

SERVICE AGREEMENT

This Service Agreement (“Service Agreement,” “Agreement”) is made on _____ by and between:

1. **LYCAN INDUSTRIES PHILIPPINES, OPC**, a private organization duly established and operating under the laws of the Republic of the Philippines with an address at B229 L28 Mindanao Avenue Extension, Brgy. Sta. Monica, Novaliches, Quezon City, Philippines, herein referred to as “**SERVICE PROVIDER**”

and

2. _____, a natural born citizen with an address located at _____ herein referred to as “**CLIENT**”

SERVICE PROVIDER and **CLIENT** shall be referred to individually as “Party” and collectively as “Parties”

WHEREAS, the **CLIENT** desires to contract with **SERVICE PROVIDER** to perform the modification and customization of the **CLIENT’S** preferred motorcycle unit and services in accordance with the terms of this Agreement

WHEREAS, **SERVICE PROVIDER** desires and agrees to perform certain services for the **CLIENT** on an independent contractor basis as set forth in this Agreement

WHEREAS, **CLIENT** agrees to compensate **CONSULANT** accordingly based on the Cost Estimate Proposal (see attached Cost Estimate Proposal) for the services offered and provided by the **SERVICE PROVIDER**

THEREFORE, in consideration of the foregoing, and of the mutual covenants, both Parties hereto agree as follows:

I. PURPOSE

This established agreement between **SERVICE PROVIDER** and **CLIENT** concerns the development, modification, customization, repair, replacement, alteration, fabrication, and design of the **CLIENT’S** preferred motorcycle unit to be converted into the **CLIENT’S** preferred design and outcome (“**PROJECT**”)

This Agreement seeks to set the terms, services, compensation, warranty, and targeted output of this **PROJECT**.

II. PRODUCTS AND SERVICES

SERVICE PROVIDER agrees to perform the following services (“SERVICES”) and provide the CLIENT with the necessary products (“PRODUCTS”) to complete the agreed upon services.

- a. Design work and consultation – provision of hypothetical design drafts of the potential outcome of the Project
- b. Logistics & Transportation – provision of home assessments and transport of the CLIENT’S motorcycle unit (“ASSET”) to the SERVICE PROVIDER’S place/s of business
- c. Modification/Customization – provision of the customization of the Asset which may include, but are not limited to: disassembly of existing parts, metal works & alteration of motorcycle chassis, modification of body type, change in color, paint works, installation of new after-market custom parts, mechanical work, electrical work, repair of broken parts, replacement of broken parts, road tests, safety tests, stress tests, client servicing and management, project management, supply chain management, and other services that are needed to complete the said Project
- d. Products – acquisition, purchasing, and installation of custom after-market parts based on the agreed upon design schematics

SERVICE PROVIDER represents and acknowledges that the Services performed under this Agreement will be done using the SERVICE PROVIDER’S own equipment at the SERVICE PROVIDER’S place/s of business and at hours and times as determined by the SERVICE PROVIDER. CONULSTANT is engaged in providing these types of services for persons or entities other than the CLIENT, and the SERVICE PROVIDER is not required to provide services exclusively to the CLIENT during the term of this Agreement.

III. PRICING & PAYMENT TERMS

The SERVICE PROVIDER’S products and services prices may vary on a per-unit or per-project basis. See attached “Cost Estimate Proposal” for additional information.

CLIENT agrees to pay SERVICE PROVIDER on the following payment terms:

60% of the total Price to start and begin the Services and Project

30% upon halfway completion of the Project. Halfway completion indicates when the Asset nears its completion.

10% upon release of the Asset to the client

Payment/s will not be made on a salary or hourly rate. The CLIENT shall have no obligation to make any payments until such time as CLIENT accepts SERVICE PROVIDER’S performance as satisfactory.

IV. TERM

The term of this Agreement shall be from _____, 2021 to _____, 2021 which includes the completion of the Asset and the sixty (60) days warranty provided by the SERVICE PROVIDER to the CLIENT. The Agreement may be terminated earlier by final completion of the Services by the SERVICE PROVIDER and acceptance of the services by the Client or through the termination provisions provided herein.

V. TERMS & CONDITIONS

- a. The Client agrees that the Asset will be altered by the SERVICE PROVIDER, therefore, the original body type, design, parts, and overall look of the existing Asset will be different from the final output.
- b. By acquiring the Services of the SERVICE PROVIDER, the Client acknowledges and agrees that its warranty with the dealership from where the Client purchased the Asset may be voided, provided that a new warranty agreement (see Service Warranty) by the SERVICE PROVIDER shall be given to the Client
- c. The SERVICE PROVIDER warrants that it shall perform the Services to the best of its abilities in providing the CLIENT a well-designed, well-built, and safe custom motorcycle unit
- d. The SERVICE PROVIDER shall perform a 100km to 300km road and safety test to ensure the safety, integrity, stability, and performance of the new motorcycle unit before releasing it to the CLIENT
- e. The CLIENT agrees and releases the SERVICE PROVIDER from any and all liabilities arising from misuse, mishandling, malpractice, human error, and loss of integrity from further alteration by the CLIENT.
- f. The SERVICE PROVIDER shall retain control and ownership of the design and intellectual properties of the Project. The SERVICE PROVIDER shall also retain control and supervision over the performance of the SERVICE PROVIDER'S obligations hereunder and control over any persons employed or contracted by the SERVICE PROVIDER for performing the Services hereunder
- g. The SERVICE PROVIDER warrants to the CLIENT that all services provided will be of good quality, in conformance with the highest standards of the profession and in conformance with this Agreement.
- h. SERVICE PROVIDER RESPONSILIBITIES – In addition to all other obligations contained herein, Consultant agrees:
 - a. To furnish all tools, labor and supplies in such quantities and of the proper quality to professionally and timely perform the Services; and
 - b. To proceed with diligence and promptness and hereby warrants that such Services shall be performed in accordance with the highest professional workmanship and service standards in the field to the satisfaction of the CLIENT; and
 - c. To comply, at its own expense, with the provisions of all local laws, regulations, ordinances, requirements and codes which are applicable to the performance of the Services hereunder.

- d. To require its sub-consultants to comply, at their own expense, with the provisions of all local laws, regulations, ordinances, requirements and codes which are applicable to the performance of the Services hereunder or to sub-consultant as an employer, including maintenance of standard Workers' Compensation as required by law in the Republic of the Philippines.

- i. For delayed payments from the CLIENT, CLIENT releases the SERVICE PROVIDER from any and all liabilities from Project delays that may arise due to the delays in payment by the CLIENT. For this reason, the CLIENT may not hold the SERVICE PROVIDER responsible should the release of the final output exceed beyond the expected delivery date.

- j. The CLIENT agrees to pay the SERVICE PROVIDER via the available payment channels provided by the SERVICE PROVIDER

VI. DELIVERABLES

The SERVICE PROVIDER shall submit and provide the CLIENT with a finished customized motorcycle unit in good condition that is road worthy, safe, has passed its in-house road and safety tests, is in accordance with the agreed upon design, and is in accordance with applicable laws and regulations that the CLIENT can immediately use upon receipt of the final output.

For uninstalled parts, the CLIENT may opt to keep the removed parts or have the uninstalled parts disposed by the SERVICE PROVIDER. For parts unclaimed within thirty (30) days starting on the release date of the finished customized motorcycle, the SERVICE PROVIDER shall have full permission to dispose of the unclaimed items in whatever ways the SERVICE PROVIDER deems appropriate.

VII. RELEASE OF DELIVERABLES

The Project shall officially start and commence on the date of the first payment paid by the CLIENT to the SERVICE PROVIDER.

The SERVICE PROVIDER shall complete the Project within 21 to 28 business days which may or may not include road tests, safety tests, registration of the LTO OR/CR (if needed and if applicable). The SERVICE PROVIDER shall release the finished customized motorcycle to the CLIENT not more than thirty-five (35) business days upon the start of the Project unless otherwise stated where safety of use is of concern and unless a delay in the Project caused by Force Majeur or caused by the CLIENT shall occur.

VIII. DURATION

This Agreement shall commence on _____ and shall continue for a period of _____ thereafter unless otherwise earlier terminated by agreement of both parties. Both Parties may agree to extend this Agreement for _____. Any extension of Agreement shall be in writing and be signed by the authorized representatives of both Parties

IX. NON-EXCLUSIVITY

CLIENT agrees that this Agreement does not constitute any exclusivity by the SERVICE PROVIDER to the CLIENT.

X. LIMITATION OF LIABILITIES

a. In no event shall the SERVICE PROVIDER be individually liable to the CLIENT for any damages for breach of fiduciary duty by third-parties, unless the SERVICE PROVIDER's act or failure to act involves intentional misconduct, fraud, or a knowing violation of law.

b. Notwithstanding anything written herein to the contrary, both Parties acknowledge and agree that the SERVICE PROVIDER will not be liable for any losses or damages, whether indirect, incidental, special or consequential, in profits, goods or services, irrespective of whether or not the CLIENT has been advised or otherwise might have anticipated the possibility of such loss or damages, if and when damages occurred are caused by the CLIENT

c. CLIENT agrees to limit SERVICE PROVIDER's liabilities arising from SERVICE PROVIDER's professional acts, errors, or omissions such that the total liability of SERVICE PROVIDER shall not exceed SERVICE PROVIDER's commission amount in Philippines Pesos to the CLIENT.

XII. OWNERSHIP OF ASSETS AND INTELLECTUAL PROPERTY AGREEMENT

All assets, equipment, properties, supplies, designs, drawings, discoveries, formulas, algorithms, computer code, ideas, trademarks, trade secrets, developments, research, office furniture, vehicles, real estate, media assets, photographs, videos, articles, and works produced, purchased, conceived, created, manufactured, shared, written, and developed by the **SERVICE PROVIDER** as part of its business, and their corresponding copyrights, whether or not patentable or registrable under patent, copyright or similar laws, related to the nature of business shall belong to the **SERVICE PROVIDER's** respective owners.

Assets and intellectual properties produced, purchased, conceived, created, manufactured, shared, written, and developed by the **CLIENT** and their corresponding copyrights, whether or not patentable or registrable under patent, copyright or similar laws, related to the **CLIENT'S** business shall belong to the **CLIENT** and its respective owners.

Unless otherwise stated and agreed upon, no part in this Agreement shall state that any Party shall own the assets and intellectual properties of the other Party upon commencement of this Agreement.

XI. CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

Each Party shall have the mutual obligation to treat any and all information on technology, manufacturing process, process standards, business processes, quality assurance and methodologies, quality standards, production capabilities, raw material purchasing, marketing, finance, human resource, business strategies, Prospect data and information, and all other related documents, manuals, operational, and technical matters or messages derived from or in connection with this Agreement as strictly private and confidential and shall not in any manner or in any way divulge or release the same unless authorized by the other party, except; (a) as may be required by applicable law or rules and regulations; or (b) to those of its employees, Prospects, and personnel with a need to know such information. All reasonable steps shall be taken by each party to ensure that its employees, Prospects, and personnel with a need to know such information shall keep such information private and confidential.

XII. TERMINATION OF AGREEMENT

Both Parties may terminate this Agreement without cause or penalty provided a written notice has been made with no less than sixty (60) days to the other Party under any of the following terms or reasons.

- a. Breach of Contract. This Agreement may be terminated by either Party upon written notice to the other Party at least thirty (30) days prior to the termination in the event that the other Party breaches or fails to perform any of its obligations under this Agreement and such breach or failure to perform continues for a period of one hundred and twenty (120) days after receipt of written notice thereof from the non-breaching party, namely if either Party fails to the terms set forth in this Agreement
- b. Force Majeure. A Party may terminate this Agreement upon providing written notice to the other Party if the other Party is affected by a Force Majeure event which cannot be removed, overcome, or abated within six (6) continuous months from the initial date of such Force Majeure event.
- c. Change of Control. Either Party may terminate this Agreement upon written notice to the other Party if the other Party experiences a change of control with a competitor.
- d. Bankruptcy. This Agreement may be terminated by either part upon written notice to the other Party if the other Party (i) is or becomes insolvent, (ii) is or becomes a party to any bankruptcy or receivership proceeding to any similar action affecting its financial condition or property.
- e. This Agreement may be terminated upon written notice at least thirty (30) days prior to the termination if the Party giving notice determines that the performance of this Agreement is no longer commercially viable or applicable within a certain area, vicinity, location, or jurisdiction

XIII. OTHER PROVISIONS

- a. Entire Agreement. This Agreement constitutes the complete, final, and exclusive statement of the terms of the Agreement between both Parties regarding the subject matter and supersedes all prior agreements and discussions. Any representations, promises, or agreements not specifically included in this Agreement shall not be binding upon or enforceable against either Party.
- b. Each Party has cooperated in the drafting and preparation of this Agreement. Hence, any construction to be made of this Agreement, the same shall not be construed against the other Party on the basis that the Party was the drafter.

XV. PROCEDURES FOR AMMENDMENTS

This Service Agreement may be modified by agreement of the appropriate partners, Parties, representatives. Any such modifications will be preceded by a 15-days written notice to the other Party of the intent to modify, alter, and revise this Agreement and the purpose of such.

The Parties acknowledge this to be a provisional document, which may require modification.

The Parties agree to work in good faith to negotiate any such modifications to this Agreement.

SIGNED & AGREED
