

COMPUCRAFT, INC. STANDARD TERMS & CONDITIONS

Incorporation of Definitions

Capitalized terms used herein but not defined shall have the meaning assigned to them in the COMPUCRAFT service agreement and/or equipment lease agreement that has been executed by CLIENT and delivered to COMPUCRAFT. "Agreement" or "this Agreement" shall mean these COMPUCRAFT Standard Terms & Conditions together with the COMPUCRAFT service agreement and/or equipment lease agreement that has been executed by CLIENT and delivered to COMPUCRAFT.

Transition of IT Assets

Throughout the Term of this Agreement, CLIENT shall make available to COMPUCRAFT such of CLIENT'S IT assets (including software) that COMPUCRAFT needs in order to provide the agreed upon services.

Service Compatibility & Location

COMPUCRAFT agrees that it shall be responsible for ensuring that all Services, equipment, networks, software and other resources utilized by COMPUCRAFT or approved by COMPUCRAFT for utilization by CLIENT in connection with the providing or receiving of the Services, shall be successfully integrated and interfaced with, and shall be compatible with, the CLIENT's IT assets owned, leased or used by CLIENT to provide, prior to the Service Commencement Date, the services that are encompassed within the Services to be provided by COMPUCRAFT under this Agreement. CLIENT agrees that to the extent that any interfaces need to be developed or modified in order to integrate fully and successfully, and be compatible, with third party resources, COMPUCRAFT may develop or modify such interfaces and CLIENT shall reasonably compensate COMPUCRAFT for any such development or modification.

CLIENT shall maintain CLIENT Site conditions within the environmental range of all system devices and media as specified by the manufacturer of the system device or media.

CLIENT will notify COMPUCRAFT of any proposed relocation of equipment, networks, software and other resources utilized by COMPUCRAFT or approved by COMPUCRAFT for utilization by CLIENT in connection with the providing or receiving of the Services, at least thirty (30) days in advance of such relocation. COMPUCRAFT may, at its sole option, (i) terminate this Agreement, (ii) consent to the relocation, or (iii) negotiate additional terms, including payment terms, with respect to providing the Services at the new location, which shall be in a writing executed by both Parties.

Specific Hardware and Carrier Charges

CLIENT shall provide COMPUCRAFT with the data processing equipment, telephone and modem lines, telephones, and computer connections that are being used by the CLIENT as of the Service Commencement Date. CLIENT shall be responsible for all usage-based carrier charges incurred by COMPUCRAFT personnel using CLIENT's telephones and modem lines.

CLIENT is responsible for purchasing and maintaining reasonable inventories of all replaceable, expendable or consumable items, including all operating supplies, accessories, and maintenance materials. CLIENT is further responsible for the cost of upgrades or additional licenses and relocation costs.

Malware

COMPUCRAFT uses monitoring services in its effort to regularly identify, screen and prevent malware and other Disabling Devices. COMPUCRAFT shall have no liability to CLIENT arising out of: (a) failure of a monitoring service, (b) failure of an automated notification system, or (c) failure of a COMPUCRAFT employee or subcontractor to timely respond to notification of malware or a Disabling Device. Malware or "Disabling Device" is any virus, timer, clock, counter, time lock, time bomb, or other limiting design, instruction, or routine that would erase data or programming or cause any resource to become inoperable or otherwise incapable of being used in the full manner for which such resources were intended to be used, regardless of whether event was or was not a willful attack.

CLIENT shall be responsible for separate payment of any COMPUCRAFT services or charges which are required due to CLIENT's or a third party's improper treatment or misuse of the CLIENT IT assets or personal property provided by COMPUCRAFT, including any unauthorized attempts to install, repair, maintain or modify any CLIENT IT assets or personal property provided by COMPUCRAFT, or related software or peripherals.

Excluded Services

Unless otherwise expressly provided for, Services rendered under this Agreement do not include:

Parts, equipment, or software not covered by vendor/manufacturer warranty or support; shipping charges of any kind; software, licensing, or software renewal or upgrade fees of any kind; third party vendor or manufacturer support or incident fees of any kind; the cost to bring the CLIENT's environment up to Minimum Standards required for the Services; failure due to acts of God, building modifications, power failures, or other adverse environmental conditions or factors; service and repair made necessary by the alteration or modification of equipment other than that authorized by COMPUCRAFT,

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including alterations, software installations, or modifications of equipment made by CLIENT's employees or anyone other than COMPUCRAFT; or training Services of CLIENT's employees.

Non-Solicitation of Employees

Except as otherwise provided in this Agreement, during the Term and for twelve (12) months thereafter, neither Party shall, without the other Party's prior written consent, which may be withheld in its sole discretion, directly or indirectly solicit any employee of the other Party whose duties and responsibilities include: (i) services performed directly or indirectly in connection with this Agreement; or (ii) the performance of other information or technology services; to leave the other Party's employ in order to accept employment with the soliciting Party, its affiliates, actual or prospective contractors, or any other person.

CLIENT agrees that the calculation of damages arising from CLIENT's breach of this covenant would be impractical to calculate and difficult to ascertain. Therefore, CLIENT agrees that in the event of CLIENT's breach of this covenant, CLIENT shall pay to COMPUCRAFT an amount equal to such employee's total annualized compensation as liquidated damages for the costs COMPUCRAFT would incur and not as a penalty.

Late Payments

Payments received by COMPUCRAFT after the respective due dates shall be subject to interest at the maximum permitted under Michigan law.

Taxes

All federal, state, and local taxes shall be added to each invoice for services or materials rendered under this Agreement. CLIENT shall pay all such taxes.

COMPUCRAFT Property

Notwithstanding anything to the contrary provided in this Agreement, COMPUCRAFT shall be the sole and exclusive owner of all COMPUCRAFT underlying works, and all derivatives thereof that do not contain functions or features that were designed exclusively for CLIENT's use or benefit and do not pertain primarily to CLIENT's business, products, or systems. COMPUCRAFT shall retain all right, title, and interest in all general knowledge, skills, and experience, and any ideas, concepts, know-how and techniques that are within the scope of COMPUCRAFT's business practices and are used by it in the course of providing the Services. CLIENT shall be responsible for ensuring that its third party service providers comply with this provision, including restrictions on use and the confidentiality provisions contained in this Agreement.

Infringement

CLIENT covenants to perform its responsibilities under this Agreement in a manner that does not infringe, or constitute an infringement or misappropriation of, any patent, trade secret, copyright, or other intellectual property right of any third party, or a violation of the other Party's software license agreements or intellectual property rights disclosed to or known by such Party.

Cooperation

If at any time either Party brings, or investigates the possibility of bringing, any claim against any third party for infringement of any patent, trademark, copyright, or similar property right of such Party, including misappropriation of trade secrets and misuse of confidential information, then the other Party, upon the request and at the expense of the requesting Party, shall cooperate with and assist such Party in the investigation or pursuit of such claim, and provide such Party with any information in its possession that may be of use to such Party in the investigation or pursuit of such claim.

Disentanglement

COMPUCRAFT shall take all reasonable actions (at CLIENT's expense) necessary to accomplish a complete transition of responsibility for the Services being terminated from COMPUCRAFT to CLIENT, or to any replacement provider designated by CLIENT. COMPUCRAFT shall use good faith efforts to cooperate with CLIENT and any new service provider in effecting a complete disentanglement. For all disentanglement services to be provided, COMPUCRAFT may charge CLIENT at one hundred ten percent (110%) of COMPUCRAFT's actual costs of providing such services.

Default

If CLIENT commits a default or breach under this Agreement, COMPUCRAFT shall be entitled to cause a termination of this Agreement and shall have all the remedies that may be available to it under law or in equity, none of which is exclusive and any or all of which may be pursued. "Default" shall mean failure by CLIENT to observe and perform any material obligation imposed upon it under this Agreement, including failure to pay amounts that are owed by CLIENT to COMPUCRAFT, and, in cases where the breach does not involve a violation of law relating to or affecting the provision of Services, the failure by CLIENT to cure such material default within thirty (30) days.

Limitation of Liability and Disclaimers

THE AGGREGATE CUMULATIVE MONETARY LIABILITY OF COMPUCRAFT FOR ALL CLAIMS ARISING UNDER OR RELATING TO THIS AGREEMENT, NOTWITHSTANDING THE FORM (E.G., CONTRACT, TORT, OR OTHERWISE) IN

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WHICH ANY ACTION IS BROUGHT, SHALL BE LIMITED TO THE AMOUNT OF MONEY THAT CLIENT PAID OR WOULD HAVE BEEN ENTITLED TO PAY TO COMPUCRAFT UNDER THIS AGREEMENT. CLIENT ACKNOWLEDGES THAT THIS PROVISION SHALL BE CONSTRUED AS LIQUIDATED DAMAGES WHERE APPLICABLE UNDER LAW.

NEITHER PARTY SHALL BE LIABLE FOR LOST PROFITS, LOST REVENUES, OR EXEMPLARY, PUNITIVE, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE REASONABLE COSTS THAT CLIENT IS REQUIRED TO EXPEND TO PROCURE SERVICES FROM AN ALTERNATIVE SOURCE AS A RESULT OF A DEFAULT BY COMPUCRAFT, TO THE EXTENT IN EXCESS OF COMPUCRAFT'S CHARGES UNDER THIS AGREEMENT, AND ANY AMOUNT OF MONEY UNPAID BY CLIENT TO COMPUCRAFT FOR SERVICES RENDERED, SHALL BE CONSTRUED AS INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES AND COMPUCRAFT SHALL NOT BE LIABLE FOR SUCH AMOUNTS. THE LIMITATIONS CONTAINED IN THIS AGREEMENT UPON THE TYPES AND AMOUNTS OF CLIENT'S LIABILITY SHALL NOT APPLY TO: (i) CLAIMS SUBJECT TO INDEMNIFICATION BY CLIENT; (ii) LOSSES ARISING OUT OF THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF CLIENT; AND (iv) CLAIMS BASED UPON ANY REPUDIATION OF THIS AGREEMENT BY CLIENT OR CLIENT'S REFUSAL TO PERFORM ITS DUTIES AND OBLIGATIONS HEREUNDER.

Protection of Confidential Information

Each Party shall:

maintain the confidentiality of the confidential information of the other Party;

take steps to minimize the dissemination or copying of the confidential information of the other Party except to the extent necessary to perform its obligations under this Agreement;

use the same care to prevent disclosure of the confidential information of the other Party to third parties as it employs to avoid disclosure, publication, or dissemination of its own information of a similar nature, but in no event less than a reasonable standard of care;

use the confidential information of the other Party solely for the purpose of performing its obligations under this Agreement;

not acquire any express or implied right or license under any patent, copyright, trade secret, or other right or assert any lien against confidential information of the other Party;

promptly return, or provide a copy of, as the requesting Party directs, confidential information upon the request of the other Party (provided that COMPUCRAFT may retain such confidential information as it requires in order to perform the Services for so long as it is required to perform such Services); and

use its best efforts to inform its employees, agents, and subcontractors who perform duties with respect to this Agreement about these restrictions.

Each Party may disclose confidential information of the other Party to its employees, agents, and Subcontractors who have: (i) a need to know such confidential information in order to perform their duties; and (ii) a legal duty to protect the confidential information. A Party receiving confidential information of the other Party assumes full responsibility for the acts or omissions of its Subcontractors and employees with respect to such confidential information.

Either Party may disclose confidential information to the extent disclosure is based on the good faith written opinion of such Party's legal counsel that disclosure is required by law or by order of a court or governmental agency; provided, however, that the Party that is the recipient of such confidential information shall use its best efforts to maintain the confidentiality of the confidential information by means of a protective order or other similar protection and shall give the owner of such confidential information prompt notice in order that it have every opportunity to intercede in such process to contest such disclosure and shall use its best efforts to cooperate with the owner of such confidential information to protect the confidentiality of such confidential information. The owner of such confidential information reserves the right to obtain a protective order or otherwise protect the confidentiality of such confidential information. Either Party may disclose the existence of this Agreement, and either Party may disclose the terms of this Agreement to the extent required to enforce its terms or the rights of such Party hereunder. **Federal and State law requires Compucraft to notify the authorities if we discover materials on your computer that are illegal including, but not limited to, pornographic materials. Client hereby agrees to indemnify and hold Compucraft harmless from any and all claims related to Compucraft's obligations under the law and do hereby release Compucraft from all liability related thereto.**

Disclaimer

EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, THERE ARE NO EXPRESS WARRANTIES MADE BY COMPUCRAFT. THERE ARE NO IMPLIED WARRANTIES OR CONDITIONS, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR

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PURPOSE OR OTHERWISE ARISING FROM A COURSE OF DEALING OR USAGE OF TRADE. ALL HARDWARE, SOFTWARE, NETWORKS AND OTHER INFORMATION-TECHNOLOGY RELATED ASSETS MADE AVAILABLE OR CONVEYED BY COMPUCRAFT TO CLIENT UNDER THIS AGREEMENT OR ANY EQUIPMENT LEASE ARE MADE AVAILABLE OR CONVEYED TO CLIENT "AS IS, WHERE IS" AND THERE ARE NO WARRANTIES OF ANY KIND WITH RESPECT TO THE CONDITION, CAPABILITIES, OR OTHER ATTRIBUTES OF SUCH ITEMS, EXCEPT AS OTHERWISE EXPRESSLY STATED IN THIS AGREEMENT.

Indemnification of Third-Party Matters

CLIENT shall defend, indemnify, and hold COMPUCRAFT and its employees, agents and subcontractors harmless from and against any and all liabilities, losses, costs, damages, and expenses, including attorney's fees in the case of litigation or arbitration, related to claims by third parties based upon an alleged infringement by COMPUCRAFT of any intellectual property right with such third party.

Assignment

Neither this Agreement, nor any interest therein, nor any of the rights and obligations of CLIENT hereunder, may be directly or indirectly assigned, sold, delegated, or otherwise disposed of by CLIENT, in whole or in part, without the prior written consent of COMPUCRAFT, which may be withheld in its sole discretion. COMPUCRAFT shall be entitled to assign, sell, or dispose of, this Agreement, its interest herein and its rights and obligations hereunder. For purposes of this Section, "assign" or an "assignment" shall also be deemed to have occurred upon a change in control of a Party resulting from a single transaction or series of related transactions, or a restructuring of the Party, or transfer or removal of a material amount of assets from the Party or assumption of debt by the Party such that as a result of such restructuring, transfer, removal, or assumption the Party possesses a net worth materially less than that of the Party on the Service Commencement Date.

Severability

If any provision of this Agreement is determined to be invalid or unenforceable, that provision shall be deemed stricken and the remainder of this Agreement shall continue in full force and effect insofar as it remains a workable instrument to accomplish the intent and purposes of the Parties; the Parties shall replace the severed provision with the provision that will come closest to reflecting the intention of the Parties underlying the severed provision but that will be valid, legal, and enforceable.

Counterparts

This Agreement may be executed in duplicate counterparts. Each such counterpart, if executed by both Parties, shall be an original and all such counterparts together shall constitute but one and the same document. This Agreement shall not be deemed executed unless and until at least one counterpart bears the signature of each Party's designated signatory.

Governing Law; Venue

This Agreement and the performance of the Parties hereunder shall be governed and construed in accordance with the substantive laws of the State of Michigan without regard to its conflicts of laws provisions. All actions or proceedings arising out of, or related to, this Agreement shall be brought only in an appropriate federal or state court in Kent County, Michigan and the Parties hereby consent to the jurisdiction of such courts over themselves and the subject matter of such actions or proceedings.

No Third-Party Beneficiaries

This Agreement is an agreement between the Parties, and confers no rights upon any of the Parties' employees, agents, or contractors or upon any other Person.

THE CLIENT ACKNOWLEDGES HAVING RECEIVED, READ AND UNDERSTOOD THESE TERMS AND CONDITIONS, AND HEREBY AGREES TO BE BOUND TO THESE TERMS, CONDITIONS AND COVENANTS IN ORDER TO INDUCE COMPUCRAFT TO PROVIDE ANY SERVICES OR PRODUCTS TO CLIENT.

CLIENT

By: _____

Name: _____

Its: _____

Date: _____