

FREELANCE SERVICE AGREEMENT

Effective Date: November 1, 2025

Between:

- **Client:** Digital Innovations Corp, a Delaware corporation with principal place of business at 123 Tech Street, San Francisco, CA 94105 ("Client")
- **Contractor:** Jane Smith, an individual doing business as Smith Web Solutions, located at 456 Developer Lane, Austin, TX 78701 ("Contractor")

1. SCOPE OF WORK

1.1 Services

Contractor agrees to provide the following services ("Services"):

- Frontend development using React and TypeScript
- UI/UX design for desktop and mobile responsive layouts
- Database optimization for PostgreSQL
- Monthly maintenance (up to 10 hours per month) for 6 months post-launch

1.2 Deliverables

Contractor will deliver the following tangible work products ("Deliverables"):

Deliverable	Description	Due Date
Design Mockups	High-fidelity designs for 15 pages	December 1, 2025
Phase 1 Code	Core shopping cart functionality	January 15, 2026
Phase 2 Code	Payment integration and user accounts	February 28, 2026
Final Delivery	Complete tested application with documentation	March 31, 2026

1.3 Acceptance Process

Client has **7 business days** from delivery to review each Deliverable. Client may reject for failure to meet specifications in writing with specific deficiencies. Contractor has **5 business days** to cure deficiencies. If not rejected within 7 days, Deliverable is deemed accepted.

1.4 Change Requests

Changes to scope must be requested in writing via email. Contractor will provide time and cost estimate within 3 business days. Changes become effective only upon written approval by both parties.

2. COMPENSATION

2.1 Fees

Total project fee: **\$15,000 USD**, payable as follows:

Milestone	Amount	Due Date
Upon execution of this agreement	\$3,000	November 1, 2025
Acceptance of Design Mockups	\$3,000	Within 7 days of acceptance
Acceptance of Phase 1 Code	\$4,000	Within 7 days of acceptance
Acceptance of Phase 2 Code	\$3,000	Within 7 days of acceptance
Final Delivery acceptance	\$2,000	Within 7 days of acceptance

2.2 Payment Terms

- Invoices are due within **15 business days** of receipt
- Late payments incur **1.5% monthly interest** (18% annually)
- Contractor may suspend work if payment is more than **10 days overdue**
- All payments via bank transfer or check

2.3 Expenses

Out-of-pocket expenses over \$100 require prior written approval. Pre-approved expenses reimbursed within 30 days of submission with receipts.

3. PROJECT TIMELINE

3.1 Start Date

Project commences November 15, 2025.

3.2 Delays

- **Contractor Delays:** If Contractor misses deadline by more than 7 days without valid reason, Client may terminate for cause under Section 8.2.
 - **Client Delays:** If Client delays approval/feedback by more than 10 business days, deadlines extend accordingly.
 - **Force Majeure:** See Section 9.
-

4. INTELLECTUAL PROPERTY RIGHTS

4.1 Ownership Transfer

Upon **full payment** of all fees, Client owns all right, title, and interest in Deliverables, including all copyrights, patents, and other IP rights.

4.2 Pre-Existing Materials

Contractor retains ownership of pre-existing code, libraries, and tools developed before this agreement ("Pre-Existing IP"). Client receives a perpetual, worldwide, royalty-free license to use Pre-Existing IP incorporated into Deliverables.

4.3 Work Made for Hire

To the extent permitted by law, all Deliverables are "works made for hire." If not applicable, Contractor assigns all rights to Client upon full payment.

4.4 Portfolio Rights

Contractor may display Deliverables in portfolio and marketing materials after project launch, unless Client requests confidentiality in writing.

4.5 Third-Party Materials

Contractor warrants all third-party materials are properly licensed. Contractor provides Client with licenses for all third-party components.

5. CONFIDENTIALITY

5.1 Confidential Information

"Confidential Information" means all non-public information disclosed by either party, including business plans, customer data, trade secrets, source code, financial information, and technical specifications.

5.2 Obligations

Receiving party agrees to:

- Not disclose to third parties without written consent
- Use only for purposes of this agreement
- Protect with same care as own confidential information (minimum reasonable care)

5.3 Exclusions

Confidential Information excludes information that:

- Is publicly available through no breach of this agreement
- Was rightfully known prior to disclosure
- Is independently developed without use of Confidential Information
- Must be disclosed by law (with prompt notice to disclosing party)

5.4 Duration

Obligations survive for **3 years** after disclosure or termination, whichever is later.

5.5 Return of Materials

Upon termination or request, receiving party must return or destroy all Confidential Information within 10 business days.

6. REPRESENTATIONS AND WARRANTIES

6.1 Contractor Warranties

Contractor warrants that:

- Services will be performed in a professional, workmanlike manner consistent with industry standards
- Deliverables will be original work or properly licensed
- Deliverables will not infringe any third-party intellectual property rights
- Contractor has authority to enter this agreement
- Warranties survive for **12 months** after final delivery

6.2 Client Warranties

Client warrants that:

- Client has authority to enter this agreement
- Materials provided to Contractor do not infringe third-party rights
- Client will provide timely feedback and approvals

6.3 DISCLAIMER

EXCEPT AS EXPRESSLY STATED, CONTRACTOR PROVIDES SERVICES "AS IS" WITHOUT ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

7. LIMITATION OF LIABILITY

7.1 Liability Cap

EXCEPT FOR BREACHES OF CONFIDENTIALITY OR INDEMNIFICATION OBLIGATIONS, NEITHER PARTY'S TOTAL LIABILITY SHALL EXCEED THE TOTAL FEES PAID OR PAYABLE UNDER THIS AGREEMENT (\$15,000).

7.2 Excluded Damages

NEITHER PARTY IS LIABLE FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES, INCLUDING LOST PROFITS, LOST REVENUE, OR LOST DATA, EVEN IF ADVISED OF THE POSSIBILITY.

7.3 Exceptions

Liability limitations do not apply to:

- Gross negligence or willful misconduct
 - Fraud
 - Breaches of confidentiality
 - Indemnification obligations
 - Violations of law that cannot be limited by contract
-

8. INDEMNIFICATION

8.1 By Contractor

Contractor will defend, indemnify, and hold harmless Client from third-party claims that Deliverables infringe intellectual property rights, provided Client:

- Promptly notifies Contractor of claim
- Gives Contractor sole control of defense and settlement
- Provides reasonable cooperation

8.2 By Client

Client will defend, indemnify, and hold harmless Contractor from claims arising from Client's materials, business operations, or use of Deliverables outside scope of agreement.

8.3 Exclusive Remedy

This indemnification is the exclusive remedy for IP infringement claims.

9. TERMINATION

9.1 Termination for Convenience

Either party may terminate without cause by providing **30 days written notice**. Upon such termination:

- Client pays for all work completed and accepted through termination date, pro-rated
- Contractor delivers all work-in-progress in current state
- Rights to completed work transfer per Section 4 upon payment

9.2 Termination for Cause

Either party may terminate immediately upon written notice if other party:

- Materially breaches this agreement and fails to cure within **15 days** of written notice
- Becomes insolvent or files for bankruptcy
- Ceases business operations

Upon termination for cause:

- **If Client breaches:** Client pays all amounts due plus reasonable costs to wind down
- **If Contractor breaches:** Contractor refunds unearned fees; Client retains all work completed

9.3 Effect of Termination

Upon any termination:

- Sections 4-7 and 9-12 survive termination
 - Each party returns or destroys Confidential Information
 - Contractor provides transition assistance (up to 10 hours at standard rate) if requested
-

10. INDEPENDENT CONTRACTOR STATUS

10.1 Relationship

Contractor is an independent contractor, not an employee, partner, or agent of Client.

10.2 Responsibilities

Contractor is responsible for:

- All taxes (income, self-employment, sales)
- Own insurance (liability, workers comp, health)
- Business expenses and equipment
- Work schedule and methods (subject to meeting deadlines)

10.3 Other Clients

Contractor may serve other clients, provided such work does not:

- Conflict with obligations to Client
- Involve competing products/services during term
- Use Client's Confidential Information

11. GENERAL PROVISIONS

11.1 Governing Law

This agreement is governed by the laws of the **State of California**, without regard to conflict of law principles.

11.2 Dispute Resolution

- **Informal Resolution:** Parties will first attempt good-faith negotiation for 30 days
- **Mediation:** If unresolved, parties will mediate with JAMS or similar service in San Francisco, CA
- **Arbitration:** If mediation fails, binding arbitration under JAMS rules in San Francisco, CA
- **Court:** Either party may seek injunctive relief in court for breaches of Sections 4 or 5

11.3 Attorney Fees

Prevailing party in dispute recovers reasonable attorney fees and costs.

11.4 Insurance

Contractor will maintain professional liability insurance of at least \$1,000,000 per occurrence during term and for 2 years after.

11.5 Force Majeure

Neither party is liable for delays caused by events beyond reasonable control (natural disasters, war, pandemic, government action), provided the affected party:

- Notifies other party within 5 days
- Uses reasonable efforts to mitigate
- Resumes performance when possible

If force majeure exceeds 60 days, either party may terminate under Section 9.1.

11.6 Notices

All notices must be in writing via:

- Email (with read receipt): /
- Certified mail to addresses above

Notices are effective upon receipt.

11.7 Entire Agreement

This agreement constitutes the entire understanding and supersedes all prior agreements, whether written or oral.

11.8 Amendments

Amendments must be in writing and signed by both parties. Electronic signatures are valid.

11.9 Assignment

Neither party may assign this agreement without written consent, except Client may assign to a successor in connection with merger or acquisition.

11.10 Severability

If any provision is unenforceable, it will be modified to be enforceable while preserving intent. Other provisions remain in effect.

11.11 Waiver

Failure to enforce any right does not waive that right. Waivers must be in writing.

11.12 Counterparts

This agreement may be executed in counterparts, each an original, together constituting one agreement.

12. SIGNATURES

CLIENT: Digital Innovations Corp

Signature: _____

Name: Robert Chen

Title: Chief Technology Officer

Date: _____

CONTRACTOR: Jane Smith dba Smith Web Solutions

Signature: _____

Name: Jane Smith

Date: _____

EXHIBITS

Exhibit A: Technical Specifications

[Detailed technical requirements, wireframes, design specs]

Exhibit B: Service Level Agreement

[Maintenance response times, uptime guarantees if applicable]