

Title: Software Development Agreement

This Agreement (the "Agreement") is entered into on January 1, 2024 by and between:

Client: TechCorp Solutions, 123 Business Avenue, Suite 456, TechCity, TX 75001

Service Provider: CodeCrafters Inc., 789 Development Drive, Suite 101, DevTown, CA 90210

Project Name: Customer Management Software (CMS) Development

Agreement Number: SDA2024-TC001

## 1. Scope of Work

### Project Description:

CodeCrafters Inc. agrees to design, develop, and deliver a custom Customer Management Software (CMS) for TechCorp Solutions, as described in Exhibit A: Project Scope.

### Deliverables:

Functional requirements document

Complete source code and compiled software

End-user training and documentation

### Change Management:

Any changes to the scope of work must be approved in writing by both parties. Approved changes may affect the project timeline and cost.

## 2. Project Timeline and Milestones

Start Date: January 1, 2024

End Date: June 30, 2024

### Milestone Schedule:

Milestone 1: Requirements gathering and design document delivery by January 31, 2024.

Milestone 2: Delivery of the first prototype by March 15, 2024.

Milestone 3: Final software delivery and deployment by June 30, 2024.

Delay Penalties:

CodeCrafters Inc. will deduct 2% of the total project fee for each week of delay beyond the agreed milestone dates, unless delays are caused by TechCorp Solutions.

### 3. Payment Terms

Total Cost: \$150,000

Payment Schedule:

30% (\$45,000) upon signing this Agreement.

40% (\$60,000) upon delivery of the first prototype.

30% (\$45,000) upon final acceptance of the software.

Late Payment Penalties: TechCorp Solutions will incur a 1.5% monthly fee for payments not made within 15 days of the due date.

### 4. Intellectual Property Rights

Ownership:

TechCorp Solutions will own all intellectual property rights to the software, including source code, documentation, and related materials, upon full payment.

Licenses:

CodeCrafters Inc. retains the right to reuse general-purpose code and tools that do not specifically pertain to the custom software.

Third-Party Components:

CodeCrafters Inc. will notify TechCorp Solutions of any third-party software or libraries used in the project and ensure proper licensing.

## 5. Confidentiality

Both parties agree to maintain strict confidentiality regarding proprietary and sensitive information, including but not limited to:

Business strategies

Technical specifications

Client and customer data

This confidentiality obligation will remain in effect for 5 years after the termination of this Agreement.

## 6. Warranties and Liability

Warranties:

The software will perform as outlined in the specifications for a period of 90 days after deployment.

CodeCrafters Inc. will fix any bugs or defects reported within this warranty period at no additional cost.

Liability Limitations:

CodeCrafters Inc.'s total liability shall not exceed the amount paid under this Agreement.

Neither party shall be liable for consequential, incidental, or indirect damages.

## 7. Termination Clause

Termination by the Client:

TechCorp Solutions may terminate the Agreement with 30 days' written notice if CodeCrafters Inc. fails to meet critical milestones.

Termination by the Service Provider:

CodeCrafters Inc. may terminate the Agreement with 30 days' written notice if payments are overdue by more than 60 days.

Effect of Termination:

All completed work will be delivered to TechCorp Solutions upon termination.

Payments for completed milestones will be retained by CodeCrafters Inc.

#### 8. Dispute Resolution

Negotiation: Both parties agree to resolve disputes through good-faith negotiations.

Arbitration: If disputes remain unresolved, they will be submitted to binding arbitration under the rules of the American Arbitration Association.

Jurisdiction: This Agreement will be governed by the laws of the State of Texas.

#### 9. Force Majeure

Neither party shall be liable for delays or failure to perform due to unforeseen circumstances beyond their control, such as natural disasters, strikes, or government restrictions.

#### 10. Amendments

This Agreement may only be amended in writing and signed by both parties.

#### Signatures

Client: TechCorp Solutions

Signature: \_\_\_\_\_

Name: Michael Johnson

Title: CEO

Date: \_\_\_\_\_

Service Provider: CodeCrafters Inc.

Signature: \_\_\_\_\_

Name: Sarah Lee

Title: Managing Director

Date: \_\_\_\_\_