

# TERMS OF SERVICE

## Arcane Technologies Inc.

The CLIENT agrees to the following terms of service:

### 1. Services

- 1.1. **Services:** ARCANE agrees to provide CLIENT with information technology services (the “Services”) as described in one or more Statements of Work applicable to the Master Service Agreement.

### 2. Fees; Payment

- 2.1. **Fee Schedule:** Fees for Services provided by ARCANE to the CLIENT are detailed in Statements of Work applicable to the Master Service Agreement.
- 2.2. **Payment Terms:** ARCANE will invoice CLIENT for all fees. All invoices must be paid in full within ten (10) days of invoice date. Unpaid balances beyond thirty (30) days will be subject to interest at the lesser of 1.5% per month or the highest interest rate permitted by law. Interest applied to late payments will be calculated as of the date when such payment is due. Invoice amounts that are due and not paid within 60 days of the invoice date will be considered delinquent and will be subject to reasonable collection costs and attorney’s fees. Attempts to pay by credit card or check that are declined or returned will be subject to a \$25 fee.
- 2.3. **Annual Fees:** Fees for Services provided by ARCANE to the CLIENT on an annual recurring basis will begin on the date ARCANE provides the CLIENT written notification that the Service is available for its use and that date will serve as the annual anniversary date for future billings of the Service. Fees are billed in advance of the Service cycle and due per the Payment Terms.
- 2.4. **Monthly Fees:** Fees for Services provided by ARCANE to the CLIENT on a monthly recurring basis will begin on the date ARCANE provides the CLIENT written notification that the Service is available for its use. Subsequent billing will follow calendar months with invoices generated on the 1<sup>st</sup> of each month. Fees are billed in advance of the service cycle and due per the Payment Terms.
- 2.5. **Hourly Fees:** For any Services offered by ARCANE to the CLIENT on an hourly basis, invoices will be provided to the CLIENT with a description of work performed. Payment of invoices is due per the Payment Terms. If CLIENT has pre-paid for hourly Services, ARCANE may provide detailed reports of work performed instead of invoices.
- 2.6. **One-time Fees:** One-time fees, such as set up fees, administrative fees, service overage fees, and late fees will be invoiced when they are incurred and will be due per the Payment Terms.
- 2.7. **Hardware & Software Fees:** Purchases of hardware, software or other items by ARCANE on the CLIENT’s behalf will be invoiced upon order by ARCANE. Order notification from vendors will be considered valid confirmation of completed order by ARCANE. In some circumstances, with separate written agreement between ARCANE and CLIENT, prepayment or shortened Payment Terms for all or a portion of fees for hardware, software or other items to be purchased by ARCANE on CLIENT’s behalf will be required.
- 2.8. **Taxes:** CLIENT is responsible for paying all foreign, federal, state, and local sale, use, value added, excise duty and any other taxes applicable to Services provided under this agreement. If CLIENT is exempt from any such taxes, CLIENT will provide ARCANE with certification of these exemptions.

### 3. Hours of Operation

- 3.1. **Business Hours:** ARCANE’s Normal Business Hours of Operation are 8:00AM to 5:00PM Eastern Standard Time, Monday through Friday excluding Holidays. These hours constitute a Business Day.
- 3.2. **Non-Business Hours:** Non-Business Hours include 7:00AM to 8:00AM and 5:00PM to 11:00PM Eastern Standard Time, Monday through Friday, and 7:00AM to 11:00PM Saturday and Sunday excluding Holidays.
- 3.3. **Holidays:** ARCANE observes nine (9) Holidays including New Year’s Eve, New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Friday after Thanksgiving Day, Christmas Eve and Christmas Day. Holidays will be observed on the dates posted by the United States Office of Personnel Management.

## 4. Personnel

- 4.1. Because employees are one of our most valuable assets, policy and professional ethics require that our employees not seek employment with, or be offered employment by, any CLIENT during the course of engagement and for period of one (1) year thereafter. Signature on this document confirms your organization's agreement to adhere to this professional standard of conduct.
- 4.2. CLIENT acknowledges that ARCANE is involved in a highly strategic and competitive business. CLIENT further acknowledges that CLIENT would gain substantial benefit and that ARCANE would be deprived of such benefit, if CLIENT were to directly hire any personnel employed by ARCANE. Except as otherwise provided by law, CLIENT shall not, without the prior written consent of ARCANE solicit the employment of ARCANE personnel during the term of this Agreement and for a period of one (1) year following expiration of this Agreement.
- 4.3. CLIENT agrees that damages to ARCANE resulting from breach by CLIENT of this provision would be impracticable and that it would be extremely difficult to ascertain the actual amount of damages. Client further agrees that any violation or breach by client entitles ARCANE, in addition to any other remedies available, to a temporary restraining order, preliminary injunction and/or permanent injunction to restrain the breach. Should ARCANE pursue such, client agrees that no bond shall be required in procuring any such restraining order or injunction.
- 4.4. Outside of the conditions set forth above, and in the event that CLIENT and ARCANE openly discuss and agree to the CLIENT'S direct hire of a representative employed by ARCANE, CLIENT would agree to pay ARCANE an amount equal to one and one-half (1 and 1/2) times said representative's annual burdened employment compensation (gross salary/wage, including benefits).

## 5. Limitations

- 5.1. **LIMITED WARRANTY:** NO WARRANTY, EXPRESS OR IMPLIED, IS MADE BY THE COMPANY REGARDING ANY INFORMATION, SERVICES, OR PRODUCTS PROVIDED BY THE COMPANY AND THE COMPANY HEREBY EXPRESSLY DISCLAIMS ANY AND ALL OTHER WARRANTIES INCLUDING WITHOUT LIMITATION: 1) ANY WARRANTIES AS TO THE AVAILABILITY, ACCURACY, OR CONTENT OF INFORMATION, PRODUCTS, OR SERVICES AND 2) ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THIS WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS. YOU MAY HAVE OTHER RIGHTS, WHICH VARY FROM STATE TO STATE.
- 5.2. **LIMITED LIABILITY:** ANY LIABILITY OF THE COMPANY, INCLUDING WITHOUT LIMITATION ANY LIABILITY FOR DIRECT, INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES CAUSED OR ALLEGEDLY CAUSED BY ANY FAILURE OF PERFORMANCE, ERROR, OMISSION, INTERRUPTION, DELETION, DEFECT, DELAY IN OPERATION OR TRANSMISSION, COMMUNICATIONS LINE FAILURE, THEFT OR DESTRUCTION OF OR UNAUTHORIZED ACCESS TO, ALTERATION OF, OR USE OF RECORDS, WHETHER FOR BREACH OF CONTRACT, TORTUOUS BEHAVIOR, NEGLIGENCE, OR UNDER ANY OTHER CAUSE OF ACTION, WILL BE STRICTLY LIMITED TO THE AMOUNT PAID BY OR ON BEHALF OF THE CLIENT TO THE COMPANY FOR THE CURRENT MONTH. BECAUSE SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES, THE ABOVE LIMITATION MAY NOT APPLY TO YOU.

## 6. Term; Termination

- 6.1. **Term:** CLIENT agrees to month-to-month contract terms for services unless otherwise agreed to in writing. The month-to-month contract for services is automatically renewed each month in perpetuity subject to written cancellation by the CLIENT or ARCANE.
- 6.2. **Termination:** The contract terms of the Master Service Agreement and associated Terms of Service may not be terminated prior to any term detailed in an applicable Statement of Work. If all terms detailed in the applicable Statements of Work have expired or have been terminated in accordance with the Statements of Work, either party, with at least sixty (60) days' notice in writing, may terminate this contract. Upon termination, any unbilled work completed by ARCANE on the CLIENT's behalf prior to the final termination date will become due and payable. Annual, monthly, or other prepaid fees are non-refundable.

## 7. Miscellaneous

- 7.1. **Company Vendors:** CLIENT understands that, for the delivery of some services, ARCANE may employ third party vendors for services including but not limited to additional support, supplemental labor, and wholesale services. ARCANE is responsible for payments to these vendors unless otherwise specified in separate agreement with CLIENT.
- 7.2. **Binding Effect:** This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their heirs, legal representatives, personal representatives, administrators, successors, and permitted assigns, as the case may be.
- 7.3. **Force Majeure:** Neither party will be liable for any delay or failure to perform hereunder due to floods, riots, strikes, freight embargoes, acts of God, acts of war or hostilities of any nature, laws or regulation of any government (whether foreign or domestic, federal, state, county or municipal) or any other similar cause beyond the reasonable control of the party affected. A party relying on such an event to excuse its performance hereunder will, as soon as reasonably possible, notify the other party in writing of the nature of that event and the prospects for that party's future performance and will thereafter, while that event continues, respond promptly and fully in writing to all reasonable requests for information from the other party relating to that event and those prospects.
- 7.4. **Indemnification:** CLIENT hereby agrees to indemnify and defend at its sole expense: Arcane Technologies, Inc. its employees, agents, representatives, directors and shareholders, from and against any and all claims arising out of or based upon CLIENT'S use of all services, software or hardware provided or serviced hereunder, including, but not limited to, claims based on software licensing violations, copyright infringement, trademark infringement and patent infringement and any material considered by Federal, State or local law to be contraband or otherwise illegal. In addition, CLIENT agrees to pay any judgment and costs associated with such claim.
- 7.5. **Waiver:** Any failure of either party to comply with any obligation, covenant, agreement, or condition herein may be expressly waived, but only if such waiver is in writing and signed by the other parties. Any such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement, or conditions shall not operate as a waiver of and/or set precedence with respect to any subsequent and/or other failure.
- 7.6. **Entire Understanding:** This Agreement and the exhibits attached hereto constitute the entire agreement between the parties with respect to the matters contained herein and can be changed only by written instrument executed by the parties' authorized representatives.
- 7.7. **Governing Law:** Notwithstanding the place where this Agreement may be executed by any party, this Agreement, the rights and obligations of the parties, and any claims and disputes relating hereto shall be subject to and governed by the laws of the Commonwealth of Virginia as applied to agreements among Virginia residents to be entered into and performed entirely within the Commonwealth of Virginia, and such laws shall govern all aspects of this Agreement. The parties agree to submit to the personal jurisdiction and venue of the state and federal courts in the Commonwealth of Virginia, in the Judicial Circuit where ARCANE has its principal office, for resolution of all disputes and causes of action arising out of this Agreement, and the parties hereby waive all questions of personal jurisdiction and venue of such courts, including, without limitation, the claim or defense therein that such courts constitute an inconvenient forum.