# SUBCONTRACTOR AGREEMENT

This AGREEMENT is dated as of \_\_\_\_\_\_\_\_\_\_ \_\_\_, 2004 (the “Effective Date”) by and between AAF Association, Inc. a Delaware not-for-profit membership corporation (the “Company”) with an office at 2207 Ringsmith Drive, Atlanta, Georgia 30345, and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a \_\_\_\_\_\_\_\_\_\_\_\_ corporation, with an office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Consultant”).

**BACKGROUND**

The Company requires the services of Consultant with respect to the tasks specified herein, and Consultant has expertise in the area of services required by the Company and is willing to provide such services. In consideration of the mutual promises set forth below other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the above parties hereby agree as follows:

**TERMS AND CONDITIONS**

**1. Statement of Work:** Consultant agrees to perform the services listed in Exhibit A hereto, as such may be amended from time to time by the parties in accordance with the terms set forth herein, to furnish to the Company written work plans and progress reports, as requested by the Company, in such form and number as required by the Company, and to make such final reports as the Company may require (collectively, the “Services”).

**2. Consultant Independent:** Consultant's primary obligation hereunder is to complete the Services on or before the Final Delivery Date specified in Exhibit A. Consultant has no obligation to work any particular hours or days or any particular number of hours or days. While Consultant shall adhere to specifications and standards supplied by the Company, the Company agrees that it will have no right to control or direct the details, manner or means by which Consultant accomplishes the results of the Services.

**3. Warranties of Consultant:**

(a) Consultant warrants to the Company that it has secured all licenses and bonds necessary for performance of the Services and that the Services will be performed in a manner in accord with ordinary business custom and usage and any statutes, regulations, ordinances or contracts applicable to the Services.

(b) Consultant warrants that neither the performance of its duties under this Agreement, nor any deliverable or the use thereof, will infringe any patent, copyright, trade secret or other proprietary right of any third party. Consultant warrants that no deliverable shall contain any material owned by any third party, except as disclosed to the Company in writing prior to Consultant's incorporating such material into any deliverable, and that as to any such material, Consultant shall have all rights necessary to provide to the Company the full, unrestricted benefits to such material as incorporated into the deliverable, including without limitation the right to use, market, distribute, license and copy, and to provide such rights to others.

(c) Consultant warrants that all computer software delivered hereunder, and the media on which any copy is so delivered, shall not contain any code which will destroy or alter data or program code or interfere with the operation of the computer on which the software is used, or any other computer with which such computer exchanges data or storage media, except to the extent such actions are described in written documentation furnished with the deliverables so as to be under the knowing control of the user of the software.

**4. Assignment and Subcontracting:**  This Agreement may not be assigned or transferred by Consultant to any other party, nor may any part of the Services be subcontracted or delegated by Consultant, without the prior written consent of the Company.

**5. Consultant Responsibility for Personnel:** All personnel used by Consultant shall be deemed employees or subcontractors of Consultant and will not be considered employees, agents or subcontractors of the Company for any purpose whatsoever. Consultant assumes full responsibility for the actions of all such personnel while performing Services and for the payment of their compensation (including, if applicable, withholding of income taxes, and the payment and withholding of social security and other payroll taxes), workers' compensation, disability benefits and the like to the extent applicable to the personnel involved. Notwithstanding and without in any way limiting any terms and conditions set forth in this Agreement, all subcontractors of Consultant shall be deemed to have made all of the representations and warranties of Consultant set forth herein and shall be subject to any and all obligations of Consultant hereunder, and, if requested by the Company, Consultant shall obtain from each subcontractor its written consent to and acknowledgment of the terms of this Agreement. Consultant shall be responsible for any breach by any subcontractor of any representations, warranties or obligations set forth in this Agreement.

**6. Rights in Work Product:** As between the Company and Consultant, all computer software programs and documentation, algorithms, program code, any inventions and ideas, written material or other property, tangible or intangible, arising out of or resulting from the performance of this Agreement, whether developed by Consultant, Consultant's employees, subcontractors or otherwise, and all proprietary rights thereto, including copyright rights therein, (the “Work Product”) shall belong to the Company immediately upon development. As to copyrights, Consultant agrees that, as between the Company and Consultant, all deliverables shall be deemed a “work made for hire” and that the Company shall be deemed the author thereof for copyright purposes; provided, however, that if any deliverable is at any time determined to not be a work made for hire, this Agreement shall be deemed an irrevocable assignment of the copyright to the entire Work Product. Consultant shall at the request of the Company execute all documents as are required to vest such ownership in the Company. Consultant will acquire from its employees and all permitted subcontractors who may be engaged in the performance of the Services all such rights as may be necessary so that the Company will receive the rights hereby agreed to be conveyed and vested in it, free of any claims of such employees or subcontractors. Consultant irrevocably appoints the Company as Consultant's attorney-in-fact to execute all such documents as are required by this Paragraph 6. Consultant shall treat all Work Product as Confidential Information (as defined in Paragraph 7, below) of the Company under Paragraph 7 below, and shall impose the requirements of this Paragraph on each permitted subcontractor.

**7. Confidential Information:** As between the Company and Consultant, any and all computer programs, program code, specifications, drawings, sketches, models, samples, data, algorithms, or other technical or business information furnished or disclosed to Consultant hereunder, including any and all related documentation (all of the forgoing hereinafter referred to collectively as “Confidential Information”) shall be deemed the property of the Company. Unless such Confidential Information was previously known to Consultant free of any obligation to keep it confidential, or has been or is subsequently made public by the Company or a third party which had the right to do so, it shall be held in confidence by Consultant, shall be used only for the purposes of performing the Services and may be used for other purposes only upon such terms and conditions as may be mutually agreed upon by both parties hereto in writing.

**8. Third Party Software:** In connection with this Agreement, the Company may provide Consultant with the use of software, programmers utilities, and related items, of third parties (collectively, “Third Party Properties”). Consultant hereby agrees to adhere to the terms and conditions applicable to the Company, its agents, employees and independent contractors pursuant to any license or other agreement(s) relating to such Third Party Properties, including without limitation, the terms and conditions of that certain Structured Storage Library License Agreement by and between the Company and Schema Software Inc. dated March 9, 2004 attached hereto as Exhibit B. Without limiting the generality of the foregoing, Consultant hereby agrees that any obligations imposed on the Company, or its agents, employees or independent contractors, by the Company's contracts which pertain to any Third Party Properties or the Services shall be binding on Consultant.

**9. Disclosure:** Promptly upon expiration or termination of this Agreement, Consultant shall make complete disclosure to the Company of all discoveries and inventions or other information within the scope of Paragraphs 6 and 7, which discoveries, inventions or other information have not been previously disclosed to the Company. In addition, Consultant shall certify in writing that such disclosures are complete.

**10. Intellectual Property:** All rights and licenses granted to the Company hereunder shall be free and clear of any claim of rights (including moral rights such as any rights of identification of authorship, rights of approval on modifications, or limitation on subsequent modifications) by any person or entity. Consultant will defend at its expense any action brought against the Company that is based on any infringement, or claim of infringement, of any patent, trademark, copyright, trade secret or other intellectual property right arising from or relating to the Company's (or its representatives', manufacturers', resellers', distributors' or end-users') use, installation, sale, licensing, marketing or distribution of any materials, equipment, programs or services furnished by Consultant or its subcontractors to the Company hereunder, and Consultant will reimburse the Company for all attorneys' fees and other costs reasonably incurred in connection therewith. The Company shall notify Consultant promptly of any claim of infringement for which Consultant is responsible.

**11. Conflict of Interest:** Consultant is not, and during the term of this Agreement shall not become, a party to any agreement or subject to any obligation which would impede or prohibit its proper execution and observance of this Agreement.

**12. Term and Termination:** This Agreement shall become effective as of the Effective Date and shall, unless earlier terminated in accordance with this Paragraph 12, expire on the Final Delivery Date (as described in Exhibit A). Notwithstanding the foregoing, the Company may terminate this Agreement at any time prior to the Final Delivery Date should the Company determine, in its sole discretion, that Consultant has failed to demonstrate its ability to fulfill the objectives of this Agreement or violated any provision hereof; provided, however, that upon the expiration or termination of this Agreement, if damages are or have been caused to the Company as a result of Consultant's inability to perform under or violation of the provisions of this Agreement, Consultant shall be liable for such damages, including consequential and incidental damages, plus related costs and attorney's fees. Consultant hereby agrees that upon the expiration or termination of this Agreement, or at the Company's earlier direction, Consultant shall return to the Company all Confidential Information, including without limitation all copies of Third Party Properties, and keep no copies thereof.

**13. General:** (a) The failure of either party hereto to enforce any right under this Agreement shall not be construed to be a waiver of that right, or of damages caused thereby, or of any other rights under this Agreement. (b) All notices shall be in writing and given by personal delivery, certified mail, return receipt requested, or by commercial overnight courier for next business day delivery, to the recipient's address set forth above. Notice shall be deemed given the date of personal delivery, the fifth business day after mailing, or the next business day after delivery to such courier (unless the return receipt or the courier's records evidence a later delivery). (c) This Agreement constitutes the entire agreement between the parties with respect to its subject matter; except as provided herein, all other prior agreements, representations, statements, negotiations and undertakings with respect to such subject matter are terminated and superseded hereby. (d) All provisions of this Agreement regarding indemnification, warranty, liability and limits thereon, and confidentiality and/or protection of proprietary rights and trade secrets shall survive the expiration or termination of this Agreement indefinitely. (e) No amendment to this Agreement shall be effective unless it is in writing and signed by a duly authorized representative of each party. The term “Agreement”, as used herein, includes any future written amendments, modifications, or supplements made in accordance herewith. (f) If any provision of this Agreement is held illegal, void or unenforceable, to any extent, in whole or in part, as to any situation or person, the balance shall remain in effect and the provision in question shall remain in effect as to all other persons or situations, as the case may be. (g) This Agreement shall bind and inure to the benefit of the Company and any successor of the Company by reorganization, merger, consolidation or liquidation and any assignee of all or substantially all of its business or assets, but otherwise this Agreement may not be assigned by the Company or Consultant. (h) The construction, interpretation and performance of this Agreement, and the transactions under it, shall be governed by and construed in accordance with the laws of the State of Georgia, excluding its conflict of laws and choice of law rules, and jurisdiction over any action to enforce this Agreement, or any dispute arising from or relating to this Agreement shall subsist solely in the state and/or federal courts located within the State of Georgia.

*[remainder of page intentionally left blank]*

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

**AAF ASSOCIATION, INC. [NAME OF MEMBER]**

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**EXHIBIT A**

**DESCRIPTION OF SERVICES**

Contractor will use structured storage source code provided by the Company to create compiled object code for [SPECIFY OPERATING SYSTEM] (the “Target System”).

Contractor will deliver to the Company all object code required for implementation of structured storage on the Target System, along with all makefiles and other files used to create the object code (collectively, the “Deliverables”).

Contractor will complete the Services and deliver the Deliverables to the Company on or before [\_\_\_\_\_\_\_] (the “Final Delivery Date”).

**EXHIBIT B**

**STRUCTURED STORAGE LIBRARY LICENSE AGREEMENT**

[See Attached Copy]