

CLIENT SERVICE AGREEMENT

THIS AGREEMENT is made _____, between MICROHOUND (Provider) and _____ (Client).

In consideration of the terms, and conditions of this Agreement, and other valuable consideration, the receipt of which is acknowledged, the parties agree that the Provider will provide certain services to the Client according to the following provisions:

1. SCOPE OF SERVICES

The Project will progress in three phases: the "Design" phase, the "Implementation" phase and the "Testing" phase. The details of the Services to be provided for this Project will be as set out in the proposal, attached hereto, as approved and modified by the parties in writing, from time to time, during the project.

2. TERM OF CONTRACT

The term of this Agreement will begin on the date of its execution and will continue until the completion of the Project as set out in the proposal, hereto. All extensions of this Agreement by mutual consent of the parties to undertake additional projects will be subject to all of the terms and provisions of this Agreement, and will be set out in a modification of the proposal hereto. Any additional work performed by the Provider at the request of the Client after the end of the term of this Agreement will constitute an extension of this Agreement by mutual consent of the parties, and will be subject to all of the terms and provisions of this Agreement, and will be set out in a modification of the proposal.

The Provider will notify the Client when the final phase of the project is complete. The Client will have (120) days from the date of that notice to provide additional information to the Provider to modify or add to the scope of the Project. If the Client has not provided any additional or different information to the Provider within 120 days from the notice that the testing phase is complete, the Provider will close the project and its obligation under this agreement is complete. The Provider will have no other obligation under this agreement to provide any more services to the Client regarding the project. If the Provider agrees, under its sole and exclusive decision, it may provide additional services if the Client agrees to pay additional fees and costs.

The Provider estimates that the Project will be completed in approximately the time outlined in the proposal. Any changes to the scope of the project by the Client may increase the estimated time and cost for completion. The Provider will keep the Client reasonably informed about the progress on the Project. The Provider will use its best efforts to complete the project within the quoted time frame. In the event that the project is not completed by the due date, either due to additional changes by the Client or for any other reason, the Provider will use its best efforts to complete the project as soon as possible thereafter. Time is not of the essence. Failure of the Provider to meet the completion date specified herein is not a breach of this Agreement. If the Provider fails to complete the project pursuant to the time frames set out herein, the Client's sole and exclusive remedy will be to terminate this Agreement and be relieved of any further obligations contained in this Agreement. Upon such termination, the Provider will, within its discretion, retain any earned portion of the payments made by the Client pursuant to this Agreement, and will refund any unearned portion to the Client.

3. PRICE and PAYMENT

The Client will pay the Provider for the Project as set out in the proposal above and the options the Client choose will determine the billable work. Any changes to the project may increase this price. The Provider will keep the Client informed as to progress and final price. For projects

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under \$1,000, the Client will pay an initial payment of 50% of the total estimated price on the date of this Agreement. For larger projects payments will be broken down into a 40%/40%/20% payment schedule. This agreement applies to web and print development and not to web hosting. Any Web hosting will be provided to the Client pursuant to a separate Agreement. Any Printing costs provided under this Agreement will be set out in writing as an original entry on the proposal, or as a change order to be signed by both parties. If the Client has opted to pursue a third party vendor for web hosting or printing, the Client is responsible for all payments to that third party. If the Provider is including any third party printing or web hosting costs in this document, that will be indicated in the proposal and the Provider is responsible for arranging printing or web hosting on behalf of the Client. Reimbursement of fees and costs are due within 30 days of the invoice date. After the testing phase is completed, the Client will pay the remaining amount of the estimated price. All payments on invoices will be due 30 days from the date printed on the invoice. The Provider will not perform any work on the project if any invoice is not paid within the 30 days. The Client will be in breach of this Agreement if any invoice is not paid within 30 days from the invoice date.

4. TERMINATION

This Agreement may be terminated at any time by either party with or without cause, by giving thirty days written notice to the other. Upon such termination by either party, the Provider will immediately cease work and submit a bill for all work performed and costs incurred up until the date receipt of notice of termination and the Client will pay that bill within ten days.

If at any time during the term of this Agreement, the Client should fail to pay as agreed, the Provider will be relieved of its obligation to perform under this Agreement, will cease all work and submit a bill for all work performed up until the default of the Client. The Client will be then obligated to pay in full immediately for all work performed to date by the Provider.

5. LIMITED WARRANTY

The Provider warrants to the Client that the Project as finally accepted by the Client will be free from defects in workmanship under normal use for a period of ninety (90) days from the date of completion of the final phase.

The Client expressly acknowledges and agrees that use of the Project is at the Client's sole risk. The Provider does not warrant or make any representations with respect to the function, safety and suitability of software, code and other materials obtained from third parties. The Provider does not warrant or make any representations regarding the use or the results of the use of the Project or related documentation in terms of their correctness, accuracy, reliability or otherwise. No oral or written information or advice given by the Provider or one of its representatives will create a warranty or in any way increase the scope of this warranty.

Except as specifically provided above, the Project and related material are provided "as is" without warranty or condition of any kind, including but not limited to the implied warranties or conditions of merchantable quality and fitness for a particular purpose. The Provider does not warrant that the operation of the Project will be error free.

IN NO EVENT WILL THE PROVIDER BE LIABLE TO THE CLIENT OR TO ANY THIRD PARTY FOR ANY DIRECT, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, WHETHER FORESEEABLE OR NOT, EVEN IF ADVISED OF THE POSSIBILITY THEREOF. THIS LIMITATION AND EXCLUSION APPLIES IRRESPECTIVE OF THE CAUSE OF ACTION, INCLUDING BUT NOT LIMITED TO BREACH OF CONTRACT, NEGLIGENCE, STRICT LIABILITY, TORT OR ANY OTHER LEGAL THEORY AND WILL SURVIVE A MATERIAL BREACH.

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The Provider is not responsible for problems which may occur as a result of any incompatibility between the Project and any other software or hosting environment, nor for the performance of the Client's or third party's software not developed by the Provider. The Client assumes responsibility for the selection of the Project to achieve the intended purposes, for making backups of data regularly, 7 released to provide additional functionality or patch security vulnerabilities. Any upgrade of the Content Management System or modules may incur additional charges.

The Provider is also not responsible for any exploits of the website that are due to poor security management by the Client or their website visitors, which includes weak passwords, insecure communication with visitors, containing website login information, or other security breaches of the website by any 3rd party.

SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF IMPLIED WARRANTIES, SO THE ABOVE EXCLUSION MAY NOT APPLY TO THE CLIENT. IN THAT EVENT, ANY IMPLIED WARRANTIES ARE LIMITED IN DURATION TO NINETY (90) DAYS FROM THE DATE OF DELIVERY OF THE FINAL PROJECT. THIS WARRANTY GIVES THE CLIENT SPECIFIC LEGAL RIGHTS, AND THE CLIENT MAY HAVE OTHER RIGHTS WHICH VARY FROM JURISDICTION TO JURISDICTION.

6. **DEFAULT and REMEDIES**

If the Client fails to pay as agreed, the Provider will be relieved of its obligation under this Agreement and will cease all work.

The waiver by either party of any breach of any provision of this Agreement will not operate or be construed as a waiver of any subsequent breach of that same or any other provision. In the event of a material breach of this Agreement by either party, the other party may, at its election:

(a) Terminate this Agreement and bring such action as it may deem proper to protect its rights under this Agreement.

(b) Bring an action for injunctive or similar relief as may be necessary to compel the other party's compliance with its obligations under this Agreement.

(c) Pursue such other remedies as may be available to it subject to the terms of this Agreement.

(d) In the event of a default by either party of its obligations under this Agreement, the other party may employ an attorney to enforce its rights and remedies and the parties both hereby agree that the party found to have breached the Agreement will pay the reasonable attorneys fees plus all other reasonable expenses incurred by the prevailing party in exercising any of its rights and remedies upon default.

7. **OWNERSHIP OF WORK PRODUCT**

For the purposes of this Agreement, Work Product means all design, art work, coding, programming, or compilation of information that the Provider creates, develops or contracts for during the course of work on the Project for the Client, including Work Product of Subcontractors of the Provider. The parties agree that all Work Product created or developed by the Provider or its Subcontractors for the Client in connection with the Project is "Work for Hire" as that term is defined in the Federal copyright laws. All Work Product will become the

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property of the Client upon the Client's payment to the Provider of all sums due hereunder however, until full payment for the Project is received by the Provider, all Work Product will remain the property of the Provider.

8. CONFIDENTIALITY

It is the practice of the Provider to review the identity and mission of all of its clients periodically to assure that no conflicts arise from overlapping service areas or client bases. No information discovered within the client relationship will be disclosed to other clients or third parties, without the express consent of the interested client.

The Provider agrees that it will take all reasonable actions to maintain complete confidentiality of all information supplied to it by the Client. It will not disclose any information to third parties without specific instructions from the Client, unless the Provider is compelled to do so by proper legal action of a third party or government entity.

9. FORCE MAJEURE

Neither party will be held responsible if the fulfillment of any terms or provisions of this contract are delayed or prevented by revolutions or other disorders, wars, acts of enemies, strikes, fires, floods, acts of God, or without limiting the foregoing, by any other cause not within the control of the party whose performance is interfered with, and which by the exercise of reasonable diligence, the party is unable to prevent, whether of the class of causes hereinbefore enumerated or not.

10. ENTIRE AGREEMENT

This Agreement signed by both parties constitutes a final written expression of all the terms of this Agreement and is a complete and exclusive statement of those terms. It may not be changed orally, but only by an agreement in writing, signed by all parties hereto.

11. ASSIGNMENT

No right or interest in this Agreement will be assigned by either party without the written permission of the other party, and no delegation of any obligation owed by either Transferor or Transferee will be made without the written permission of the other party. Any attempted assignment or delegation will be wholly void and totally ineffective for all purposes. This Agreement will bind and inure to the benefit of the respective heirs, personal representatives, successors, and assigns of the parties, should an assignment be made pursuant to this Agreement.

12. PARAGRAPH HEADINGS

The titles to the paragraphs of this Agreement are solely for the convenience of the parties and will not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this agreement.

13. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, but all of which together will constitute one agreement.

14. EFFECT OF PARTIAL INVALIDITY

The invalidity of any portion of this Agreement will not and will not be deemed to affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the remaining provisions will be in full force and effect as if they had been executed by both parties subsequent to the invalidation of the provision.

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15. GOVERNING LAW

This Agreement will be governed by, construed, and enforced in accordance with the laws of the State of North Carolina. The parties hereby consent to the jurisdiction of the courts in the State of North Carolina. Any legal action arising out of this Agreement will be brought in North Carolina according to the jurisdictional requirements of the North Carolina Rules of Civil Procedure as amended from time to time.

16. NOTICES

Any notice required by this Agreement will be in writing and may be delivered by personal delivery, postage prepaid, certified mail return receipt requested, or electronic mail return receipt requested. Notices will be deemed given upon receipt by the recipient by either U.S. Mail or electronic mail. Notices will be addressed as follows, until a party notifies the other of a change. Contact information on following page.

To the Client:

Attention: _____

To the Provider:

Microhound
Attention: Xavier Vallhonrat
14039 US Highway 74 A6-257
Indian Trail, NC 28079
xavier@microhound.com
(866) 537-6268

Total Contract Investment: _____ (based on above selections)

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth above.

By: _____ Date: _____
Xavier Vallhonrat, CEO and Owner

XXXXXX

By: _____ Date: _____
