

EXHIBIT A – STATEMENT OF WORK 1

This Statement of Work 1 (“Statement of Work”) is made and entered into on this ____ day of _____, 2020 by and between Azavar Audit Solutions, Inc.’s affiliate, **Azavar Technologies Corporation**, an Illinois corporation having its principal place of business at 55 East Jackson Boulevard, Suite 2100, Chicago, Illinois 60604 (hereinafter referred to as “**Azavar**”), and the **Village of Westmont**, an Illinois municipal corporation having its principal place of business at 31 West Quincy Avenue, Westmont, Illinois 60559 (hereinafter referred to as “**Customer**”) (Azavar and Customer are each a “**Party**” and are hereinafter collectively referred to as the “**Parties**”).

The terms of this Statement of Work are made pursuant to the terms and conditions set forth within the Professional Services Agreement (“Agreement”) between Azavar and Customer. The terms below shall be in addition to all terms contained in the Agreement, which will continue in full force and effect. In the event of a conflict between this Statement of Work and the Agreement, this Statement of Work shall control. In all other circumstances, the terms of the Agreement shall control.

WHEREBY the parties entered into a Professional Services Agreement (“Agreement”) by signature by the parties attached hereto on _____, 2020.

1. **ADMINISTRATION SERVICES.** In addition to the Services and work defined in the Agreement, Services shall be provided in substantial accordance with the below statements:
 - i. **Electronic Monitoring and Automated Management of Locally Authorized and Administered Taxes/Fees:** Azavar shall provide Customer for an additional fee with Services and software to continuously monitor and manage locally authorized and administered taxes and fees to ensure that compliance with locally authorized taxes and fees. Services to be included by Azavar are as follows: (i) Customer will have a single Azavar point of contact for inquiries or reporting issues; (ii) Weekly status calls with Azavar project manager; (iii) Defect/Enhancement reporting and tracking tool; (iv) Project management portal; (v) Azavar or its Software (defined below) will provide a delinquency report and reconciliation report that can query specific delinquencies and can be sent to Customer on a timeline established by Customer; (vi) Azavar will assist Customer to set up reports customized to specifications agreed upon with Customer regarding reports on frequency of late payments and average payment amounts; (vii) the Software will allow a form configuration (location/IP specific) that will allow customers to come to Customer’s location to both submit their online form through customer’s system and also to make a payment in person to Customer; (viii) the Software will allow back-office user to file on behalf of taxpayers who choose not to use the system; (ix) the Software, or Azavar’s customer service teams, will be able to on a regular schedule determined by Customer, send a form email, approved by Customer, to all businesses that meet specific criteria determined by Customer; (x) Azavar will keep

Customer informed on the communication they are making with the businesses on Customer's behalf in a manner mutually agreed upon; and (xi) the Software will allow Customer to download email addresses of all businesses that meet specific criteria, so Customer can manually send a mass email to those businesses through a 3rd party. Additional Services related to the software specifically to be provided to the Customer are as follows: **Tax and Fee Administration Software Module and Services**

1. 99.7% guaranteed system uptime (including pre-arranged system maintenance schedule);
2. Help Desk support for Customer and Customer End Users Monday through Friday, 9am-5pm CST (excluding holidays);
3. One (1) business day response time to support inquiries;
4. One (1) onsite training on application for Customer staff per year (onsite location, date, time, and duration to be mutually agreed to by Customer and Azavar);
5. One (1) onsite demonstration and training for Customer End Users and taxpayers per year (onsite location, date, time, and duration to be mutually agreed to by Customer and Azavar);
6. Production of marketing material to communicate the Services and software to Customer End Users.
7. In the event an individual Customer End User is unable to use the Azavar Software to file and pay Customer Taxes, Azavar shall be responsible for providing manual, individual support to the individual Customer End User.

2. **IMPLEMENTATION AND USE OF AZAVAR SOFTWARE.**

2.1 Customer agrees that it shall use Azavar developed, hosted, managed, and supported software pertaining to local government expense management, tax location management, tax filing and payment applications for locally authorized and/or administered taxes, expenses, proceeds, monies owed, or fees, (collectively "Taxes") and revenue monitoring, management, and reporting software ("Azavar Software" or the "Software"). Customer agrees that it shall, within no more than thirty days (30) from the date of execution of this Statement of Work:

- (a) Provide Azavar full cooperation and information necessary to immediately implement, deploy, and integrate Azavar Software for electronic filing, payment, and collection of Taxes with Customer's existing database and/or enterprise resource planning ("ERP") systems, wherein the Azavar Software is accessible on Customer's official website to users of Customer's website ("End Users") in a live and secure production environment. Customer shall identify one (1) staff person to test the Software and provide feedback to Azavar regarding the Azavar Software on a reasonably regular basis during the Initial Term. Azavar is expressly authorized by Customer to contact and work with web, Information Technology, and/or ERP providers of Customer for the purposes of implementing and updating Azavar Software as necessary. Should Customer require additional Services for implementation,

configuration, customization, or integration of Azavar Software, Azavar shall provide said professional services to Customer on a time and materials basis (Azavar's blended hourly rate for said services is \$150.00/hour for the 2020 Calendar Year) at Azavar's then current rate schedule; and

- (b) In the event an individual Customer End User is unable to use the Azavar Software to file and pay Customer Taxes, Azavar shall be responsible for providing manual, individual support to the individual Customer End User.

2.2 Azavar shall retain all rights, at its sole discretion, to recover service fees or cost(s) from Customer and/or End Users and to set reasonable prices for Customer and/or End Users. This shall include fees for processing electronic payments per transaction which shall not exceed 1.75% and shall be absorbed by Customer.

3. **END USER LICENSE AGREEMENT.**

3.1 **Software License.** Azavar hereby grants a non-exclusive license to the Customer to use the Azavar Software for the purpose of payment, filing and collection of all Taxes, as well as for collection of all additional and ancillary data generated by such collections. The Customer shall not sublet, duplicate, modify, decompile, reverse engineer, disassemble, or attempt to derive the source code of said Software. The license granted hereunder shall not imply ownership by Customer of said Software, rights of the Customer to sell the Software, or rights to use said software for the benefit of others, except as provided below in Section 3.2. Customer shall not create any derivative work or product based on or derived from the Software or documentation, or modify the Software or documentation without prior written consent of Azavar. Azavar agrees that it shall install and maintain the Software during the Initial Term and for any further term as agreed upon by the parties.

3.2 **Sublicense:** The license grant provided to Customer includes a limited right to allow an unlimited number of End Users to the system for the purposes of reporting, filing, and paying of all locally authorized and/or administered Taxes and revenue. Each End User shall generate a user name and password and will agree to a limited end user license agreement for accessing and using the Azavar Software for the purposes of filing, payment, and collection of Taxes and revenue due to Customer.

3.3 **Customer Data:** Azavar acknowledges that the data provided by the Customer (“Customer Data”) during the use and implementation of the Software is the property of the Customer. Customer authorizes Azavar to access, import, process and generate reports (“Azavar Data”) from the Customer Data with Azavar’s various proprietary systems. No Customer Data, confidential information or otherwise sensitive information will be released or sold by Azavar to third parties or the public. Azavar owns any rights in and to the Azavar Data, including but not limited to all Intellectual Property rights that may vest in such Azavar Data. The Azavar Data shall be made available to the Customer in a format acceptable to both the Customer and Azavar.

3.4 **Duration, Fee, and Term:**

3.4.1 Duration: The grant of the Software License in Section 2.1 above is provided to Customer for the Initial Term and any Renewal Terms to use, install, implement and deploy the Azavar Software at the license fee set forth below.

3.4.2 Fee: Customer shall pay a One Thousand and 00/100 Dollars (\$1,000.00) one-time onboarding fee upon execution of this Statement of Work. Customer shall pay Azavar a service/license fee of \$450.00 (plus “CPI”) each month for the distinct and unique locally authorized and/or administered Tax forms listed below and implemented within Azavar Software for the Customer’s benefit upon execution of this Statement of Work, whether such Tax form(s) has yet been deployed to a live production environment. Billing of the monthly service/license fee shall start at the beginning of the first calendar month following execution of this Statement of Work. Customer agrees and authorizes that Azavar shall deploy a distinct and unique Tax form for filing and collection of each of the following, but not limited to, Customer Taxes upon execution of this Statement of Work: Local Places of Eating/Food & Beverage Tax, Utility Tax(es) (use and or excise) and Franchise Fee(s), Hotel/Motel Tax, and Tax on Tangible Personal Property. Customer may request at any time, in writing to Azavar, that Azavar implement and deploy any additional module(s). A separate fee may be applicable for additional modules. “CPI”: Fees are adjusted at the beginning of each calendar year by the change in the Consumer Price Index – Midwest Urban (“CPI”-MU) as reported by the United States Bureau of Labor Statistics. Each annual adjustment will not be less than two percent (2%) or greater than five percent (5%).

3.4.3 Termination of the End User License Agreement: Customer may elect to terminate the End User License Agreement after the Initial Term by providing ninety (90) days’ written notice to Azavar.

3.4.4 Discount: Azavar shall discount the monthly service/license fee in Paragraph 3.4.2 by providing the one-time onboarding fee of \$1,000.00 (One Thousand and 00/100 Dollars) and the first six (6) months of the service/license fee at no charge to the Customer.

3.4.5 If the Software is not substantially functional for Customer’s purposes and uses as stated herein within ninety (90) days after execution of this Statement of Work, then Customer may terminate this Statement of Work and the accompanying Agreement without any further liability or penalty and shall not be obligated for further payments under this Statement of Work and the accompanying Agreement.

4. LICENSE, PERMITS, AND/OR APPROVALS.

4.1 Azavar and Customer will work together to obtain such licenses, permits, and/or approvals (“Approvals”) as necessary and required by law for the performance of the Services and implementation of the Azavar Software as provided in this Statement of Work. Customer shall be responsible for payment of all such fees or licenses necessary for said implementation.

5. **INDEMNITY.**

5.1 **For Azavar:** Azavar shall indemnify and hold harmless Customer and its officers, officials, and employees from any liability for damage or claims for personal injury, as well as from claims of breach of confidentiality, which may arise out of the performance of the work described herein, caused in whole or in part by any intentional or negligent act or omission of Azavar, its officers, agents and employees under this Statement of Work.

5.2 Azavar will defend, indemnify, and hold harmless Customer and its officer, officials and employees from and against any and all third party claims, actions, demands, and legal proceedings (collectively “Claims”) and all liabilities, damages, losses, judgments, authorized settlements, costs and expenses including, without limitation, reasonable attorneys’ fees (collectively “Damages”), arising out of or in connection with: (a) any alleged or actual acts or omissions of Azavar or failure to perform or comply with the terms and conditions of this Statement of Work; (b) any alleged or actual infringement and/or misappropriation by Azavar and/or the Software of any copyright, patent, trademark, trade secret or other proprietary or intellectual property right of any third party; (c) violation by Azavar of any governmental laws, rules, ordinances, or regulations; (d) any Claim by or on behalf of Azavar’s subcontractors, suppliers, or employees for salary, wages, benefits or other compensation; and/or (e) breach of any warranty set forth herein.

5.3 In addition to Azavar’s obligations and liabilities above, if an infringement claim is made or appears likely to be made about the Software, Azavar shall, at Customer’s option, either: procure for Customer the right to continue to use the applicable Software; modify the Software so that it is no longer infringing (without compromising or reducing the functionality of the Software for Customer’s uses and purposes); or replace the Software with non-infringing software (without compromising or reducing the functionality of the Software for Customer’s uses and purposes). If none of these alternatives is commercially reasonable and Customer will not incur a negative, material impact to its business operations, Customer shall cease its use of any affected Software or return, redact or destroy any affected Software, for a full refund of its payments hereunder to Azavar.

5.4 In the event of any Claims, Customer will: (a) promptly notify Azavar, (b) at Azavar’s expense, reasonably cooperate with Azavar in the defense thereof, and (c) not settle any such Claims without Azavar’s consent which Azavar agrees not to unreasonably withhold. Azavar will keep Customer informed at all times as to the status of Azavar’s efforts and consult with Customer (or Customer’s counsel)

concerning Azavar's efforts; and Azavar will not settle the claim without Customer's prior written consent, such consent not to be unreasonably withheld.

6. **WARRANTY.**

6.1 All Software will conform to Azavar's published specifications and documentation as well as to any specifications and descriptions contained herein for a period of twenty-four (24) months from the date of delivery to Customer. All Software shall be virus-free and without any time sensitive code or other disabling devices, key lock or code which has the potential or capability of causing any unplanned interruption of the operations of the Software. The Software shall not include any computer code or materials (or any intellectual property associated therewith) that when incorporated, modified, or combined with any other software would subject the Software to license terms that require the Software to be (i) disclosed in source code form; (ii) licensed for the purpose of making a derivative work; or (iii) redistributable at no charge.

6.2 All services provided under this Statement of Work by Azavar shall be performed in good and workmanlike manner by skilled and qualified staff in accordance with highest industry standards.

6.3 Azavar has complete ownership and all accompanying rights in the Software to all Customer to use such Software without restriction or additional charge.

6.4 This Statement of Work does not violate any applicable laws or breach any other agreement to which Azavar is bound or a party.

6.5 The Software shall not infringe or misappropriate any copyright, patent, trade secret, trademark or other intellectual property right of any third party.

7. **COMPLETE AGREEMENT.** This Statement of Work, together with the accompanying Agreement, contains the entire Agreement between the Parties hereto with respect to the matters specified herein. The invalidity or unenforceability of any provision of this Statement of Work shall not affect the validity or enforceability of any other provision hereof. This Statement of Work shall not be amended except by a written amendment executed by the Parties hereto. No delay, neglect or forbearance on the part of either Party in enforcing against the other any term or condition of this Statement of Work shall either be, or be deemed to be, a waiver or in any way prejudice any right of that Party under this Statement of Work. No term or provision of this Statement of Work may be waived or modified unless such waiver or modification is in writing and signed by a duly authorized representative of the Party against whom such waiver or modification is sought to be enforced. This Statement of Work may only be extended, renewed or otherwise amended by the mutual written consent of Parties hereto or as otherwise provided in this Statement of Work.

8. **COUNTERPARTS**. This Statement of Work may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instruments. For purposes of this Statement of Work, facsimile and email scanned signatures shall be considered the same as original signatures and shall be treated as valid and binding upon the Parties hereto.

[SIGNATURES TO FOLLOW ON THE NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed this Statement of Work as of the Effective Date, the day and year first above written.

Azavar:

Customer:

**AZAVAR TECHNOLOGIES
CORPORATION**

VILLAGE OF WESTMONT

By: _____

By: _____

Its: _____

Its: _____

Dated: _____

Dated: _____