Service Agreement – Hosted Dynamics GP

This is a Contract between you ("Company") and WebSan Solutions Inc. ("WebSan") of 245 Fairview Mall Drive, Suite 200, Toronto, ON M2J 4T1, Canada. This contract applies to any WebSan software service, including, but not limited to: Moniroo® portal as well as Hosted Dynamics GP.

WHEREAS:

1. WebSan is a corporation and a Microsoft Dynamics Business Partner providing business and technology services to companies, including hosted software solutions, on-site installation, training, sales, consultation, and telephone support.

3. The Company wishes WebSan to provide Dynamics GP hosting services for the Company and WebSan agrees to provide the same subject to and upon the terms of this Agreement.

1. Proposed services

Project Description

As part of this engagement, WebSan will:

☐ Host a Dynamics GP hosted solution for the users specified in the Company's accompanying SOW.

☐ Provide hosting and related services (hereafter "Services") to the Company in accordance with the terms of this Agreement.

2. Consideration

(a) In consideration of the performance of the Services, the Company shall pay to WebSan the fees outlined in SOW governing the implementation or setup of the Services.

(b) Post-Implementation (completion of terms of the SOW), and on a month to month basis, the user count may fluctuate up or down, without penalty. The final user count for the month must be determined by the 5th of each month. Payment for the appropriate user count and modules implemented must be received no later than the 5th of each month (in advance), after the initial implementation period.

(c) WebSan will invoice the Company once the final user count is agreed upon on a monthly basis. Additional modules may be added to the scope of the hosted services (eg: payroll). Any implementation fees will be determined outside the terms of this agreement.

(d) If the Company repeatedly (more than 3 times in a row) is delinquent with its payment, WebSan reserves the right to terminate this agreement and discontinue hosting services. 10 days notice will be given to the Company.

(e) WebSan shall be reimbursed for all reasonable travel and other related project expenses, on a time and materials basis, incurred by WebSan in the course of providing services. All expenses will be approved in advance by the Company.

3. Non-disclosure and confidentiality

A non-disclosure and confidentiality agreement must be executed between WebSan and the Company

See Appendix C for a sample NDA (requires separate signature).

4. Term of this Agreement

The term of this Agreement shall commence on the date of this Agreement and shall continue for successive one year periods, which shall automatically renew under the same terms and condition set forth herein without further documentation being required, subject to WebSan's rights of revision as described below, and unless and until either party terminates the Agreement in accordance with section 13 herein (the "Term").

5. Support Services

WebSan shall provide technical and support services ("Support Services") to Company on a daily basis via telephone/web support, however WebSan's Support Services shall be limited to providing matters pertaining to WebSan's servers, Internet connection, WebSan's corporate policies and this Agreement. WebSan does not provide technical support for any third party software of any kind, downloaded from the Internet or otherwise acquired, and incorporated by the Company into the server site. Support Services are not included in the Services Fee and is invoiced to the Company according to Schedule A.

6. Third Party Software Prohibited

(a)   Company is strictly prohibited from installing any third party software on WebSan's servers without the express written authorization of WebSan.
(b)   In the event that the authorized third party software disrupts WebSan's server, WebSan shall have the right to temporarily disable the software until the problem can be resolved.
(c)   In the event that the Company installs third party software on WebSan's servers without the express written authorization of WebSan, WebSan shall have the right to terminate the Services without notice pursuant to section 17 herein.

7. Disk Space

(a)   WebSan will provide the amount of hard disk storage space required for Dynamics GP to function properly within the scope of the SOW. In the event that the Company exceeds its allotted disk space (more than 20GB) due to modifications of the scope of implementation services (eg: storing employee pictures/files, etc), WebSan shall notify the Company to delete the additional files and the Company agrees to delete such additional files or pay supplemental charges for additional disk space.

8. Security

(a)   The Company's Dynamics GP environment will be protected by the WebSan firewall and other related security measures, which will consist of hardware and software designed and configured to control or limit access to our computer and network resources.

9. Back-Up Data and Disaster Recovery

(a)   WebSan shall back up the Dynamics GP environment and Company's data daily and retain those back-ups on site.
(i) Note that remote backups are taken every 30 minutes offsite to a disaster recovery facility
(b)   In the event that Company's data is lost from Company's servers, WebSan shall restore the backup data to Company's servers.
(c)   WebSan shall not be responsible for files that cannot be recovered due to corrupt data, fires or any other disaster or event not in control of WebSan.

10. Company Access

(a)   WebSan shall provide Company the ability to access system data on Company's Dynamics GP environment and make changes with a password set by the Company.
(b)   Company's connection will be secured by the firewall referred to above.
(c)   The system will be accessible by the Company 24/7 with a 99.5% uptime (calculated monthly) guarantee (.85 hrs/week downtime allotted but not expected) unless the Company is notified of required downtime for maintenance, upgrades, etc. The Company will be notified in advance of planned downtime and all efforts will be made to perform system maintenance outside of normal business hours.
(i) Planned downtime requires 1 hour minimum notice from WebSan
(ii) Recourse to the Company if WebSan fails to maintain a 99.5% SLA is as follows:
> 99.5%-100%: 0% credit for the month
> 98.5%-99.5%: 25% credit for the month
> 97%-98.5%: 50% credit for the month
> Under 97%: 100% credit for the month
> - These would all be calculated monthly and the credit would be in the form of credit for future service.

11. Company Data and Intellectual Property Rights

(a)   WebSan owns and shall continue to own all proprietary rights in all custom code and content that WebSan supplies as part of the Services. Company owns and shall continue to own all proprietary rights to the system data (Company database(s)).

12. Representations, Warranties and Indemnifications

(a)   WebSan represents and warrants to the Company that:

(i)   It has the right and capacity to enter into this Agreement and fully perform all of its obligations hereunder;

(ii)   it shall use commercially reasonable efforts to perform the Services as described in Schedule "A" attached hereto (except to the extent the Services modified by the parties from time to time by mutual written agreement) and shall provide such Services in a professional manner consistent with industry standards.

(iii)   OTHER THAN THE EXPRESS WARRANTIES STATED ABOVE, WEBSAN MAKES NO OTHER REPRESENTATIONS OR WARRANTIES HEREUNDER OF ANY KIND, EITHER EXPRESS OR IMPLIED, IN RELATION TO THE SERVICES, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY AND/OR FITNESS FOR ANY PARTICULAR PURPOSE. IN NO EVENT SHALL WEBSAN BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY SPECIAL OR CONSEQUENTIAL OR INCIDENTAL DAMAGES INCLUDING BUT NOT LIMITED TO LOSS OF ANTICIPATED PROFITS, LOSS OF REVENUE OR LOSS OF DATA, OR AS A RESULT OF ANY INTERRUPTION OF SERVICE.

(b)   Company Represents and warrants to WebSan that:

(i)   It has the right and capacity to enter into this Agreement and fully perform all of its obligations hereunder;

(ii)   All Company data provided hereunder shall be wholly original to the Company, and Company data shall not violate any laws of any country and shall not infringe any other party's copyright, patent, trademark or other intellectual property right.

(iii)   Company shall not, nor shall it allow, authorize or assist any third party to, use the system for any illegal purpose whatsoever.

(c)   Each of the Parties hereto agree to indemnify and save harmless the other, and any of its respective successors, licensees and assigns, from any and all losses, costs, liabilities, damages and expenses (including reasonable lawyers' fees) resulting any breach of any representation, warranty and/or covenant under this Agreement.

13. Termination

(a)   Either party may terminate this Agreement at any time on sixty (60) days written notice to the other.

(b)   Either party may terminate this Agreement in the event the other party is in material breach of any provision of this Agreement upon ten (10) business days' prior written notice, unless the party receiving notice corrects the default within such ten business (10) day period.

Notwithstanding the forgoing, pursuant to section 6, WebSan can immediately terminate this Agreement and withdraw the Services in the event that in the sole discretion of WebSan, it determines that:

(i)   the Company is using or allowing, authorizing or assisting the system to be used for illegal purposes; or

(ii) the Company Content is in breach of any law or any right of any third party, including but not limited to any right of copyright, trademark, or other property right of any person or entity; or

(iii) the Company downloads or installs third party software to its system without the express written authorization of WebSan; or

(iv) the Company has not paid the software fees within the set deadline. WebSan has a zero tolerance policy on late payments. In the event that the Company does not pay the subscription fees as per the payment terms stated on the invoice, the Company will be sent an email notifying that it will be given 10 days to rectify the fees. If the Company fails to respond within the 10-day period, a $500 restart fee will be charged. This fee must be paid in full prior to system restart.

14. Notice

(a) Any notice required or permitted to be given hereunder shall be in writing and shall be deemed given (i) when delivered personally to any officer of the party being notified; or
(ii) on the third business day after being sent by registered or certified mail, postage prepaid, facsimile telecopier, addressed as follows:

To WebSan: Andrew King
WebSan Solutions Inc.
245 Fairview Mall Drive, Suite 200
Toronto, ON M2J 4T1
416-499-1235 ext 214

15. Independent Contractors

(a) WebSan and Company are independent contractors and neither shall act as the other's agent, or be deemed an agent or employee of the other, nor shall this Agreement be interpreted as creating a partnership or joint venture or otherwise.

16. Force Majeure

(a) Neither party hereto shall be responsible for any losses or damages to the other occasioned by delays in the performance or non-performance of any of said party's obligations when caused by Acts of God, strike, acts of war, inability of supplies or material or labor or any other cause beyond the reasonable control of the said party.

17. Severability

(a) In the event any portion of this Agreement is deemed to be invalid or unenforceable, such portion shall be deemed severed and the parties agree that the remaining portions of this Agreement shall remain in full force and effect.

18. Assignment

(a) Neither party may assign or otherwise transfer this Agreement without the written consent of the other party. This Agreement shall endure to the benefit of and bind the parties hereto and their respective legal representatives, successors and assigns.

19. Governing Law

(a) This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario in the country of Canada.

20. Entire Agreement

(a) This Agreement, including the recitals and Schedules, sets forth the entire agreement between the parties with respect to the subject matter hereof and, subject to WebSan's rights of revision as set out in subsection 4 herein; the Agreement shall be amended only by a writing signed by the parties.

21. Counterparts

(a) This Agreement may be executed in counterparts in the same form and such parts so executed shall together form one original document and be read and construed as if one copy of the Agreement had been executed.

Schedule A – to the Hosting Services Agreement dated June 16, 2014.

Service Plan Comparison*	Ad-Hoc Good Value!	Choice Better Value!	Premium Best Value!
Highest Quality of Service	✓	✓	✓
Priority of Call	3	2	1
Response Time	2 days	6 hours	4 hours
Quarterly Health Check			✓
Free Estimates For Future Projects		✓	✓
Hours of Support		30	75
Fee	$175/Hour	$4,200	$10,000
Valid For	NA*	12 months	18 months

☞ **Tickets open more than 5 days without a Customer response will be automatically closed**

Premium Plan

- Offers a premium level of support, during standard business hours
- Your call or inquiry is placed above all other support clients
- Included in the plan is a quarterly "health check" of system usage, usability, and status of the implementation. Estimates for implementing new features or functions will be charged a fee of 1 hour.

*Credit card authorization required for Ad-Hoc plan
On-site support will be charged at a rate of 1.5 hours

Schedule B – to the Hosting Services Agreement

Non-Disclosure Agreement (SAMPLE, to be executed separately)

THIS AGREEMENT is made and entered into on <<insert date here>> by and between <<insert company here>> (Company), with a principal place at <<address>> and WebSan ("Other Party"), with a principal place at 245 Fairview Mall Drive, Suite 200, Toronto, ON, Canada, M2J 4T1. WHEREAS, Other Party and Company may disclose various information for the purpose(s) of discussing a potential business relationship (the "**Purpose**").

NOW THEREFORE, in consideration for the premises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Other Party and Company/Other agree as follows:

1.   For the purposes of this Agreement, all information provided or disclosed by one party ("**disclosing party**") to the other party ("**receiving party**") regarding the disclosing party's business dealings, operations, affairs, products, or customer information, shall be "**Confidential Information**."

2.   Each party agrees that any Confidential Information it receives from the other is the exclusive property of the disclosing party and may contain information or trade secrets that the disclosing party considers to be extremely confidential. The parties agree that the receiving party is granted no license, either express or implied to the Confidential Information of the disclosing party. The parties further agree that the receiving party disclaims all rights to all inventions, improvements, copyrightable works, designs, and derivatives related to the Confidential Information of the disclosing party, and, the receiving party further disclaims the rights to market, license, and otherwise use the Confidential Information, and any such inventions, improvements, and copyrightable works.

3.   Each party agrees to receive and hold any Confidential Information in confidence and, without limitation, further agrees: (a) to protect and safeguard the Confidential Information against unauthorized use, publication or disclosure; (b) not to reveal, report, publish, disclose, transfer, copy or otherwise use any Confidential Information except as specifically authorized by the party who disclosed the Confidential Information; (c) not to use any Confidential Information to unfairly compete or to obtain unfair advantage in any commercial activity; (d) to restrict access to Confidential Information to those of its officers, directors, and employees who have a need to know, who have been advised of the confidential nature thereof, and who are under express written obligations of confidentiality; (e) to exercise at least the same standard of care and security to protect the confidentiality of the Confidential Information received by it as it protects its own confidential information; and (f) use the Confidential Information solely for the Purpose.

4.   The provisions of this Agreement shall not apply to Confidential Information that (a) is in the public domain; (b) has been independently developed by the receiving party without violation of this Agreement; (c) is disclosed by the receiving party with the prior written consent of the disclosing party; (d) is rightfully received from a third party not owing a duty of confidentiality; or (e) is required by law to be disclosed.

5.   Each party acknowledges that all copies (including electronic copies) of the Confidential Information received by it are the property of the disclosing party. The receiving party shall return, or destroy, at the prior written election of the disclosing party, any such Confidential Information immediately upon written request therefor by the disclosing party.

6.   Each party understands that the other party may currently or in the future be developing information internally or receiving information from others that may be similar to the proprietary

information provided by the other party under this Agreement. Nothing in this Agreement shall be construed as a representation or inference that either party will not develop products or strategies for itself or for others that may compete with or be similar to any products or strategies contemplated by the proprietary information so long as such party does not do so in violation of its obligations under this Agreement.

7. Each party agrees to indemnify the other against any and all losses, damages, claims, or expenses incurred as a result of the disclosure of the other party's Confidential Information by the receiving party in breach of this Agreement. The receiving party agrees that monetary damages may not be a sufficient remedy for breach of this Agreement and that the disclosing party may be entitled to specific performance or injunctive relief as a remedy for any such breach. The foregoing remedy will not be deemed to be the exclusive remedy of the disclosing party, but will be deemed to be in addition to all other remedies available at law or in equity. The remedy shall not be in excess of $25,000.

8. The parties' obligations under this Agreement shall continue until the second anniversary of the execution of this agreement. Neither party shall have the right to assign its rights under this Agreement, without the prior written consent of the other party. This Agreement and each party's rights and obligations hereunder shall be binding upon and inure to the benefit of the permitted assigns, and successors of the parties.

9. If either party is requested or required in a judicial, administrative, or governmental proceeding to disclose any Confidential Information, it will notify the other party as promptly as practicable so that the disclosing party may seek an appropriate protective order or waive the provisions of this Agreement.

10. No failure or delay by either party in exercising any right under this Agreement will operate as a waiver of such right or any other right under this Agreement.

11. This Agreement shall be governed by and construed in accordance with the laws of the Ontario, Canada, excluding that body of law applicable to conflicts of law. If any provision of this Agreement is for any reason found by a court of competent jurisdiction to be unenforceable, the remainder of this Agreement shall continue in full force and effect.

12. This Agreement constitutes the entire understanding of the parties with respect to the Confidential Information, supersedes any previous oral or written agreements relating to the subject matter, and may only be amended in writing.

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

<<insert company here>>

By: _____

Name: _____

Title: _____

Date: _____

WebSan Solutions Inc.

By: _____

Name: _____

Title: _____

Date: _____

Schedule C : Microsoft Software License Terms

Hosting of Dynamics GP is subject to the Microsoft Software License terms available for download here:
http://www.microsoft.com/en-ca/download/details.aspx?id=40729