



HOME AUTOMATION - A/V DESIGN PROJECT SERVICES AGREEMENT

This AGREEMENT is made this ____ day of _____, 2016

BETWEEN THE CLIENT

Name: _____

Address: _____

Phone: _____

Email: _____

and

Sky Digital Inc. agree as follows:

The Project pertains to Project Estimate(s) _____ and relates to the following areas within the Clients residential and/or commercial property as noted below:

FULL SERVICE HOME AUTOMATION AND A/V PROJECT DESIGN

I. INITIAL PROJECT DESIGN CONCEPT SERVICES

A. In this phase of the Project, Sky Digital Inc. Shall, as and where appropriate, perform the following:

- a. Determine client Home Automation and/or A/V Project Design preferences and specific requirements.
- b. Conduct an initial walkthrough and assess Project Design and scope.
- c. Provide layouts, product information, and other materials to generally show the suggested Project Design Concepts, to include some or all of the following: TV and speaker locations, distributed multi-zone audio and video plans, programmed lighting keypad designs and locations, button commands, HVAC control locations and integration, automated window shades with dimensions, locations and fabric selections, gate control integration plans, surveillance camera locations, remote access functionality, system user interface graphic design, wall touch panel locations, network layout, and all necessary pre-wire plans to meet the Project Design requirements.
- d. Prior to commencing Home Automation and A/V Project Design Concept Services, Sky Digital Inc. Shall request an Initial Design Fee of _____. This fee is based on the overall scale and scope of the individual project requirements and will be assessed by Sky Digital Inc. during the initial walkthrough phase. This Design Fee is payable upon signing this Agreement. Upon approval and formal agreement of a final negotiated Project Estimate with Sky Digital Inc. this Design Fee will be waived and applied directly to the Project Estimate Deposit. If no formal Project Estimate agreement is reached, Sky Digital Inc. shall retain the Design Fee for services rendered. The client shall receive the designs and Project Estimate to use at their discretion.

II. HOME AUTOMATION AND AV SPECIFICATIONS AND PURCHASING

A. Upon successful agreement of the Project Estimate and receipt of the Design Fee and/or Deposit, Sky Digital Inc. will, as and where appropriate:

- a. Select and/or specially design and program the Home Automation and/or A/V Project installation and all required items including TV's and mounts, speakers, lighting keypads, T-Stats, automated shades, fixtures, touch panels, controllers, system hardware, accessories and the like (a.k.a Equipment). Owner furnished and existing hardware may be utilized if and when appropriate, based on project scope and design/programming requirements.
- b. Prepare and submit for client approval, a Project Estimate for the purchase of Equipment.
- c. Sky Digital Inc. may, at times, request the Client to engage others to provide additional installations, pursuant to the arrangements set forth in the Project Estimate and Project Management Services described in this Agreement.
- d. Equipment to be purchased through. Sky Digital Inc. will be summarized in a written Project Estimate prepared by Sky Digital Inc. and submitted in a room by room and/or category format for the Client's written approval. If Installation and/or pro. Programming for said equipment is required, this will be included into the specific room and/or category on the Project Estimate.
- e. No equipment will be ordered by Sky Digital Inc. Until the Project Estimate has been approved by the Client, in writing, and returned to Sky Digital Inc. with the required Design Fee and/or Project Estimate Deposit paid in full.
- f. Should the equipment require a Receiving and Delivery Company (R&D) (e.g. large TVs and Projectors) the Freight and Delivery to cover not only shipping costs but the delivery cost to the home or business .
- g. Should the equipment be received damaged or malfunctioning, the client will not be charged for any additional R&D costs associated with the return and replacement of said equipment.
- h. Equipment purchased through Sky Digital Inc. is not warrantied through Sky Digital Inc. and is subject exclusively to the individual manufacturer product warranties offered by the original selling company and/or manufacturer.
- i. Custom equipment supplied through Sky Digital Inc. is non-refundable. All sales of custom equipment are final.

III. CHANGE ORDERS AND PROJECT MODIFICATIONS

A. At times during a Home Automation and/or A/V Project, changes and modifications may be made to the project. These changes may be requested by the client, project contractors, or Sky Digital Inc. to meet previously unforeseen needs, or mid-project upgrade requests. These modifications will be presented in the form of a Change Order.

- a. All Change Orders will be approved by the client, in writing Before Sky Digital Inc. will initiate the Change Order.
- b. The Change Order request will clearly state any new equipment, programming, and/or installation costs associated with the Change Order.
- c. All Change Orders and their associated costs will be added to the Final Estimate invoice and subject to the same payment obligations and schedules as stated in this contract.

IV. PROJECT MANAGEMENT

A. Sky Digital Inc. will oversee all aspects of the Home Automation and A/V Project design, pre-wire, programming and installation as it pertains to the services legally and contractually provided and agreed upon by Sky Digital Inc. and the Client.

B. If the nature of the Project requires engagement by client of any contractors to perform work based upon Sky Digital Inc. concepts, design, pre-wire, electrical, drywall repair or other project specifications, the client will enter into contracts directly with the concerned contractor. The following work is not included in Sky Digital Inc. scope of work unless specified and approved by the client in the Project Estimate.

cont.

- a. all conduits, high voltage wire panels, breakers, relays, boxes, receptacles etc.
- b. concrete saw cutting and/or core drilling
- c. fire wall, ceiling, roof and floor penetration
- d. sheet rock replacement and/or repair
- e. ceiling tile or T-bar modifications, replacement and/or repair
- f. any and all millwork (eg. molding and trim)
- g. patching, painting and retouching
- h. permits, unless specifically provided for and stated in the Project Estimate.
- i. plumbing and HVAC relocation.

C. Sky Digital Inc. will, as and where appropriate, provide referrals to licensed and insured contractors and installers, meet with all contractors and installers for estimate purposes, and review the contractors and installers work to determine whether the work is proceeding in general conformity with Sky Digital Inc. concepts.

- a. Constant observation of contractors' work at the project site is not a part of Sky Digital Inc. duties.
- b. Sky Digital Inc. is not responsible for the performance, quality, timely completion or delivery of any work, materials or equipment furnished by outside contractors or pursuant to direct contracts with the client.

D. Sky Digital Inc. Will not install or upload programming to the final portion of any installation until the contractors' are finished and out of the job site, unless pre-approved by the home/business owner and, Sky Digital Inc. This is to keep the integrity of the equipment and installation clean and free of dust.

V. COMPENSATION

A. For all Full Service Home Automation and/or A/V Project Design, Programming, and Installation Services provided by Sky Digital Inc. pursuant to this Agreement, Sky Digital Inc. shall be compensated by the hourly fee of \$110.00 and incorporated into the Project Estimate total when submitted to the client.

- a. Labor shall be calculated on a room by room and/or category basis and will fluctuate based on the pre-wire, programming, and installation needs of each room and/or category.
- b. Labor shall be incorporated into the Project Estimate and will be added with the equipment costs into the respective room and/or category totals.
- c. Once labor and programming is set and the project estimate is agreed upon by the client and the total shall Sky Digital Inc. not be changed unless approved in writing by the client. Any changes to pricing shall be presented to the client ahead of time through a change order as stated in the aforementioned section.

VI. PAYMENT SCHEDULE AND PROJECT TIMELINE

A. Sky Digital Inc. will receive the pre-assessed design fee and signed contract at time of walkthrough or shortly thereafter. Project design will not proceed until Sky Digital Inc. has received this contract and payment in full.

- a. Upon receipt of the signed agreement and initial Design Fee, Sky Digital Inc. will provide the client with the initial Home Automation and/or A/V Project Design with a Comprehensive Project Estimate in a timely manner.
- b. Home Automation and A/V Projects that require additional information pertaining to the design (eg. Electrical Schematics, Door Schedules, etc.) must be supplied by the client or their respective contractor to Sky Digital Inc. before the design process can be initiated.
- c. Additional information may be requested by Sky Digital Inc. to complete the initial Design and Project Estimate. These requests will be made directly to the client and/or the respective contractor if needed.

d. Upon receipt of the initial Design and Project Estimate, the client will review and discuss any necessary revisions and or changes with Sky Digital Inc. and/or their respective project contractors.

e. If necessary Sky Digital Inc. will make any revisions and or changes to the Project Estimate and re-submit for client approval.

f. Upon signed approval of Project Estimate, Sky Digital Inc. shall receive a Project Deposit equal to 50% of the total estimated project cost. Project Estimates that exceed \$500,000USD are subject to a reduced deposit of 40%. The Project Deposit is used to cover all necessary pre-wire, project equipment, programming and upfront labor costs associated with the project. Sky Digital Inc. will not begin work until the Project Deposit is paid in full.

g. Upon full receipt of the Project Deposit, Sky Digital Inc. will agree upon a start date based on schedule availability and/or additional project contractor timeframes. Project timelines will vary greatly based on project size, scope and specifications. Sky Digital Inc. will work with the client and any respective contractors to achieve project completion in a timely manner.

B. In the first stage of the project is the Prewire Phase. When applicable Sky Digital Inc. will perform all necessary prewire, rough-in install, and any network prewire that is necessary to the project. During this phase Sky Digital Inc. will coordinate with the client and/or contractors to complete the prewire phase in a reasonable timeframe.

C. The second and final phase of the project is the Equipment and Programming Installation phase. During this phase of the project, Sky Digital Inc. will install all necessary equipment and programming to complete the project.

a. Sky Digital Inc. will not begin this phase until project construction is completed, as the area needs to be clean, finished, and free of dust and construction debris for us to install our equipment and run the system through it's program testing. Sky Digital Inc. shall complete this portion in a reasonable amount of time and should be considered the final phase of your project.

b. If expedited installation is required by the client or contractor, forcing an equipment/programming install before the construction phase is complete, Sky Digital Inc. will take all precautionary measures to make sure the equipment is protected, however, Sky Digital Inc. is not responsible for equipment/programming failure resulting from dust and debris or other adverse project environments that may damage the equipment or programming.

c. Sky Digital Inc. is not responsible for project delays based on unforeseeable circumstances, weather constraints or the scheduling restrictions and timeframes of other contractors associated with the project.

d. If Sky Digital Inc. is scheduled to perform service on a specific date and that service is cancelled or can not be completed, due to contractor(s) or client demands, without reasonable notification from the client or contractor(s), Sky Digital Inc. reserves the right to charge a daily cancellation rate of up to \$300 for the day.

D. Upon Completion of the Home Automation and/or A/V Project, Sky Digital Inc. will conduct a comprehensive Client Tutorial, which will demonstrate and educate the client on use, operation and applicable control, associated to the completed project.

a. This Client Tutorial will be conducted on the date of project completion or a scheduled date agreed upon by the client and Sky Digital Inc.

b. After completion of Client Tutorial, and first successful use of the Home Automation and/or A/V system, Sky Digital Inc. will invoice the client for the remainder of the signed Project Estimate and any applicable Change Orders.

c. Any additional client authorized Change Orders, equipment costs and or associated labor will be discussed, documented and added to the final invoice.

d. Sky Digital Inc. shall receive payment in full no later than 14 calendar days from receipt of the final project invoice. Should the client fail to pay Sky Digital Inc. the full amount specified on the final invoice within the aforementioned timeframe, a 10% interest per annum shall accrue from the calendar day following the final invoice due date.

e. Payment to be made to Sky Digital Inc. by cash or check.

VII. GENERAL CLARIFICATIONS AND ASSUMPTIONS

A. Sky Digital Inc. will prepare a Home Automation and/or A/V Design and Project Estimate based on the following assumptions.

- a. Any Owner-furnished equipment, existing or new, is in good working order and is not covered under any warranty provided by Sky Digital Inc.
- b. Project labor and installation provided by Sky Digital Inc. will take place during normal business hours, Monday through Friday, excluding holidays.
- c. Overtime labor is not included in the Project Estimate provided by Sky Digital Inc. unless separately agreed upon, in writing, by the Client and Sky Digital Inc.

VIII. GENERAL TERMS

A. Permits. Sky Digital Inc. will apply for local and/or state permits required to perform the Services, if any. The cost of any such permits will be advanced by Sky Digital Inc. and is included in the prices shown in the Pricing and Payments exhibit.

B. Insurance/Limitation of Liability. Sky Digital Inc. will maintain general liability and workers' compensation coverage with respect to the negligent acts or omissions of Sky Digital Inc. or its employees and any workers' compensation claims for Sky Digital Inc. employees, as determined by Sky Digital Inc. from time to time. Client will indemnify and hold Sky Digital Inc. harmless from any claim of liability, loss, injury or property damage (including, without limitation, any attorneys' fees and other costs and expenses of litigation with respect to such claims and any amounts paid in settlement of any such claims, not caused by Sky Digital Inc. act and neglect) resulting from the acts or omissions of Client, Client's agents or contractors (other than Sky Digital Inc.), any hazardous conditions on Client's property, any theft or damage occurring after the delivery of Equipment to Client's property, the breach of Client's network security or loss of Client's computer data.

C. Events Beyond Sky Digital Inc.'s Control. Subject to Client's timely review and approval of Sky Digital Inc. designs and specifications and payment of required deposits, if any, Sky Digital Inc. will commence installation within the timeline provided to Client for the construction project phase. Sky Digital Inc. will use reasonable diligence to complete the Services in a timely manner. If Sky Digital Inc. is delayed or prevented from fulfilling any of its obligations under this Agreement by Events Beyond Sky Digital Inc.'s Control, Sky Digital Inc. will not be liable under this Agreement for said delay or failure. "Events Beyond Sky Digital Inc.'s Control" means any cause beyond the reasonable control of Sky Digital Inc. including, but not limited to, an act of God, fire, strike, flood, riot, war, delay of transportation, inability to obtain necessary labor, materials or facilities, delays caused by Client, Client's agents, contractors, or third parties, Change Orders, or Client's failure to make payments when due.

D. Ownership of Designs. Sky Digital Inc. retains sole ownership of and all rights of authorship relating to all drawings and specifications prepared for and/or delivered to Client for review and approval as part of the Services.

E. Client Access to Programming Code. Sky Digital Inc. hereby grants to Client a limited license to use and to modify any programming code created by Sky Digital Inc. as part of the Sky Digital Inc. Services under this

Agreement. This license shall permit Client's use of the programming code solely at Client's address set forth above.

F. Lien Rights. Client hereby grants to Sky Digital Inc. a first priority purchase money security interest in all Equipment supplied by Sky Digital Inc. to perform the Services, until such items are paid for in full by Client. Accordingly, Sky Digital Inc. will have the applicable rights of a secured party under the Uniform Commercial Code adopted and in effect in the jurisdiction where the Services are being provided. Client will not otherwise pledge, assign, or grant any further rights or security interests in the Equipment until Sky Digital Inc. has been paid in full. Sky Digital Inc. will have the right from time to time to file a UCC financing statement and to take such other actions in the appropriate jurisdiction to perfect Sky Digital Inc.'s security interests created hereby.

G. "Attorney's Fees and Costs" and have it read...

In the event Sky Digital incurs any collection costs and/or legal fees in order to enforce the terms and conditions of this Service Agreement, Sky Digital Inc. shall be entitled to recover said reasonable costs and fees.

VIII. LICENSING AND INSURANCE INFORMATION

A. Sky Digital Inc. 738 Cavanagh Rd Glendale, CA 91207

Home Entertainment Systems

License# State Of California DCA 80580

Liability Insurance Hiscox Inc. d/b/a/ Hiscox Insurance Agency in CA UDC-1848262-EO-16

Tax ID# 94-4785543

B. Sky Digital Inc. Fully indemnifies the owner against all damages, liabilities, accidents, and injuries to Sky Digital Inc. employees during and up to the completion of work and delivery of the completed work product, including the replacement of delivered product if damaged, non-operational or incorrectly installed. through the fault of Sky Digital personnel or independent contractors retained by them.

IX. NOTICE TO PROPERTY OWNER

Design and Installation Services Agreement

Effective Date: _____

EVEN THOUGH YOU HAVE PAID YOUR CONTRACTOR IN FULL, if the person or firm that has given you this notice is not paid in full for labor, service, equipment, or material provided or to be provided to your construction project, a lien may be placed on your property. Foreclosure of the lien may lead to loss of all or part of your property. You may wish to protect yourself against this by (1) requiring your contractor to provide a signed release by the person or firm that has given you this notice before making payment to your contractor, or (2) any other method that is appropriate under the circumstances.

This notice is required by law to be served by the undersigned as a statement of your legal rights. This notice is not intended to reflect upon the financial condition of the contractor or the person employed by you on the construction project.

If you record a notice of cessation or completion of your construction project, you must within 10 days after recording, send a copy of the notice of completion to your contractor and the person or firm that has given you this notice. The notice must be sent by registered or certified mail. Failure to send the notice will extend the deadline to record a claim of lien. You are not required to send the notice if you are a residential homeowner of a dwelling containing four or fewer units.

X. CONTRACTUAL AGREEMENT

This Agreement is a full and complete statement of the terms and conditions of the Sky Digital Inc. Services Agreement which client acknowledges their understanding and agreement to said terms and conditions. No representations or agreements have been made other than those contained in this Agreement. This Agreement can only be modified in writing and signed by both an authorized agent of Sky Digital Inc. and the Client.

Project Estimate _____

Estimate Total: _____

Design Fee: _____

Project Deposit: _____

Received by _____ on _____

Balance: _____

CLIENT _____

DATE _____

Sky Digital Inc. _____

DATE _____