



MASTER SERVICES AGREEMENT

THIS AGREEMENT (“Agreement”) governs the relationship between the client (“Customer”), on behalf of itself and its affiliates and Onsharp, Inc. (“Onsharp”). We reserve the right to change the terms of this Agreement or to impose new conditions on your use of our services, from time to time, in which case we will post the revised Master Services Agreement on this website and notify you by email. By continuing to use our services after we post any such changes, you accept the Master Services Agreement, as modified.

Customer hereby engages Onsharp to perform various projects from time to time, according to the terms of this Agreement and its Schedules, as follows:

NOW, THEREFORE, Customer and Onsharp mutually agree as follows:

1. DEFINITIONS

- A. Schedule – Shall mean and refer to documents referencing this Agreement and specifying work to be accomplished by Onsharp and to be paid for by Customer. Schedules shall, once executed, become a part of this Agreement and they shall define the scope of work to be accomplished in conjunction with a specific project and provide a fee for accomplishment of this work. Project details concerning methodologies, deliverables and project plans shall be provided in the project Proposal (if applicable), which shall be attached to the corresponding Schedule.
- B. Proposal – Shall mean and refer to the project Proposal, which shall provide specific project details and shall be prepared and submitted by Onsharp and accepted by Customer. The Proposal shall be attached to the appropriate Schedule and shall provide specific project methodologies, deliverables and project plans. The Proposal shall be attached to an appropriate Schedule and shall be made part of this Agreement upon acceptance by Customer.

2. PROJECT UNDERTAKING

Customer hereby retains Onsharp and Onsharp hereby agrees to perform certain professional services in support of designated projects as directed by Customer. Onsharp shall devote sufficient time and effort and shall allocate sufficient personnel and resources to the designated project as may be required for successful completion thereof. Onsharp shall conduct and conclude project activities in a professional manner. Unless otherwise agreed to by the parties, all work will be performed at Onsharp facilities.

3. TERM AND TERMINATION

The term of this Agreement (“Term”) shall continue in full force and effect until all projects are completed. This Agreement may be terminated by either party, without cause, upon thirty (30) calendar days’ written notice provided that any such termination shall only be effective as to an ongoing assignment specified in a Schedule when the minimum term for such assignment specified in a Schedule has been completed. In the event of termination by Customer other than for a material breach of this Agreement by Onsharp, and in the event of termination by Onsharp, because of Customer’s breach of this Agreement, Onsharp shall be entitled to receive payment for all services performed up to the effective date of termination at the labor rates set for in the Schedule. In the case of a Schedule providing for services at a fixed price, Onsharp shall be entitled to receive payment of a percentage of the agreed aggregate fixed price proportionate to the amount of work completed. Customer shall also reimburse Onsharp for any additional travel, living and relocation expenses incurred by Onsharp as a result of such early termination including, without limitation, any costs associated with breaking apartment leases which have been approved in writing by Customer for Onsharp’s employees assigned to Customer projects.



4. PRICES

Onsharp shall be compensated for all services performed within the scope of this Agreement at the prices or rates set forth in the Schedules and Proposals attached hereto. The prices stated for services include all taxes, except that Customer shall pay any state and local sales or use tax imposed thereon. Customer shall not pay for any services outside the scope of this Agreement unless Customer has authorized these additional services in advance.

5. CERTAIN OUT-OF-POCKET EXPENSES

Except as set forth in the Schedules and Proposals attached hereto, prices quoted for services to be performed on a time and materials basis do not include Onsharp's out-of-pocket costs for travel (air and cab fare, lodging, auto rental, per diem, etc.), overnight courier and telephone, etc. Such costs shall be billed to Customer at Onsharp's actual cost. Except as set forth in the Schedules and Proposals attached hereto, prices quoted for services to be performed on a fixed price basis include all of Onsharp's out-of-pocket costs for travel, overnight courier and telephone.

6. INVOICES AND PAYMENT

Onsharp shall submit monthly invoices to Customer for services rendered hereunder on a time and material basis. Services rendered hereunder on a fixed price basis shall be invoiced as provided in the payment schedule set forth in the Proposal. Payment shall be due within 15 days. Any payment not made when due shall be subject to a service charge at the rate of one and one-half percent (1.5%) per month.

7. NON-SOLICITATION

Customer acknowledges that personnel to be provided by Onsharp represent a significant investment in recruitment and training, and that the loss of such personnel would be detrimental to Onsharp's current and future business and profits.

In consideration of the foregoing, Customer agrees that for the term of this Agreement and for a period of one (1) year after this termination, Customer will not directly or indirectly:

- A. Recruit, hire, engage or attempt to recruit, hire, engage or discuss employment with, or otherwise utilize the services in any capacity of any person who shall have been an employee, agent or consultant to Onsharp at any time during the term of this Agreement: or
- B. Induce any person who shall have been an employee, agent of or consultant to Onsharp at any time during their term of this Agreement to terminate his or her relationship with Onsharp or any related company or introduce such person to any potential employer. These same obligations shall be binding upon Onsharp with respect to any person who is an employee, agent of or consultant to Customer at any time during the term of this Agreement.

8. PROPRIETARY RIGHTS TO SOFTWARE

Custom Work Product Defined – "Custom Work Product" means the resulting software (soft copy of code) created by Onsharp after the effective date of this Agreement on behalf of Customer and in furtherance of attached Proposals. Ownership of Custom Work Product – Customer shall own all right, title and interest to all Custom Work Product. Onsharp expressly acknowledges and agrees that all such Custom Work Product constitutes "work made for hire" under the Federal copyright laws (17U.S.C., SEC 101) owned exclusively by Customer and, alternatively, hereby irrevocably assigns all ownership or other rights it might have in Custom Work Product to Customer. Upon termination hereof, Onsharp shall turn over to Customer or destroy all copies of Custom Work Product.



9. CONFIDENTIAL INFORMATION

- A. Acknowledgement of Confidentiality – Each party hereby acknowledges that it may be exposed to confidential and propriety information of the other party including, without limitation, Custom Work Product, embedded software (if any) and other technical information (including functional and technical specifications, designs, drawings, analysis, research, processes, computer programs, methods, ideas, “know how” and the like), business information (sales and marketing research, materials, plans, accounting and financial information, personnel records and the like) and other information designated as confidential expressly or by the circumstances in which it is provided (“Confidential Information”). Confidential Information does not include (i) information already known or independently developed by the recipient, or (ii) information in the public domain through no wrongful act of the recipient, or (iii) information received by the recipient from a third party who was free to disclose it.
- B. Covenant Not to Disclose – With respect to the other party’s Confidential Information, the recipient hereby agrees that during the Term and at all times thereafter it shall not use, commercialize or disclose such Confidential Information to any person or entity, except to its own employees having a “need to know” (and who are themselves bound by similar nondisclosure restrictions), and to such other recipients as the other party may approve in writing, provided, that all such recipients shall have first executed a confidentiality agreement in a form acceptable to the owner of such information. Neither Onsharp nor any recipient may alter or remove from any software or associated documentation owned or provided by Customer any proprietary, copyright, trademark or trade safeguarding the other party’s Confidential Information as it uses in safeguarding its own comparable Confidential Information.

10. INJUNCTIVE RELIEF

The parties acknowledge that violation by Customer of the provisions of Section 7, by Onsharp of the provisions of Section 8 (“Proprietary Rights to Software”) or by either party of the provisions of Section 9 (“Confidential Information”) would cause irreparable harm to the non-breaching party which is not adequately compensable by monetary damages. In addition to other relief, it is agreed that the non-breaching party shall be entitled to seek injunctive relief from a court of competent jurisdiction to prevent any actual or threatened violation of such provisions.

11. WARRANTIES

Good and Workmanlike Manner – Onsharp represents and warrants to Customer that all services provided hereunder will be performed to the best of its ability in a good and workmanlike manner.

Non-Infringement Warranty – Onsharp represents and warrants to Customer that the Custom Work Product and any embedded software, when properly used as contemplated herein, will not infringe or misappropriate any United States copyright, trademark, patent, or other trade secrets of any third persons. Upon being notified of such a claim, Onsharp shall at its cost (i) defend through litigation or obtain through negotiation the right of Customer to continue using the Customer Work Product, (ii) rework the Custom Work Product so as to make it non-infringing while preserving the original functionality, or (iii) replace the Custom Work Product with functionally equivalent software. If Customer determines that none of the foregoing alternatives provide an adequate remedy, Customer may terminate all or any part of this Agreement and, in addition to other relief, recover amount paid for such Custom Work Product.

Optional Ongoing Maintenance – If required by Customer, Onsharp shall provide additional ongoing maintenance services pursuant to a separate maintenance agreement in order to fix future problems and enhance the Custom Work Product. The fees for such maintenance services shall be negotiated between the parties.



12. LIMITATION OF LIABILITY

- A. Disclaimer – EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, ONSHARP DOES NOT MAKE ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES RENDERED HEREUNDER, OR THE CUSTOM WORK PRODUCT, INCLUDING, WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. IN NO EVENT SHALL ONSHARP BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL OR INDIRECT DAMAGES, REGARDLESS OF WHETHER IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- B. Design Specifications – Customer understand that the services to be provided by Onsharp are program coding and/or unit and system testing and/or implementation, all based upon design specifications supplied by Customer. Onsharp is not responsible for the design specifications and makes no representation or warranty as to their adequacy or suitability for any particular purpose.
- C. Total Liability – Onsharp’s liability hereunder for damages for any claim arising out of the Agreement or any services performed hereunder shall not exceed the total amount paid to Onsharp under the applicable Schedule.

13. NOTICES

Notices sent to either party shall be effective upon delivery when delivered in person or transmitted by fax machine (“fax”) or email, and shall be effective one (1) day after being sent by overnight courier, or two (2) days after being sent by first class mail postage prepaid to the address on file at Onsharp, or at such other address as the parties may from time to time give notice:

Onsharp Address
PO Box 1585
Fargo, ND 58107

A fax or email of this Agreement and notices generated in good form by a fax or email (as well as a photocopy thereof) shall be treated as “original” documents admissible into evidence unless a document’s authenticity is genuinely placed in question.

14. COOPERATION WITH OTHER CONTRACTORS

Onsharp shall cooperate with other contractors working on projects for Customer as may reasonably be required in order to execute efficiently projects for Customer.

15. DEFAULT

Either party may be declared in default of this Agreement if it breaches any material provision hereof and fails within thirty (30) days after receipt of written notice of default to correct such default or to commence corrective action reasonably acceptable to the other party and proceed with due diligence to completion. Either party shall be in default hereof if it becomes insolvent, makes an assignment for the benefit of its creditors, a receiver is appointed or a petition in bankruptcy is filed with respect to the party and is not dismissed within 30 days.

16. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of North Dakota.

17. DISPUTE RESOLUTION

Except for certain emergency judicial relief authorized under Section 10 (“Injunctive Relief”) which may be brought at any time, the parties agree that all disputes between them shall first be subject to the procedures under Section 15 (“Default”) and then shall be submitted for informal resolution to Customer’s chief operating officer. If the parties are still unable to reconcile their differences, either party may then take the dispute to arbitration. Any and all disputes arising out of or relating to this Agreement which have not been resolved pursuant to the above



informal resolution procedure shall be finally settled by arbitration conducted in Fargo, North Dakota in accordance with the Commercial Arbitration Rules of the American Arbitration Association by a single arbitrator appointed in accordance with such rules. Judgment upon any award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

18. INDEPENDENT CONTRACTORS STATUS

It is understood and agreed that Onsharp is retained only for the purpose and to the extent set forth in this Agreement, and that the relationship of Onsharp and Onsharp's employees, agents or subcontractors to Customer during the term of this Agreement shall be that of independent contractors. Onsharp shall have the sole and exclusive control over its employees or subcontractors who provide services to Customer hereunder, and over the labor and employee relations policies and policies relating to wages, hours, working conditions or other conditions of its employees, agents or subcontractors. Onsharp shall have the sole and exclusive right to hire, transfer, suspend, layoff, recall, assign, discipline, adjust grievances and discharge said employees or subcontractors.

19. PAYMENT OF ONSHARP PERSONNEL

Onsharp agrees to be solely responsible for all salaries and other compensation of all Onsharp employees, agents or subcontractors who provide services to Customer hereunder and work on designated projects. Onsharp further agrees that it will be solely responsible for making all necessary deductions and withholdings from its employees' salaries and other compensation, and for the payment of any and all contributions, taxes, and assessments and agrees to comply with all other requirements of the Federal Social Security, State Unemployment Compensation and Federal Withholding of Income Tax Laws on all salary and other compensation of said employees or subcontractors.

20. NONEXCLUSIVE AGREEMENT

It is agreed by the parties hereto that this is not an exclusive agreement and that Customer has the right to use or contract for the use of similar services from other contractors or providers. Likewise, Onsharp has the right to provide and contract to provide similar services to other clients.

21. NO VOLUME GUARANTEE

Other than services specified on an applicable Schedule and/or Proposal it is understood that no promises or representations whatsoever have been made as to the potential amount of business Onsharp can expect at any time during the term of this Agreement.

Onsharp represents and warrants that Onsharp is solely responsible for any expenses incurred by it related to this Agreement and agrees that Customer shall not be obligated for any expense incurred by Onsharp in connection with any change in the number of Onsharp's employees utilized, or expenditures made by Onsharp for additional facilities or equipment unless approved in writing in advance by the Customer.

22. CUSTOMER RESPONSIBILITIES

Customer accepts responsibility for the results of the services being provided and agrees to perform the following functions in connection with this Agreement:

- A. Make all management decisions and perform all management functions.
- B. Designate a competent individual to oversee the services.
- C. Evaluate the adequacy and results of the services performed.
- D. Accept responsibility for the results of the services.
- E. Establish and maintain internal controls, including monitoring ongoing activities.



23. SECURITY NO CONFLICTS

Onsharp agrees that Onsharp’s employees, representatives and agents upon entering Customer’s premises shall, if required, sign in at the facility “SIGN-IN LOG” and, if applicable, shall wear visible identification specifying Onsharp’s name. Onsharp employees, representatives and agents shall be subject at all times to Customer’s security policies and procedures.

Each party agrees to inform the other of any information made available to the other that is classified or restricted data, agrees to comply with the security requirements imposed by any state or local government, or by the United States Government, and shall return all such material upon request. Each party warrants that its participation in this Agreement does not create any conflict of interest prohibited by the United States Government or any other domestic or foreign government and shall promptly notify the other party if any such conflict arises during the Term.

24. COMPLIANCE WITH IMMIGRATION LAW

Onsharp shall comply with all applicable immigration laws and regulations with respect to any alien employees assigned to perform services for Customer. Customer agrees to permit Onsharp to post at the worksite any notices required to be so posted under such laws or regulations.

25. RIGHTS UPON TERMINATION

Upon termination or other expiration of this Agreement, Onsharp agrees to immediately return to Customer all papers, materials and other properties of Customer held by Onsharp relating to the services performed hereunder.