



Professional Services Agreement, Terms and Conditions

Security Design Solutions LLC

Revised 5-21-05

1. AGREEMENT:

This document constitutes an offer from Security Design Solutions LLC (herein referred to as SDS) which may be accepted by the Client by (1) completing, signing and returning one copy of the Agreement, or (2) using the recommendations, schedules, drawings (herein referred to as Professional Work) for any lawful purpose. Acceptance is limited to the terms hereof and no different or additional terms contained in any purchase order, confirmation or other writing shall have any force or effect unless expressly agreed to in writing by SDS.

This Agreement is between SDS and the Client (as identified in the signature section of this agreement).

2. USE OF PROFESSIONAL WORK:

SDS hereby grants to Client a nontransferable and nonexclusive right to use the Professional Work submitted under this Agreement under the provisions contained herein. This Agreement shall be binding upon and inure to the benefit of any successor of the Client who, whether by merger, purchase, or otherwise, acquires all or substantially all of the assets or business of Client. This Agreement may not otherwise be assigned, sublicensed, or transferred by Client without the written consent of SDS.

3. TERM:

The license shall commence upon the date of delivery of the Client purchase order or authorization to proceed with the work specified and shall remain in force permanently unless terminated as set forth below or until no licensable subject matter exists.

4. DELIVERY AND COPYRIGHT:

The delivery of Professional Work may be accomplished by removable computer storage, by other electronic means or by hardcopy as determined by Client. No portion of the Professional Work, which represents the results of SDS efforts, may be altered by the Client without the express written permission of SDS. The client may use extractions of SDS work in other internal documents but must identify that portion of the document produced by SDS separately from any other opinions, conclusions or recommendations made by others. SDS published documents provided to Client under this Agreement are copyrighted materials and is intended for the use of Client's personnel. This documentation may be distributed freely within Client's organization. Express written consent must be obtained from SDS to distribute the documentation outside the Client's organization.

In the case of expert witness where written and / or oral opinions are rendered to the client, his agents or other judicial bodies or testimonies are given in a court of law, a deposition or other legal proceedings, the definition of "Client's personnel" shall be extended to include all parties and judicial bodies included in the case for which the SDS documents or testimony is being rendered.

5. TITLE:

All rights, title and ownership in the Professional Work and any copies thereof shall remain with SDS. Client shall not sell, transfer, publish, disclose, display or otherwise make available any SDS Professional Work product or copies thereof to others except for internal use. No transfer of any interest in or to the Professional Work or any portion thereof, except as conveyed herein, to any person, firm, corporation or governmental authority may be done without the express prior written consent of SDS.

6. ACCEPTANCE:

Within thirty (30) days after the Professional Work is received at Client's site, if Client determines that the Professional Work contains errors or does not conform to the documentation, it shall immediately notify SDS of its findings together with such specific information as is requested by SDS to permit analysis of the claimed nonconformance or error(s). SDS shall have a reasonable time to analyze the information and, where that analysis shows errors or nonconformance to client conditions, SDS will implement corrections immediately and at no charge. Upon redelivery of the Professional Work to Client, the Client shall notify SDS within 10 days of any additional claimed errors or non-conformances. If Client does not notify SDS of errors or nonconformance within the initial 30-day acceptance period or within the subsequent 10-day period(s), the Professional Work will be deemed accepted by Client.

7. CONFIDENTIALITY:

Client shall use the Professional Work only for purposes and to the extent authorized herein, and shall take reasonable precautions to ensure that (1) the Licensed Professional Work is made available only to Client's personnel and subcontractors, that (2) such personnel and subcontractors do not make unauthorized use, disclosure, distribution or transfer of the Licensed Professional Work and (3) that neither Client nor its personnel or subcontractor attempt to learn the trade secrets and confidential information in the Professional Work by disassembly or other methods of reproduction.

Notwithstanding the foregoing, Client's obligations with respect to SDS's proprietary and confidential information do not extend to information which:

Becomes publicly available without fault of Client or its agents, employees, contractors, or affiliated entities;

Is rightfully obtained by Client from a third party who rightfully possesses and discloses said information;

Is shown by written record to be developed by Client, independently of SDS;

Is shown by written record to have been known or available to Client at the time of receipt from SDS; or

Is furnished to others by SDS without restriction or disclosure.

8. INDEMNIFICATION

In no event shall SDS or any of its employees, officers, directors, or affiliates, be liable to the Client for indirect, special, or consequential damages, including without limitation loss of profits, revenue, data or goodwill, business interruption, or for liability to third parties arising out of or in connection with this agreement or the furnishing, performance, or use of the Professional Work provided herein even if SDS has been advised of the possibility or likelihood of such damages. Client agrees to defend, indemnify, and hold SDS harmless from and against any and all claims and liabilities, including reasonable attorney's fees and costs, related to or arising from (a) any breach of this agreement, (b) Client use of Professional Work; or (c) violation or infringement of any third party's rights. SDS reserves the right, at its own expense, to participate in the defense of any matter otherwise subject to indemnification from Client, but shall have no obligation to do so. Client shall not settle any such claim or liability without the prior written consent of SDS.

9. ETHICAL PRACTICES FOR CLIENT WORK:

A. GENERAL

- 1) SDS Consultants will view and handle as confidential all information concerning the affairs of the client.
- 2) SDS Consultants will not take personal, financial, or any other advantage of inside information gained by virtue of the consulting relationship.
- 3) SDS Consultants will inform clients and prospective clients of any special relationship or circumstances that could be considered a conflict of interest.
- 4) SDS Consultants will never charge more than a reasonable fee; and, whenever possible, the consultant will agree with the client in advance on the fee or basis for the fee.
- 5) SDS Consultants will neither accept nor pay fees or commissions, for client referrals.
- 6) SDS Consultants will not accept fees, commissions or other valuable considerations from any individual or organization whose equipment, supplies or services they might or do recommend in the course of providing professional consulting services.
- 7) SDS Consultants will only accept assignments for and render expert opinions on matters they are eminently qualified in and for.

B. PROFESSIONAL

- 1) SDS Consultants will strive to advance and protect the standards of the security consulting profession as represented in this code of ethics.
- 2) SDS Consultants recognize their responsibility to our profession to share with their colleagues the knowledge, methods, and strategies they find effective in serving their clients.
- 3) SDS Consultants will not use or reveal other consultant's proprietary data, procedures, or strategies without permission unless same has been released, as such, for public (or all consultants) use.

- 4) SDS Consultants will not accept an assignment for a client while another consultant is serving that client unless assured that any conflict is recognized by and has the consent of the client.
- 5) SDS Consultants will not review the work of another consultant who is still engaged with the client, without such consultant's knowledge.
- 6) SDS Consultants will strive to avoid any improprieties or the appearance of improprieties.
- 7) SDS Consultants will never misrepresent their qualifications, experience, or professional standing to clients or prospective clients.

C. FORENSIC

- 1) Member's fees will never be contingent upon the outcome of a case.
- 2) SDS Consultants, when testifying, will carefully avoid taking the position of an advocate or appearing to take such a position; for justice requires the professional expert witness to be neutral with no personal interest in the outcome of the case.
- 3) If, after reviewing a case, it is apparent that the expert witness cannot provide testimony or assistance helpful to the case, the consultant will make this known to the client. If he withdraws from or his services are discontinued the case, he will not testify for the opposing side unless compelled to by subpoena.
- 4) The Consultant will not sign written opinions or affidavits prepared by clients. Testimony or report preparation, including the preparation of oral reports, will not occur until the consultant has performed a thorough evaluation of the circumstances, evidence, scene or other pertinent materials or places as he deems necessary to render a learned opinion.

10. PAYMENT AND TAXES:

If Client issues a purchase order for the Professional Work and/or training, the terms of this Agreement shall be applicable by reference. The terms of this Agreement supersede the terms of Client's purchase order. SDS shall invoice Client upon delivery of the purchase order for the work delivered. Payment of the invoice shall be due in full 30 days after the invoice origination date, unless otherwise noted. The charges for this work are exclusive of any tariffs, duties or taxes imposed or levied by any governmental or government agency. Client shall be liable for payment of all such taxes, however designated, levied or based on Professional Work, its charges, its use, or on this Agreement, including without limitation state or local sales, use and property taxes, exclusive, however, of taxes on SDS based net income.

11. INFRINGEMENT CLAIMS:

SDS agrees to defend or settle, at its option, any action at law or in equity against Client arising from a claim that Client's use of Professional Work under this Agreement infringes the copyright of a third party.

12. DEFAULT:

If the Client is in breach of this Agreement and fails to correct such breach within thirty (30) days of written notice thereof, SDS shall be permitted to terminate this agreement without penalty. Whereupon, the Client shall forthwith return the Professional Work provided hereunder to SDS and certify in writing that all copies thereof have been destroyed and are no longer in use. SDS shall, in the event of termination, have the right to repossess the Professional Work without prejudice to any other rights or remedies that SDS may have at law or in equity. If this Agreement is terminated for any reason before Client has paid all Professional Work fees due prior to such termination, Client shall immediately pay to SDS any remaining unpaid balances due under this Agreement.

13. INSURANCE:

SDS and its strategic partners shall provide all insurance required by law for the performance of their duties as physical security system consultants. Clients requesting additional insurance coverage over and above that which is required by law shall bear the cost of said insurance to the extent of the project(s) under contract with SDS. Insurance policies required by the client shall be purchased by SDS and billed to the client at cost plus an administrative fee of 5% of the cost of the policy.

14. APPLICABILITY OF LAW:

Whenever possible, each provision of this Agreement and related documents shall be interpreted in such a manner as to be effective and valid under applicable law. If any provision of this Agreement is found to be invalid or unenforceable, such finding shall not affect the validity or enforceability of any other provision herein.

Unless specifically stated in a separate written agreement, this agreement is the complete and exclusive statement of the agreement between the parties, which supersedes all proposals, oral or written, and all other communications or prior agreements, including without limitation any provision of Client's purchase order which is inconsistent with the provisions hereof.

The singular and plural forms of words used in this Agreement may be used interchangeably to conform to the factual situation described. Headings used in this Agreement are included solely for purposes of reference and are to be ignored in the construction of this Agreement.

The waiver or failure of SDS to exercise in any respect any right provided for in this Agreement shall not be deemed a waiver of any further or future right hereunder.

Notice to either party shall be given by addressing communication to the address set forth in the Client Identification section of this Agreement, or to such other address as shall be later given in writing. Such notice shall be deposited in the United States mail, postage prepaid.

This Agreement shall be governed by and construed in accordance with the laws of the State of Louisiana. The site of this Agreement shall be Covington LA. Any controversy or claim arising under or related to this Agreement shall first be submitted to mediation under the Commercial Mediation Rules of the American Arbitration Association. The provisions of Louisiana law under Civil Procedure are hereby incorporated into, made a part of, and made applicable to any arbitration hereunder. Thereafter, any unresolved controversies of claims arising hereunder shall be settled by arbitration under the Commercial Rules of the American Arbitration Association. The location of mediation and/or arbitration hereunder shall be the State of Louisiana, parish of St. Tammany. Any court of competent jurisdiction may enter a judgment upon the award of the arbitrator. Service of a petition to confirm the arbitration award may be made by United States mail, postage prepaid, or by any regularly conducted commercial express mail service, to the attorney for the party or, if not so represented, to the party at the address set forth herein, or to the party's last-known business address. If action is brought for claims against the Client, SDS shall be entitled to reasonable attorneys' fees.

A copy of this Professional Services Agreement will be attached to all consulting investment estimates and establishes the terms of service between the client and the consultant.

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