



INDEPENDENT CONTRACTOR AGREEMENT

This Independent Contractor Agreement (this **"Agreement"**) is made and entered into this _____ date of _____, 2013 (the **"Effective Date"**) by and between Blue Label Solutions, LLC, a Washington Limited Liability Company (**"Blue Label"** or **"Company"**) and Bruce Morrison, an individual (**"Consultant"**) (Company and Consultant collectively referred to as the **"Parties"** or each individually as a **"Party"**).

RECITALS

WHEREAS, Company and is engaged in the business of software application development, including technical consulting services, software development and maintenance;

WHEREAS, Company has entered into a certain software development agreement with Customer Service Technology (the **"Client"**), by which Company shall develop for Client a certain software application;

WHEREAS, Company wishes to engage Consultant as an independent contractor for the Company for the purpose of providing design and program management services in an effort to define and produce the user experience (UX) and user interface (UI), as well as, manage the development of a certain software application, as described herein;

WHEREAS, Consultant represents that he has the skills and experience necessary to provide Company with the services described herein; and

WHEREAS, Consultant wishes to provide the services described herein in accordance with the terms of this Agreement;

NOW, THEREFORE, in consideration of the mutual premises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. **Scope of Services and Consultant Responsibilities.**

1.1 **Designer.** Consultant agrees to provide design services (the **"Services"**) to Company with the goal of defining and producing all of the design resources that comprise the user experience and user interface of the **"Software"**, as that term is defined in the Statement of Work between Company and Client dated **February 11, 2014** (the

“Statement of Work”) and attached hereto as Schedule A. In performance of the Services, Consultant’s duties shall include but not be limited to:

- 1.1.1 Managing communication with Client and Company regarding the overall status of the design of the project, including addressing Client questions or concerns and requesting additional information from Client as necessary;
- 1.1.2 Creating a user story (the **“User Story”**) for the project as necessary, which shall include user paths that outline the user’s navigation through the screens of the app based on user scenarios that meet all the requirements of the Software and serve as a blueprint that will be used in the creation of the design resources of the Software;
- 1.1.3 Creating wireframes (the **“Wireframes”**), which shall serve as a blueprint of the Software’s user interface and include all the requirements of and functionality of the Software;
- 1.1.4 Creating final design resources (the **“Final Design Resources”**), which shall take the form of a well organized, layered Photoshop file representing the final UI design of the Software and shall be used by the development team in the development of the Software;
- 1.1.5 Providing screenshots (the **“Screenshots”**) from the wireframes and final design resources as necessary for review with the Client and Company, and at the request of the Company to support the creation of the functional specification of the Software to be created by the Company;
- 1.1.6 Creating a logo (the **“Logo”**) and app icon (the **“App Icon”**) as necessary to the required specifications required for the Software;
- 1.1.7 Performing usability testing (**“Usability Testing”**) of all full and partial manifestations of the Software created by the development team (each, a **“Build”**), including ensuring that the final version of the Software is validated to meet the user experience and user interface design set forth by the Consultant in the duties described in Section 1.1 prior to its release; and
- 1.1.8 Performing the same or similar duties during the Warranty Period (as defined in Section 2), including client communication, updating final design resources, and usability testing of Builds.

1.2 **Program Manager.** Consultant agrees to provide program management services (the **“Services”**) to Company with the goal of directing and managing the development of the **“Software”**, as that term is defined in the Statement of Work between Company and Client dated February 11, 2014 (the **“Statement of Work”**) and attached hereto as Schedule A. In performance of the Services, Consultant’s duties shall include but not be limited to:

- 1.2.1 Managing all communication with Client regarding the overall status of the project, including addressing Client questions or concerns and requesting additional information from Client as necessary;
- 1.2.2 Creating a development schedule (the “**Development Schedule**”) for the project including specific project tasks, assignment of ownership of those tasks, and deadlines for completion;
- 1.2.3 Coordinating the efforts of the designers, development teams, principals of the Company, and any other relevant parties to ensure timely execution of the Development Schedule;
- 1.2.4 Writing and managing the functional specification of the Software, which functional specification shall serve as a blueprint that the development team will use in development of the Software and will contain a complete description of the functionality of the Software;
- 1.2.5 Managing the release process by which the Software will be published to the Apple iTunes Store, including creating the iTunes Store listing for the Software, uploading screenshots, writing and uploading a description of the Software, and any other steps necessary to facilitate the release process;
- 1.2.6 Triaging incoming bugs on the Company’s bug database and coordinating with the development team to ensure timely repairs;
- 1.2.7 Performing testing and quality assurance of all full and partial manifestations of the Software created by the development team (each, a “**Build**”), including ensuring that the final version of the Software is thoroughly tested and validated prior to its release;
- 1.2.8 Distribute intermediate Builds provided by the development team to both the Client and the principals of the Company; and
- 1.2.9 Performing the same or similar duties during the Warranty Period (as defined in Section 2), including client communication, testing, validation and release of Builds.

1.3 Time Requirements; Reporting Requirements. Consultant shall devote as much of his/her time, energy and abilities necessary to perform the Services in a timely and productive manner throughout the Term (as defined in Section 2), including during the Warranty Period (as defined in Section 2). Company and Consultant anticipate that the performance of the Services shall require an average of ten to fifteen (10-15) hours per week (the “**Average Hours**”). Consultant understands and acknowledges that the Average Hours are an estimate and that an individual week may require more or less hours. Nothing in this Section 1.3 shall be construed to prevent Consultant from spending more than the Average Hours on performance of the Services or his/her duties under this Agreement; nor shall anything in this Section 1.2 be construed to limit the

total number of hours that may be required for adequate performance of the Services. Consultant agrees to take notes and keep a detailed log of his/her hours and activities expended in performance of the Services and to provide a copy of that log to Company on Company's request.

1.4 Nature of Relationship, Taxes. Consultant enters into this Agreement as, and shall continue to be, an independent contractor, and under no circumstances shall Company be construed to be Consultant's employer, partner, agent or principal. All services shall be performed only by Consultant and Consultant's employees. Consultant understands and acknowledges that as an independent contractor Consultant is not entitled to any benefits accorded to Company's employees, including without limitation worker's compensation, disability insurance, health insurance, vacation or sick pay. Consultant shall be solely responsible for and agrees to pay all applicable Federal, State and Local income taxes, self-employment taxes, and/or license fees which may be due as a result of his/her activities under this Agreement.

1.5 Indemnification of Company by Consultant. The Company has entered into this Agreement in reliance on information provided by the Consultant, including the Consultant's express representation that Consultant is an independent contractor and in compliance with all applicable laws related to work as an independent contractor. If any regulatory body or court of competent jurisdiction finds that the Consultant is not an independent contractor and/or is not in compliance with applicable laws related to work as an independent contractor, the Consultant shall assume full responsibility and liability for all taxes, assessments, and penalties imposed against the Consultant and/or the Company resulting from such contrary interpretation, including but not limited to taxes, assessments, and penalties that would have been deducted from the Consultant's earnings had the Consultant been on the Company's payroll and employed as an employee of the Company.

1.6 Warranty against Prior Restrictions. Consultant warrants and represents to Company that he is under no contractual or other restrictions or obligations that are inconsistent with the execution of this Agreement or with the performance of Consultant's duties hereunder, or that will interfere with the performance of his/her duties hereunder. Consultant represents and warrants that the execution and performance of this Agreement will not violate any policies or procedures of any other person or entity for which Consultant performs services concurrently with those performed herein.

1.7 Compliance with Laws. In performance of the Services, Consultant shall at all times comply to the best of his/her abilities with all business conduct, regulatory and health and safety guidelines established by the Company, and with all relevant laws, rules or regulations established by any relevant governmental authority.

2. **Term.** This Agreement shall govern the period beginning March 29, 2014 and ending upon the later of (i) the date that is thirty (30) days after **“Completion”** (as that term is defined in the Statement of Work) (the **“Warranty Period”**), or (ii) all deficiencies in the Software reported by Client during the Warranty Period have been remedied and repaired such that the Software is functioning properly and substantially according to the specifications set forth in the Statement of Work (the **“Term”**).

3. **Compensation.**

3.1 **Flat Fee.** In consideration for the Services, Company shall pay to Consultant a flat fee of seven thousand U.S. Dollars (\$7,000.00) (the **“Flat Fee”**), payable as follows (each of items (i) – (iii), below, a **“Fee Installment”**):

- (i) Fifty percent (50%) of the Flat Fee (or three thousand, four hundred fifty U.S. Dollars (\$3,500.00)), payable upon execution of this Agreement;
- (ii) Twenty-five percent (25%) of the Flat Fee (or one thousand, seven hundred and fifty U.S. Dollars (\$1,750.00)), payable upon successful achievement of the **“Final Development Milestone”** (as that term is defined in the Statement of Work);
- (iii) Twenty-five percent (25%) of the Flat Fee (or one thousand, seven hundred and fifty U.S. Dollars (\$1,750.00)), payable upon the expiration of the Term (provided that all Equipment has been returned to Company in good and workable order).

3.2 **Equipment.** Company may, in its discretion, provide Consultant with certain equipment or devices for use in performance of the Services (such as a mobile phone for use in testing the Software) (the **“Equipment”**). Consultant understands and acknowledges that all Equipment is and shall remain the property of Company, and is being loaned to Consultant on a temporary basis, and must be returned to Company upon expiration of the Term or upon earlier termination pursuant to Section 6. Consultant shall be responsible for ensuring that all Equipment is kept in good and working order. If at any time during the Term or thereafter Consultant misplaces damages the Equipment, Consultant shall be responsible for the cost of all repairs and/or replacement, up to the full replacement value of the Equipment. In the event that such repairs or replacement are necessary, the cost shall be deducted from the next Fee Installment.

3.3 **Expenses.** Company shall reimburse Consultant for reasonable out-of-pocket expenses Consultant incurs in performance of the Services contemplated by this Agreement, provided that all expenses in excess of one hundred U.S. dollars (\$100.00) shall require prior approval by Company, and provided further that Consultant shall have the burden

of providing receipts and other documentation of the expenses to Company. Company may, in its sole discretion, decline to reimburse an expense that it does not believe was sufficiently related to Consultant's provision of the Services. Company shall make reimbursement payments to Consultant on a monthly basis, on the same date that the Fee Installment is paid, provided that Consultant has provided adequate documentation not later than three (3) business days prior to initiation of such Fee Installment.

4. Confidentiality.

4.1 **Confidential Information.** Consultant understands and acknowledges that during the Term and over the course of the relationship between the Parties, Consultant will obtain access to certain "**Confidential Information**" regarding the business affairs of Company or its affiliates, including without limitation information relating to discoveries, developments, designs, improvements, inventions, formulas, software programs, processes, techniques, know-how, data, research techniques, customer and supplier lists, marketing, sales or other financial or business information, analyses of the market, any and all derivatives, improvements and enhancements to any of the above, and other proprietary information of a similar nature. Confidential Information shall not include any information which (a) at the time of disclosure, is in the public domain through no fault of Consultant; (b) Consultant can show was in its possession at the time of disclosure or is independently derived or developed by Consultant, and was not acquired, directly or indirectly, from Company; or (c) was received by Consultant from a third party having the legal right to transmit the same. Consultant understands, acknowledges and agrees that all such Confidential Information is special, unique and an asset owned solely by Company.

4.2 **Covenant of Non-Disclosure.** Consultant hereby agrees to act as a trustee of all Confidential Information acquired in the course of the relationship between the Parties. During the Term and for a period of eighteen (18) months thereafter, Consultant shall not disclose any Confidential Information, directly or indirectly, or use any Confidential Information in any manner, except as required in performance of the Services and in furtherance of Consultant's obligations hereunder.

4.3 **Duty of Removal and Disposal.** Upon expiration of the Term or upon earlier termination of this Agreement for any reason, Consultant shall not retain any copies of Confidential Information (even if prepared by Consultant in the course of performance of the Services) and Consultant shall properly return any such copies of Confidential Information to Company. Additionally, at such time Consultant shall remove and delete all Confidential Information from any and all personal electronic devices, including but not limited to all documents, Builds, and source code related to the Software.

5. **Assignment of Ownership.** Consultant hereby assigns to Company, for no additional consideration, all of Consultant's rights, title, and interest in and to all deliverables and other works prepared by the Consultant under this Agreement, including but not limited to all copyrights, patent rights, trade secrets and trademarks. Consultant shall promptly sign and deliver any documents and take any actions that Company reasonably requests to establish and perfect the rights assigned to Company under this Section 5.

6. **Termination.**

5.1 **By Company.** Company may terminate this Agreement at any time and for any reason by notifying Consultant, in writing, of Company's desire to terminate (a "**Company Termination**"). Within ten (10) business days following a Company Termination, Company shall pay Consultant the upcoming Fee Installment, pro-rated to the number of days from the last Fee Installment until the date of the Company Termination;

5.2 **By Consultant.** Consultant may terminate this Agreement at any time and for any reason by notifying Company, in writing, of Consultant's desire to terminate (a "**Consultant Termination**"). In the event of a Consultant Termination, Consultant will receive no further compensation and will forgo any rights to upcoming Fee Installments.

5.3 **Duties upon Termination.** Within three (3) business days following either a Company Termination or a Consultant Termination, Consultant must (i) return all Equipment to Company in good, working order, and (ii) comply with the provisions of Section 4 of this Agreement.

7. **General Provisions.**

6.1 **Mediation, Arbitration.** If a dispute arises under this Agreement, the Parties agree to first try to resolve the dispute with the help of a mutually agreed-upon mediator located in King County, Washington. Either Party may, where possible, participate in mediation remotely provided, however, that such remote participation does not cause unreasonable inconvenience or expense to the other Party or to the mediator. Any costs and fees other than attorney fees associated with the mediation shall be shared equally between the parties.

If it proves impossible to arrive at a mutually satisfactory solution through mediation, the Parties agree to submit the dispute to binding arbitration in King County, Washington under the rules of the American Arbitration Association. Judgment upon the award rendered by the arbitrator may be entered in any court with jurisdiction to do so. On the written request of either Party for arbitration of such a claim pursuant to this

paragraph, the Parties shall both be deemed to have waived the right to litigate the claim in any federal or state court. To the extent that any claim or controversy arising out of this Agreement cannot be submitted to arbitration as set forth above, each Party hereby agrees that any suit, action or proceeding with respect to this Agreement and any transactions relating hereto, shall be brought in the State of Washington, County of King, and each of the Parties hereby irrevocably consents and submits to the jurisdiction of such Court(s) for the purpose of any such suit, action or proceeding. Each of the Parties hereby waives and agrees not to assert, by way of motion, as a defense or otherwise, in any such suit, action or proceeding, any claim that it (he) is not personally subject to the jurisdiction of such Court and, to the extent permitted by applicable law, any claim that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper or that this Agreement or any replacements hereof may not be enforced by such Court(s).

6.2 Choice of Law. This Agreement and its application shall be governed by the laws of the State of Washington.

6.3 Notices; Written Communication. Whenever in this Agreement one Party is required to give notice to the other party, such notice may be given personally, by first class mail registered or certified, postage prepaid, or by electronic means including facsimile or electronic-mail. Electronic communications shall be considered “written” communications for purposes of this Agreement.

6.4 Headings. All headings and subheadings in this Agreement are for convenience only and shall not be deemed a part of this Agreement.

6.5 Severability. If any provision of this Agreement is found invalid or unenforceable, the remainder of the Agreement shall be interpreted so as best to reasonably effect the intent of the Parties.

6.6 Entire Agreement. This Agreement, including all Schedules and Exhibits attached hereto, constitutes the entire understanding and agreement of the Parties with respect to its subject matter and supersedes all prior and contemporaneous agreements or understandings, inducements or conditions, express or implied, written or oral, between the Parties.

6.7 Agency. Consultant is not Company’s agent or representative and has no authority bind or commit Company to any agreements or other obligations.

6.8 Amendments and Waivers. Any term or provision of this Agreement may be amended, and the observance of any term of this Agreement may be waived, only by a writing

signed by the Party to be bound. The waiver by a Party of any breach of default in performance shall not be deemed to constitute a waiver of any other or succeeding breach or default. The failure of any Party to enforce any of the provisions hereof shall not be construed to be a waiver of the right of such Party thereafter to enforce such provisions.

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IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

BLUE LABEL SOLUTIONS, LLC

By: _____

Its: Manager

CONSULTANT

Name: Bruce Morrison

SCHEDULE A

Statement of Work