



DEVELOPMENT BLOCK OF TIME AGREEMENT

This Block of Time Agreement ("Agreement") is entered into this _____ day of _____, 20____ by and between Grey Wolf Systems (GWS), and _____ ("Customer").

1. Scope of Services. GWS agrees to provide development services for an agreed to block of time. This agreement includes *services provided by an Application Developer*. Any services performed by GWS at Customer's site will be provided at prevailing rate including expenses incurred.
2. Billable Activities. Any activity performed by an Application Developer will be billed. The minimum services incident shall be 0.3 hrs with increments of 0.1 hrs thereafter. Some examples of defining billable vs. non-billable activities are:
 - "Bugs" in software products that are completed according to the software schedule are not billable. Activities to fix "bugs" on an expedited schedule are billable.
 - "Enhancements" to software products that are completed according to the software schedule are not billable. Activities to provide "enhancements" on an expedited schedule are billable.
 - Diagnostic activities are billable.
 - Installation, training and support activities are billable.
 - Custom projects are billable.
3. Effective Dates. The term of Agreement shall be one year commencing on agreement date. If Customer does NOT utilize all available hours, the remaining balance is forfeited (no carry-over). If Customer utilizes all allocated hours before the end of the term, the rate shall return to the then prevailing rate after 30 days from the last billing date that utilizes the remaining hours.
4. Payment Terms. In consideration of the services provided, Customer shall pay GWS the annual contract fee within twenty (20) days of the Invoice Date. If Customer does not pay within twenty (20) days, GWS reserves the right to bill all time at Level 0 rate.
5. Ownership. Any software developed for the purpose of this agreement shall remain the property of GWS. Customer shall not lease, sell or otherwise transfer the software to any third party, except as authorized by GWS.
6. Liability. CUSTOMER AGREES GWS SHALL NOT BE LIABLE FOR ANY LOSS OF PROFITS, GOODWILL, OR OTHER SPECIAL, INCIDENTAL CONSEQUENTIAL, PUNITIVE, DIRECT OR INDIRECT DAMAGES SUFFERED BY CUSTOMER RESULTING FROM SAID AGREEMENT. GWS's MAXIMUM LIABILITY, REGARDLESS OF THE FORM OF ACTION, SHALL NOT EXCEED FEES PAID BY CUSTOMER.
7. Personnel. GWS has made a considerable investment in the hiring, training and retention of its personnel. Customer agrees to refrain from soliciting for employ any GWS employee for a period of two (2) years, unless otherwise mutually agreed in advance.

8. Travel. Travel expenses shall be covered by Customer in addition to billed services. Travel time is not charged, but a minimum of 1.5 times travel time will be minimum billed for an on-site trip (even if actual time is less). If Customer schedules an onsite trip for services and cancels the trip, the Purchaser must pay for the travel expenses incurred and may incur a cancellation fee.

9. Governing Law. This Agreement and all amendments hereto are to be governed by the laws of the State of Colorado.

10. Program Type (please sign and date appropriate program):

Program	Signature	Date
Level 0 - \$100 per hour flat rate		
Level 1 – Maximum of 10 hrs (\$900)		
Level 2 – Maximum of 40 hrs (\$3,400)		
Level 3 – Maximum of 100 hrs (\$8,000)		