
SERVICE AGREEMENT

This Service Agreement ("Agreement") is made and entered into as of **January 15, 2024**, by and between **Acme Technologies, Inc.**, a Delaware corporation with its principal office at 123 Innovation Way, San Francisco, CA 94105 ("Service Provider"), and **Bright Future Corp**, a Texas limited liability company with its principal office at 789 Commerce Ave, Austin, TX 78701 ("Client").**

WHEREAS

1. The Client requires consulting and implementation services for its IT and digital transformation initiatives.
2. The Service Provider has expertise in providing such services and agrees to support the Client as per the terms outlined below.

The parties agree as follows:

1. SCOPE OF SERVICES

1.1 Service Description

The Service Provider agrees to provide the following services to the Client (collectively referred to as "Services"):

- **Software License:**
 - License for proprietary software enabling data management and workflow automation.
 - Value: \$75,000
 - Recognition: Rateable over the contract term (36 months).
- **Implementation Services:**
 - Includes system setup, customization, and data integration.
 - Value: \$50,000
 - Recognition: Milestone-based, recognized over the first 6 months.
- **Training Services:**
 - Comprehensive training sessions and training documentation for end-users.
 - Value: \$25,000
 - Recognition: Rateable over 12 months.

1.2 Deliverables

- **Quarterly Progress Reports** detailing work completed and any issues encountered.
 - **Software User Manuals** provided at the time of software installation.
 - **Training Documentation** provided with each training session.
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2. TERM AND TERMINATION

2.1 Agreement Duration

This Agreement shall commence on **January 15, 2024**, and continue until **January 15, 2027** (36 months), unless terminated earlier per the provisions of this Agreement.

2.2 Termination for Cause

Either party may terminate this Agreement with **30 days' written notice** if the other party is in material breach and fails to remedy the breach within the notice period.

2.3 Termination for Convenience

The Client may terminate this Agreement at any time with **90 days' written notice**. The Service Provider will be compensated for all work completed up to the termination date.

3. FEES AND PAYMENT TERMS

3.1 Total Contract Value

The total value of this Agreement is **\$150,000**.

3.2 Revenue Schedule

Revenue from each phase is recognized according to the following schedule:

Period	License	Implementation	Training	Total
Q1 2024	\$6,250	\$25,000	\$0	\$31,250
Q2 2024	\$6,250	\$25,000	\$10,000	\$41,250
Q3 2024	\$6,250	\$0	\$15,000	\$21,250
Q4 2024	\$6,250	\$0	\$0	\$6,250

3.3 Payment Schedule

Invoices are issued as follows:

- **Q1 2024**
 - Invoice issued on March 31, 2024, for \$31,250 (Phase 1 completion + quarterly license + training)
- **Q2 2024**
 - Invoice issued on June 30, 2024, for \$41,250 (Implementation milestone, quarterly license + training)
- **Q3 2024**
 - Invoice issued on September 30, 2024, for \$21,250 (quarterly license + training)
- **Q4 2024**
 - Invoice issued on December 31, 2024, for \$6,250 (quarterly license)

3.4 Expenses

The Client agrees to reimburse the Service Provider for any pre-approved out-of-pocket expenses related to this project, such as travel and materials. All expenses will be itemized and invoiced monthly.

3.5 Late Payment

Invoices not paid within **30 days** will incur a **1.5% late fee** per month until paid.

4. PERFORMANCE OBLIGATIONS

The performance obligations under this Agreement are outlined as follows:

- **Software License**
 - **Value:** \$75,000
 - **Recognition:** Rateable across the 36-month term
 - **Implementation Services**
 - **Value:** \$50,000
 - **Recognition:** Milestone-based over the first 6 months (Q1 and Q2 2024)
 - **Training Services**
 - **Value:** \$25,000
 - **Recognition:** Rateable over 12 months (Q2 - Q4 2024)
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5. PAYMENT AND REVENUE FORECAST

- **Total Contract Value:** \$150,000
 - **Recognized Revenue (as of March 31, 2024):** \$19,166
(12.8% of Total Contract Value)
 - **Remaining Revenue:** \$130,834 over remaining months.
 - **Contract Period:** 36 Months (January 2024 - January 2027)
 - **Next Revenue Recognition:** \$12,500 (due April 2024)
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6. COMPLIANCE AND CONTRACTUAL TERMS

6.1 Intellectual Property Rights

- **Client-Owned Materials:** Any proprietary information provided by the Client remains the Client's property.
- **Deliverables Ownership:** The Client will own all deliverables created under this Agreement once all payments have been made.
- **Service Provider Tools:** The Service Provider retains ownership of any pre-existing methodologies, software, or tools used in providing the Services.

6.2 Confidentiality

Both parties agree to maintain confidentiality of all information disclosed under this Agreement. This obligation continues for **3 years** after termination.

6.3 Liability and Indemnification

- **Service Provider Indemnification:** The Service Provider agrees to indemnify the Client for losses arising from negligence or misconduct.

- **Client Indemnification:** The Client indemnifies the Service Provider for any misuse of deliverables or non-compliance with applicable regulations.
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7. TERMINATION CLAUSES

7.1 Termination for Convenience

The Client may terminate at any time with **90 days' written notice**.

7.2 Termination for Cause

Either party may terminate with **30 days' written notice** in case of a material breach.

8. GOVERNING LAW AND DISPUTE RESOLUTION

8.1 Governing Law

This Agreement will be governed by the laws of **California**.

8.2 Dispute Resolution

In the event of a dispute, the parties agree to attempt mediation first. If mediation fails, the dispute will be resolved in **San Francisco County, California** courts.

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

Service Provider

Acme Technologies, Inc.

By: _____

Name: Jane Doe

Title: CEO

Date: January 15, 2024

Client

Bright Future Corp

By: _____

Name: John Smith

Title: COO

Date: January 15, 2024