_____ city

This software development agreement (hereinafter – Agreement), is entered into by and between



sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties".

WHEREAS, Developer is engaged in the business of computer application development and possesses certain technical expertise in designing, developing, implementing and testing software and related materials used in web and mobile applications;

WHEREAS, Client wishes to engage Developer to deliver certain unique software developed and/or customized specifically for Client (*hereinafter – Software*) and Developer is willing to accept the engagement to develop such Software on the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein and intending to be legally bound, the Parties hereto agree as follows:

1. ENGAGEMENT OF THE DEVELOPER

1.1. Scope of engagement

Subject to the terms and conditions of this Agreement, Client hereby orders services of Developer to design, develop, and implement the Software in accordance with the specifications, requirements, and deliverables (*hereinafter* – *Specifications*) and the time schedule described in Exhibit "A" attached hereto and incorporated herein by reference (*collectively, hereinafter* – *Work*). Developer can use employees and/or contractors capable of designing and implementing the Software. Client will cooperate with Developer's reasonable requests for information necessary to accomplish the tasks and objectives to complete the Work.



1.2. Developer's duties and responsibilities

1.3. Changes to scope of engagement

In case if Client wishes to make any modification to the Work, Client must provide a detailed, written proposal to Developer specifying desired changes (*hereinafter – Change request*). Developer will evaluate each Change request at its standard rate and charges. Developer shall submit to Client a written response to each Change request within __ business days following the receipt of every Change request;



1.4. Rights to use in promotion materials

Client grants Developer the right to use Client's name, service marks, and a description of its services in Developer's marketing materials or other written promotional campaigns. Either Party may choose to issue a press release related to this Agreement with prior approval from the other Party, which approval shall not be unreasonably withheld.



2. CLIENT RIGHTS AND RESPONSIBILITIES

2.1. Assigned tasks

Client agrees to perform all of the tasks assigned to Client as set forth in this Agreement and to provide assistance and cooperation to Developer in order to complete Work in efficient and timely manner and execute all Change requests. Client shall be responsible for making, at their own expense, any changes or additions to Client's current systems, software and hardware that may be required to support operation of the Software;

2.2. Mutual efforts

The Client understands and accepts within this Agreement the fact that the timeline to compete Work depends on the timeline of providing answers to the customers' questions and fulfilling certain of requests and tasks;

In case of delay in completion of Work due to the provision of untimely responses by the Client to Developer, Developer has the right to receive additional time to complete Work, in the amount of time of such delay. The Client must provide such time to the Developer taking into consideration specified circumstances.

2.3. Lawful purpose

Client accepts that they will use Software only for lawful purposes. Developer is not responsible for any use of the Software by the Client for unlawful purposes.

3. PROCEDURE OF SOFTWARE ACCEPTANCE

3.1. Test plan

Client in cooperation with Developer must prepare the test plan for the Client's acceptance test *(hereinafter – Acceptance test plan)*, with acceptance test procedures needed for verifying that the Software meets the agreed criteria in Specification. The Acceptance test plan shall describe in detail how the Client acceptance test will be carried out and shall contain a detailed description of the tests to be performed, as well as the acceptance criteria.



4. COMPENSATION AND PAYMENTS



5. TERM OF AGREEMENT AND ITS TERMINATION

5.1. Term of Agreement

This Agreement is effective as of the date of full execution and will remain in effect until complete payment for the Work is received by Developer, unless earlier terminated as provided in this Agreement.

5.2. Termination of Agreement

Each Party may terminate this Agreement upon material breach by the other Party of one or more of the terms and conditions of this Agreement, given that the breaching Party is notified in writing of the material breach and such breach is not cured within (____) days after receipt of such written notice. Client's termination of this Agreement will not relieve Client of its obligations to pay for any Work performed. If Developer terminates this Agreement due to Client's default:



6. CONFIDENTIONAL CLAUSES

6.1. Client's confidential information.

All information related to Client and this Agreement that is known to be confidential or proprietary, or which is clearly marked as such, will be held in confidence by Developer and will not be disclosed or used by Developer except to the extent that such disclosure or use is reasonably necessary for the performance of the Work;

6.2. Developer's confidential information.

All information related to Developer that is known to be confidential or proprietary, or which is clearly marked as such, will be held in confidence by Client and will not be disclosed or used by Client except to the extent that such disclosure or use is reasonably necessary for the performance of Client's duties and obligations under this Agreement.



7. INTELLECTUAL PROPERTY RIGHTS

7.1. Services for Client (work made for hire)

Developer agrees that the development of the Software (but excluding Developer tools) is performance service to the Client and the Software will be the sole property of Client. "Developer Tools" means the materials, information, trade secrets, generic programming codes and segments, algorithms, methodologies, processes, tools, data, documents, notes, programming techniques, reusable objects, routines, formulae and templates that:



7.3. Assist to Client

Developer will assist Client in obtaining and enforcing a patent, copyright and other forms of legal protection for the Software in any country. Upon request, Developer will sign all applications, assignments, instruments and papers and perform all acts necessary or desired by Client to assign the Software fully and completely to Client and to enable Client, its successors, assigns and nominees, to secure and enjoy the full and exclusive benefits and advantages of the Software at no charge to Client. However, Client will reimburse

Developer for reasonable out-of-pocket expenses.

8. DISCLAIMERS AND WARRANTIES

8.1. Performance standard



9. LIMITATION OF PARTIES LIABILITY

NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES ARISING AS A RESULT OF OR RELATED TO PERFORMANCE OF THE WORK, REGARDLESS OF THE TYPE OF CLAIM AND EVEN IF THAT PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, SUCH AS, BUT NOT LIMITED TO, LOST PROFITS, LOSS OF REVENUE OR ANTICIPATED PROFITS OR LOST BUSINESS. TO THE EXTENT ALLOWED BY LAW, CLIENT WILL INDEMNIFY AND HOLD DEVELOPER HARMLESS AGAINST ANY CLAIMS INCURRED BY DEVELOPER ARISING OUT OF OR IN CONJUNCTION WITH CLIENT'S BREACH OF THIS AGREEMENT, AS WELL AS REASONABLE COSTS, EXPENSES, AND ATTORNEY'S FEES INCURRED THEREIN.

10. NON-COMPETENCE

During the period of this Agreement and for ____ months thereafter, regardless of the reason or cause for that termination, neither Party will directly or indirectly engage in any conduct that will substantially diminish the value of the other Party's business including, without limitation:

(a) solicit or attempt to solicit any business from any of the other Party's customers, clients, or prospects;

(b) offer employment to, or hire any employee, or subcontractor of the other Party.

11. OTHER CONDITIONS



11.3. Assignment and delegation

The rights, duties, and privileges of a Party to this Agreement shall not be transferred or assigned by it, in whole or in part, without the prior written consent of the other Party. If Client sells its business to a third party, such third party will become the successor of the Client and will bear all rights and obligations under this Agreement.

11.4. Entire Agreement, amendments

This Agreement constitutes the entire agreement between the Parties concerning the subject matter hereof and supersedes all written or oral prior agreements or understandings with respect thereto. This Agreement may not be amended except by a writing signed by an authorized representative of both Parties.

11.5. Severability of clauses

In case of any one or more of the provisions of this Agreement will be held invalid, illegal or unenforceable, the invalidity of such provisions will not invalidate the Agreement as a whole.

11.6. No waiver

Neither Party's failure to enforce strict performance of any provision of this Agreement will constitute a waiver of a right to subsequently enforce such provision. No modification, extension or waiver of this Agreement shall be valid unless made in writing and signed by an authorized representative of the Party to be charged. No written waiver shall constitute, or be construed as, a waiver of any other obligation or condition of this Agreement.



11.8. Counterparts

The Parties may execute this Agreement in multiple counterparts, each of which constitutes an original as against the Party that signed it, and all of which together constitute one agreement. The delivery of signed counterparts by facsimile, email or other electronic transmission that includes a copy of the sending Party's signature is as effective as signing and delivering the counterpart in person.

Parties agrees, that they can use electronic signature as mechanism to sign by the Parties.

IN WITNESS WHEREOF, the parties have made this Agreement to be executed by their duly authorized representatives, as of the date of signature.

