

SERVICE AGREEMENT

Computer Network Enterprises, hereinafter referred to as “CNETE”, agrees to provide _____, hereinafter referred to as “CUSTOMER”, with service upon the following terms and conditions, including any exhibits and documents incorporated herein.

Service and support plans are designed to take effect where warranty leaves off and to protect your business. This plan allows our customers to purchase a block of time at a discount from our normal rates, and also guarantees response by our staff to your business critical needs.

CNETE is offering a service agreement to cover all aspects of your business. It is offered to anyone that requires immediate response or regular support. Payment is made at time of contract signing.

1. TERMS OF AGREEMENT

- a. CNETE and CUSTOMER agree that the following terms and conditions will apply to services under this Agreement, or to any other services that may be provided hereunder by CNETE via authorized Addendum to this Agreement, or to any CUSTOMER order accepted by CNETE to provide services.
- b. This Agreement will automatically renew every month. If either party wishes to cancel service, a written notice must be provided, pursuant to section 5.a.

Effective Date _____

2. SERVICE AND SUPPORT

- a. CNETE will use its best efforts to perform proactive procedures and services to identify potential computer network problems before they occur and to maintain the computer network at optimal operating efficiency so as to mitigate the frequency and severity of computer network problems or inadequate performance that compromise Customer’s ability to conduct its business in a manner and to the standards required by CUSTOMER.
- b. CNETE will use its best efforts to address and correct within the timeframes set forth herein any unforeseen computer network problems that compromise CUSTOMER’s ability to conduct its business in a manner and to the standards required by CUSTOMER.
- c. CNETE shall provide CUSTOMER with 4-hour response to all requests for service. CUSTOMER is responsible for all surcharges for service provided outside normal business hours and specified in the following section.

- d. CNETE agrees to provide Customer with service for all necessary computing devices via either telephone support, dial-up support using remote control software and a modem, or on-site service. This can include, but it not limited to support for: Servers, Workstations, Printers, Handheld Devices, Network Devices, Fax Machines, Power Related Equipment, Telephony Equipment and any software used on any of these devices/equipment.
- e. Phone consultation/Help Desk is free to CNETE customers. If CNETE notes abuse of this free service we will notify you that your support will be billed at \$1.00 per minute.
- f. CNETE shall act as a liaison between CUSTOMER and designated software and hardware manufacturer(s) for problem resolution. In the event services are required from the manufacturer, it shall be the CUSTOMER's responsibility to pay the manufacturer for such services. In the event a manufacturer provides CNETE with a "fix" and CNETE installs such fix, upon CUSTOMER request and CNETE acceptance, CUSTOMER will be billed by CNETE for such installation service at its then current hourly rates and terms in effect.

3. CHARGES

Service Contract Rates

HOURS (up to)	RATE	MRC
16	\$80	\$1360
32	\$70	\$2400
48	\$60	\$3120
64	\$50	\$3520

Standard Billing Rates

Advanced Service (Network & Server Specific)	\$100/hr
Basic Service (PC, Printer, Application Support)	\$85/hr

- a. Special Provisions:

- b. CNETE will provide computer network services to CUSTOMER at the agreed upon hourly billing rate, herein referred to as Service Rate. The Service Rate of _____ is based upon a minimum of _____ hours of service charged to the CUSTOMER as a MRC (Monthly Recurring Cost), according to regularly scheduled on-site service.

- c. Hours paid for with the Service Agreement are for that month and do not accrue or rollover to the next month. Any hours not utilized by scheduled service or service calls will be forfeited.
- d. Some of the work that is done on behalf of the client may occur at the CNETE office using remote management techniques.
- e. CUSTOMER may, with ample advanced notice prior to the next billing cycle, modify the amount of time provided by CNETE in providing service with any such resulting amount of time provided being billed in accordance with the stated hourly billing rates set forth in this section.
- f. There shall be added to the charges due an amount equal to all taxes based upon all services, equipment, hardware, software, freight and other applicable charges. This includes all state and local sales and use taxes based on gross revenue, and any taxes or amount in lieu thereof paid or payable by CNETE in respect to the foregoing.
- g. CNETE will invoice customer for all approved services, charges, hardware, software, and taxes on a monthly basis. Payment terms are net 15.
- h. Upon the Service Agreement amount being fully consumed by actual charges incurred by CUSTOMER at the Service Rate, CNETE will automatically invoice CUSTOMER for any additional service work for the given month at standard billing rates.
- i. Service and charges not covered under this Service Agreement, or other written agreement, shall be charged to the customer at CNETE's standard billing rates.
- j. All rates in this Agreement are based upon services provided during normal business hours defined as Monday – Friday, 8am – 5pm CST. Rates begin when service personnel arrive onsite.

Time of Service	Time of Service Defined	Rate
Normal	Monday through Friday, 8:00 AM to 5:00 PM	1 x Service Rate (1 hr. minimum)
Off Hours	Monday through Friday 5:01 PM to 7:59 AM Saturday 8:00 AM to Monday 7:59 AM Holidays	1.5 x Service Rate (2 hr. minimum)

- k. CNETE will invoice for out of the ordinary travel incurred on behalf of and at the direction of the CUSTOMER. This would include attending meetings on behalf or as a representative of the CUSTOMER, or any other activities where a CNETE service person is requested to go to a non-service activity on behalf of or at the direction of the CUSTOMER. Expenses that will be collected include mileage expenses, lodging, and other incidental travel expenses.

4. RIGHTS AND OBLIGATIONS OF CUSTOMER

- a. CUSTOMER agrees to allow CNETE service engineers or its subcontracted service technician's reasonable access to the premises and facilities where the CUSTOMER equipment is located. CUSTOMER agrees to provide an adjacent work area that includes adequate lighting, power outlets, a telephone line and at least one data transmission line, if applicable, for troubleshooting and testing communications. Failure to do so may result in trip charges and/or billable time while CNETE waits for access.
- b. It is the responsibility of the Customer to ensure that PRESCRIBED BACKUP OPERATIONS PERFORMED BY THE CUSTOMER ARE adequate. CNETE will not be responsible for Customer's failure to do so, nor for the cost of reconstructing data stored on disk files, tapes, memories, etc., lost during the performance of service performed hereunder.
- c. Under no circumstances shall CNETE, its affiliates or its contractors be liable for any direct, indirect, incidental, special, punitive or consequential damages that result in any way from Customer's or Customer's Users' use of said computing devices that CNETE provides service on.

5. DEFAULT AND TERMINATION

- a. CUSTOMER, by written notice to CNETE, may terminate this Agreement at any time and for any reason. CUSTOMER will forfeit any remaining balance on the Service Agreement unless CNETE is at fault.
- b. CNETE, by written notice to CUSTOMER, may terminate this Agreement within ten (10) calendar days after written notice of any delinquency in the payment of any invoice amount.

- c. CNETE, at its sole discretion, may terminate this Agreement if CUSTOMER:
 - (a) becomes the subject of any proceedings under the Bankruptcy Act or other insolvency law, voluntary or involuntary, if such proceeding is not dismissed within ninety (90) days; (b) suffers a receiver to be appointed for its affairs or property; or (c) enters into an assignment, or other an arrangement, for the benefit of its creditors, or suffers an attachment against or a seizure of a substantial par of its assets, equipment or its parts and inventories. However, CUSTOMER's responsibility for past due amounts shall survive each bankruptcy proceeding provided the acknowledgment of such liability by CUSTOMER will not affect the discharge of CUSTOMER regarding other general creditors.
- d. In the case of default by either party under this Agreement, the defaulting party will reimburse the non-defaulting party for all costs and expenses arising from the default, including reasonable attorney fees if the non-defaulting party engages in legal counsel to preserve or enforce such rights under this Agreement, including the collection of any payments due.

6. INDEMNITY

- a. Customer agrees to defend, indemnify and hold CNETE and its affiliates harmless from and against any and all third party claims, demands, actions, losses, liabilities, costs and expenses (including reasonable attorney's fees) arising out of or resulting from the performance, or lack of performance, of each party's activities under this Agreement except to the extent caused by either party's negligence or willful misconduct.

7. FORCE MAJEURE

- a. CNETE shall not be liable for failure to perform any of its obligations under this Agreement during any period in which such performance is delayed by accidents beyond CNETE's reasonable control, such as, but not limited to fire, flood, or other natural disasters, or, embargo, court order, riot, or other intervention of any government authority, provided that CNETE immediately notifies CUSTOMER of such delay. If CNETE's performance is delayed for these reasons for a cumulative period of forty-five (45) days or more from the date of such notice, CUSTOMER may terminate this Agreement by giving CNETE written notice and CNETE will reimburse CUSTOMER for any balance remaining on this Service Agreement.

8. NOTICES

- a. All notices herein provided for or which may be given in connection with this Agreement shall be sent via regular mail, postage prepaid, or by facsimile.

If given to CNETE by CUSTOMER, such notice shall be addressed to:

Computer Network Enterprises
P.O. Box 692216
Houston, TX 77269-2216
Fax: 281.890.6193

If given by CNETE to CUSTOMER, such notice shall be addressed to:

9. GENERAL

- a. This Agreement shall be governed by the laws of the State of Texas and constitutes the entire Agreement between CNETE and CUSTOMER with respect to furnishing of services hereunder. No provision of the Agreement shall be deemed waived, amended or modified by either party, unless such waiver, amendment or modification be in writing signed by the party against whom it is sought to enforce the waiver, amendment or modification.
- b. The foregoing terms and conditions shall prevail notwithstanding any variance with the terms and conditions of any order submitted by the CUSTOMER for service hereunder.

10. NON-SOLICITATION AGREEMENT

- a. Unless otherwise mutually agreed to by both parties in writing, each party agrees not to either directly, indirectly, or through a third party with whom they have contact, solicit for employment any personnel of the other party's during the term of a CNETE Customer Support Agreement, a CNETE Installation Agreement, or other scheduled call for CNETE service, and for a period of twelve (12) consecutive months (52 weeks) thereafter the end of the agreement or last service visit, whichever occurs last. Remedy for violation of the terms of this section of the agreement may include, but are not limited to, the following: direct and indirect damage due to lost revenue, hiring and training of replacement employee(s), related attorneys fees and court costs.

11. SCOPE OF AGREEMENT

- a. If the scope of any of the provisions of this 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 the law.

12. ASSIGNMENT

- a. This Agreement is not assignable by one party without the express written permission of the other party, and any attempt to assign this Agreement or any rights, duties or obligations arising hereunder without such permission shall be void. Except for the prohibition on assignment contained in the preceding sentence, this Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto.

13. NON-WAIVER

- a. CNETE's failure to insist upon or enforce strict performance of any provisions of this Agreement shall not be construed as a waiver of any provisions or right. Neither the course of conduct between parties nor trade practices shall act to modify any provisions of this Agreement.

14. APPLICABLE LAW

- a. This Agreement shall be governed by and constructed in accordance with the laws of the State of Texas, without regard to its conflicts of law provisions. Any cause of action Customer may have with respect to the Service must be commenced within one (1) year after the claim or cause of action arises or such claim or cause of action is barred.

15. COMPLETE AGREEMENT

- a. 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 CNETE 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. Customer acknowledges that it is entering into this agreement solely on the basis of the representations contained herein.

16. SECTION HEADINGS

- a. The headings of the several sections herein are for convenience only and are not intended to affect the meaning of interpretation of this Agreement.

BY THE SIGNATURES OF THE DULY AUTHORIZED REPRESENTATIVES