Training			
Process Training	10	-	-	2
Time-Off Training	Web Training			
Payroll Deduction/Benefit Export	Web Training			
Employee Management				
Application Setup	Web Installation/Setup			
Overview Training	Web Training			
Process Training	10	-	-	2
Employee Access	Web Training			
Total School Business Suite Training Days:		**0**		**9**

System Wide Skyward Services

Software Training Includes:	Classroom and On-Site Software Training			
	Max. Number of People Attending	Total Class Days at Skyward	Class Breakdown	On-Site Days
System Administration - Introduction	3	Web Training		
System Administration - Advanced Admin	3	Web Training		
Consulting Service	Web Consulting Hours			
Total Third Party Software Training Days:		**0**		**0**

Training Footnotes

Skyward On-Site Training Policy. A maximum of 10 people may attend each on-site day unless otherwise noted in the training grid. Should more people attend the training over the numbers stated, the school district will be charged an additional $200 for each person.

Web training allows Skyward to remotely present, discuss, and review our product directly with you. This application utilizes the Internet and is conducted live between your staff (at their own workstation) and a Skyward service representative without the need for them to travel to your location. This provides you with a lower cost of training and/or implementation along with greater flexibility of your installation timeline.

The System Administration class was designed to provide the information necessary to maintain and administer the Skyward system. This course will cover a full range of administrative tasks from basic to advanced levels including terminology, database administration tasks, server administration, and web application administration.

Finance onsite setup day included for verification of previously installed conversion data in preparation for live processing. This includes but is not limited to security setup, default parameter settings in the software, verification of printing capabilities, verification of conversion totals on financial reports (balance sheet, revenue and expense, payroll history totals, etc.), verification of code table setup, and random verification of data records in each module converted. Skyward will assist the district in working through these items so that the district can verify the accuracy of information before processing begins.

Custom Forms (Checks, W-2's, etc.) and Peripherals

Nelco is the exclusively recommended supplier of preprinted, blank laser, pressure seal (blank and preprinted) checks and MICR toner cartridges. To request free samples or to place your order, visit www.skywardforms.com or contact your customer service representative, Andy Thompson, at 1-800-266-4669.

American has worked with Skyward for over 14 years and offers a complete line of hardware, software, service, and support for peripheral equipment needed to run Skyward's Food Service, Fixed Assets, and TrueTime software. All items have been completely tested by Skyward and are in use by other Skyward customers nationwide.

Dan Hoerl
American
15134W Pierce Lane
Stone Lake, WI 54876
(612) 860-8960 - Cell Phone

"American, your one-stop source for your Skyward needs"
(877) 436-4657 - Toll Free Order Line
(877) 466-7157 - Toll Free Fax Line
Website: www.americanbus.com/aces/
User Name: Skyward and Password: American

ASP Readiness Review

As you consider Skyward's ASP hosting services, we can provide your district with an initial readiness review to ensure your district's internet connection provides adequate bandwidth. Please contact your ISP (Internet Service Provider) on obtaining a usage report of your internet connection and provide the following information to your Skyward Account Executive for further analysis.
- ISP (Internet Service Provider) Name
- Type and Total bandwidth contracted with your ISP
- Available/free bandwidth during school hours (typically available through a bandwidth utilization report; preferably during the past 30 days with students present)

Third Party Financing Options

Skyward is committed to providing you with cost effective options to budget for your School Management System. Many of our clients have a favorable history working with Providence Capital Network (www.ProvidenceCN.com). Their roots extend back over 30 years providing lease financing to the education market. They are members of many state ASBO organizations including WASBO and IASBO and frequently present at industry conferences as recognized experts.

Lease financing is a popular method to pay for software projects by spreading the initial cost over a multi-year period and it generally does not require voter approval. It can also be very cost effective given the strong credit ratings of most school districts.

Benefits of Lease Financing
- Simple process: apply with a one page application
- Easy to budget: evenly spread the cost over 3 years or more
- Experienced: more than 100 schools have benefited
- Affordable rates: competitive pricing for monthly and annual payments

Next Step
- Call 800-680-0560 to evaluate if lease financing is best suited for your district.

8.14.09

SKYWARD®

Annual License Fee Information

Your Annual License Fees Include:
- Two (2) product updates yearly
- User Group directed state reports [1]
- Unlimited 800 customer service software support
- Localized training sessions
- Quarterly corporate newsletter

[1] *For a complete list of our all supported state reports, please visit http://www.skyward.com/StateReports and choose your state.*

Terms and Conditions

- See attached Terms and Conditions page for further information.
  The Terms and Conditions page must be executed by an authorized District representative.
- The Sales Agreement will be sent to you for execution.
  The Sales Agreement page must be executed by both Skyward and an authorized District representative to be valid.

TERMS AND CONDITIONS

All proposals are valid for 30 days from date of proposal.

This information is distributed exclusively by Skyward, Inc. It is to be used by the Teton County School District administrative staff only. Any copying or distributing of the proposal, or any part of the proposal, to sources outside the Teton County School District is prohibited without written consent, which shall not unreasonably be withheld, of Skyward, Inc.

Software

Classroom Training: Skyward classroom training shown in this proposal is calculated on the basis that up to 3 people may attend each class (with initial software purchase). Classroom training is to be provided at the Skyward Branch Office. Skyward reserves the right to cancel due to low enrollment. Additional training may be purchased at the then current price (currently $275) per person, per class day.

On-site Training: On-site training is based on the school district having training facilities available. Additional on-site training may be purchased at the then current rate (currently $1,450 per day). Up to 10 people, per instructor, may attend the on-site training. One day of training consists of 6 hours on-site.

Skyward on-site training policy: A maximum of 10 people may attend each on-site day unless otherwise noted in the training grid. Should more people attend the training over the numbers stated, the school district will be charged an additional $200 for each person.

Cancellation of Training Days: The customer must cancel 24 hours in advance of scheduled training. If the training is not cancelled according to this policy, the district will be billed for the scheduled classroom or on-site training.

Expiration of Training Days: The customer may utilize Classroom and On-Site training days, included with the purchase of Skyward software, for a period of up to twelve (12) months. The twelve-month period will commence upon implementation of each respective software module. Training days not utilized within the twelve-month period will expire and are non-refundable.

Skyward software systems will be installed by Customer Service Representatives. Schools running on an existing network installed by any other than Skyward must have their technical support person at the site to provide any assistance during the software loading. If no one is available, Skyward will bill the district at the then current rate.

Skyward PaC software only supports printers with drivers written by Microsoft™. Third party drivers, other than Microsoft™, may not be supported. Skyward software uses Microsoft Word and Excel for exports and form letters within the software. It is the school Districts responsibility to have a licensed copy for each user that will use these features.

Data Mapping: Skyward data migrations do not include a data mapping deliverable (documentation on field association between previous system and Skyward tables / fields). If your district is interested in Skyward providing detailed data mapping documentation, please contact your Account Executive for a proposal on Data Mapping deliverable options.

Third Party Software and Hardware

Third party software and hardware proposals are for informational purposes only. Third party software and hardware prices should be verified by Customer prior to ordering software and hardware.

This proposal is being presented without a Technology Analysis from our Networking Engineers. Data gathered for this proposal was provided by your school district to Skyward. Any additional required services or hardware will be billed at our normal rates. To ensure accuracy we recommend a Skyward Technology Analysis be initiated prior to ordering.

In the event Skyward provides any third party software and/or hardware as part of this Agreement (i.e. Skyward procures, assembles, delivers and/or installs such software and hardware, or provides training), Customer agrees that it shall benefit by and be bound by any and all warranties, warranty limitations, license agreements, and any other rights and obligations provided by the third party software and/or hardware supplier to the purchasers and users of its products, whether provided in written or electronic format. Skyward will provide additional information on the manufacturers coverage and options upon request.

Skyward does not provide any warranties for third party software and hardware.

Payment Terms:
1. **Skyward One-Time Investment Fee:**
   30% Non-refundable payment due upon execution of Software Agreement, Terms and Conditions or Acceptance of Proposal.
   70% Payment due upon installation of software onto Customer's system or access to Skyward data through ASP.
2. **Scheduling of installation**
   Installation of purchased software must occur within 12 months of the date Skyward receives PO. Payments made to Skyward (30% of One-Time) for uninstalled software will be converted to Technical Support Hours after this time. Purchases subsequent to this conversion will be quoted at the then-current price.
3. **Professional Services**
   a. **Installation and Training Services** – Payment for all training and installation services due upon installation of any Skyward programs onto Customer's system.
   b. **Project Management/Consultative Services** – Payment due upon execution of Software Agreement and/or Terms and Conditions.
   c. **Technical Support Hours** – Technical Support Hours must be used within 24 months of purchase. Unused hours will be cancelled and are not refundable. Payment due upon execution of Software Agreement and/or Terms and Conditions.
   d. **Data Migration Fees** – Payment for all data migration services due upon installation of any Skyward programs onto Customer's system.
   e. **Hardware Implementation** – Payment due upon completion of hardware installation.
4. **Annual License Fees**
   All Skyward Software Annual License Fees will be prorated from date of installation of software onto Customer's system or access to Skyward data through ASP, through June 30 of the current fiscal year. Subsequent years will be billed on a June 30 fiscal year basis at the then current rate and are due July 1.

   Third Party Annual License Fees along with Skylert will be billed at a full year rate upon installation with subsequent years billed on an annual basis from the installation date.

   In the event that your district would prefer the following Skyward Software Annual License Fee payment selection, please initial the area below:

   ___ All Skyward Software Annual License Fees will be billed in full for the current fiscal year. The portion of the ALF paid before the installation date will be automatically converted into Technical Support Hours. Subsequent years Annual License Fees will be billed on June 30 fiscal year basis at the current rate and are due July 1.
   Customers choosing to use a leasing or finance company must choose this option.

5. **Third Party Software and Hardware** – Payment due upon delivery.

5.12.11

Customer agrees to the terms and conditions listed above and set forth in the Proposal(s).

_____   _Monte R. Woolstenhulme_   _6/13/2011_
Customer Signature   Printed Name   Date

emailed
8/28/11

SKYWARD®

Change Order Form

CUSTOMER NAME:	**Teton Co School Dist 401, ID**		DATE CREATED:	9/26/2011
PURCHASE ORDER:	12728A		REQUESTED BY:	Sandy Westbrook
RMS POID:	835291			

PRODUCT/PRICING MODIFICATIONS

TYPE	DESCRIPTION	ORIGINAL PRICE	ADDED/(SUBTRACTED)	REVISED PRICE
Conversions	Open Purchase Orders Conversion	$ 432.00	$ (432.00)	$ -
				$ -
				$ -
				$ -
				$ -
				$ -
				$ -
				$ -
	Totals	$ 432.00	($432.00)	$0.00

Net $ Change to Purchase Order	($432.00)
Net $ Impact to Purchase Order	DECREASED

IMPACT ON INVOICING

Upon acceptance of this form we will cancel the Open Purchase Orders Conversion.
Invoice #148804 will be revised to reflect this modification.

TERMS & CONDITIONS/LANGUAGE MODIFICATIONS

SKYWARD SIGNATURES (REQUIRED PRIOR TO SUBMITTING TO CUSTOMER)

Date	Signature	Title/Department
9/26/2011	Sandy Westbrook	Kade Johnson	Project Management/Sales
		VP-Sales (required for T&C modifications)
9/26/11	*Brian J Radzinski*	Accounting Department

Except as expressly set forth by this Change Order Form,
Software Agreement including Terms and Conditions remains in effect.

CUSTOMER SIGNATURE OF ACCEPTANCE

Date	Signature	Title
9/28/11	*[signature]*	Superintendent

THIS FORM IS USED TO DOCUMENT ANY CHANGES TO THE PROPOSAL OR THE T&C AFTER THE INITIAL SUBMISSION.

**RMS PROJECT
1535190**