

**Acorn Technologies, Inc.  
Annual Service Agreement**

This Agreement is made as of \_\_\_\_\_, \_\_\_\_\_ between Acorn Technologies, Inc ("Consultant") and \_\_\_\_\_ ("Client").

1. Term of Agreement. This Agreement for Consulting Services is for the Period \_\_\_\_\_ to \_\_\_\_\_. This agreement may be extended by execution of an extension by both parties. Either party may cancel this agreement upon thirty (30) days written notice.

2. Early Termination. Client recognizes that the preferred rate defined in this Service Agreement is contingent upon the purchase of a specified number of labor hours. In the event that Client terminates this Agreement, for any reason other than failure to perform the services outlined herein, before the Client has purchased the number of hours agreed upon, Client agrees to pay an early termination fee of \$ 200.

3. Complete Agreement. This Agreement contains the entire Agreement between the parties hereto with respect to the matters covered herein. No other Agreements, representations, warranties, or other matters, oral or written, purportedly agreed to or represented by or on behalf of Acorn Technologies, Inc. by any of its employees or agents, or contained in any sales material or brochures, shall be deemed to bind the parties hereto with respect to the subject matter hereof. Client acknowledges that it is entering into this Agreement solely on the basis of the representation contained herein.

4. In the event of a conflict in the provisions of any attachments hereto and the provisions set forth in this Agreement, the provisions of such attachments shall govern.

5. Jurisdiction. The enforcement of this agreement shall be governed by the laws of the State of GEORGIA.

6. If the scope of any of the provisions of the Agreement is too broad in any respect whatsoever to permit enforcement to its full extent, then such provisions shall be enforced to the maximum extent permitted by law, and the parties hereto consent and agree that such scope may be judicially modified accordingly and that the whole of such provisions of this Agreement shall not thereby fail, but that the scope of such provisions shall be curtailed only to the extent necessary to conform to law.

7. Dispute Resolution. Any disputes that arise between the parties with respect to the performance of this agreement shall be submitted to binding arbitration by the American Arbitration Association, to be determined and resolved by said association under its rules and procedures in effect at the time of submission and the parties hereby agree to share equally in the costs of said arbitration.

The final arbitration decision shall be enforceable through the courts of the state of \_\_\_\_\_  
GEORGIA. In the event that this arbitration provision is held unenforceable by any court of competent jurisdiction, then this contract shall be binding and enforceable as if this section were not a part hereof.

8. Notices.

(i) Notices to Consultant should be sent to:

Acorn Technologies, Inc

1415 Hwy 85 North

Suite 310-197

Fayetteville, GA 30214

(ii) Notices to Client should be sent to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. Services Provided. Consultant will provide the following Services under this agreement:

Item a. Consultant agrees to provide consulting services related to computer hardware, software, network configuration, operating systems and networks, database development, programming, and other similar work. Such work will be done on behalf of Client and will be performed at a location or locations to be determined by Consultant. For example, services might include installing and configuring Windows operating systems, Internet servers, and associated software.

Item b. Regular Consulting Hours

Regular Consulting Hours shall consist of any time Consultant works for Client during regular business hours. Regular business hours are defined as 8:00 AM to 5:00 PM Monday through Friday excluding national holidays.

Item c. Extended Consulting Hours

Extended Consulting Hours shall consist of any hours worked by Consultant outside of the period defined as "Regular" Consulting Hours. This includes weekends, the period 5:00 PM to 8:00 AM during weekdays, and all holidays.

10. Additional Work. After receipt of an order that adds to the Services, Consultant may take reasonable action and expend reasonable amounts of time and money based on such order. Client agrees to pay Consultant for such action and expenditure as set forth in the Agreement.

11. Cost of Services.

All General Consulting Hours, as defined in this Agreement will be provided at a rate of \_\_\_\_\_ dollars (\$ \_\_\_\_\_) per hour.

All Extended Consulting Hours, as defined in this Agreement will be provided at a rate of \_\_\_\_\_ dollars (\$ \_\_\_\_\_) per hour.

12. Confidential Information. Each Party hereto ("Such Party") shall hold in trust for the other Party ("Such Other Party"), and shall not disclose to any non-party to the Agreement, any confidential information of Such Other Party. Confidential information is information which relates to Such Other Party's research, development, trade secrets, or business affairs, but does not include information which is generally known or easily ascertainable by nonparties of ordinary skill in computer design, programming, networking, information technology, or the specific business interests of either Party.

13. Staff. Consultant is an independent Contractor and Consultant is not employed by Client. Consultant is hereby contracting with Client for the services described in this Agreement and Consultant reserves the right to determine the method, manner, and means by which the services will be performed. Consultant is not required to perform the services during a fixed hourly or daily time.

Consultant shall not be required to devote his full time to the performance of the services required hereunder, and it is acknowledged that Consultant has other clients and offers services to the general public. The order or sequence in which the work is to be performed shall be under the control of the Consultant. Client shall not provide any insurance coverage of any kind for the Consultant, and Client will not withhold any amount that would normally be withheld from an employee's pay.

14. Non-Solicitation of Employees. During the term of this agreement and for a period of twelve (12) months thereafter, Client agrees not to solicit, recruit, or employ any employee of Consultant without the prior written consent of the President or Chief Executive Officer of Consultant. Consultant hereby agrees that it will not solicit, hire, or retain, in any capacity whatsoever any of Client's employees without written consent from Client.

15. Drug Free Workplace Certification. Consultant agrees to comply with the provisions of the Georgia Drug-Free Workforce Act (O.C.G.A. §34-9-410 et seq.) regarding maintenance of a Drug-Free Workplace. Consultant agrees to notify its employees that they are prohibited from engaging in the unlawful manufacture, distribution, dispensation, possession or use of controlled substances.

LIMITED WARRANTY

16. Liability. Consultant warrants to Client that the material, analysis, data, programs, and services to be delivered or rendered under this Agreement will be of the kind and quality designated and will be performed by qualified personnel.

Consultant offers no guarantees or warranties, express or implied, as to system availability and functionality during any phase of its support services and makes no guarantees or warranties, expressed or implied, regarding the ability to resolve computer-related problems, to recover data, or to avoid losing data.

Consultant makes no other warranties, whether written, oral or implied, including without limitation warranty of fitness for purpose of merchantability. In no event shall Consultant be liable for special or consequential damages, either in contract or tort, whether or not the possibility of such damages has been disclosed to Consultant in advance or could have been reasonably foreseen by Consultant, and in the event this limitation of damages is held unenforceable then the parties agree that by reason of the difficulty in foreseeing possible damages all liability to Client shall be limited to the total dollar amount of services paid by Client to Consultant in the previous three full months.

17. Terms.

- a) Client agrees to purchase a minimum of \_\_\_\_\_ hours of Services during the Term of this Agreement.
- b) Client agrees to pre-pay 6 hours of labor upon execution of this agreement. Client acknowledges that this pre-payment is non-refundable.
- c) All invoices to Client shall be due within twenty (20) days.
- d) Any unpaid sums over thirty (30) days old that are not in dispute shall bear interest at the rate of 1.5 percent per month. Costs of collection including reasonable attorney's fees shall be borne by the Client.
- e) There is a 1 hour minimum charge for all onsite visits for services not covered by a separate managed services agreement. There is a thirty (30) minute minimum charge for remote support services not covered by a separate managed services agreement.
- f) If Client and Contractor renew the Service Agreement within thirty (30) days following its expiration, Client shall be entitled to renew with the same terms as the expired agreement and at the lesser of the rates defined in the expired agreement or the Service Agreement rates in effect at the time of renewal.
- g) If the Client and Consultant have agreed to renew the Service Agreement, any work performed by the Consultant within thirty (30) days of its expiration shall be subject to the terms and rates defined in the expired Service Agreement.

IN WITNESS WHEREOF, the Parties hereto have signed this Agreement and agree that it shall be binding upon the parties and their respective heirs, successors, and assigns.

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Consultant    Date  
Jeffrey D. Brown, CEO  
Acorn Technologies, Inc.

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Client            Date