

SOFTWARE DEVELOPMENT AGREEMENT

1. 1. Parties and Definitions

This Software Development Agreement (the "Agreement") is entered into on [EFFECTIVE DATE] between [DEVELOPER NAME], a [ENTITY TYPE] located at [DEVELOPER ADDRESS] (the "Developer"), and [CUSTOMER NAME], a [ENTITY TYPE] located at [CUSTOMER ADDRESS] (the "Customer"). "Software" means the software, source code, object code, configuration, scripts, and documentation developed for the Customer under this Agreement. "Specification" means the requirements document attached as Exhibit A, together with any change orders signed by both Parties. "Deliverable" means any item identified in a Statement of Work. "Defect" means a reproducible failure of the Software to perform materially in accordance with the Specification.

2. 2. Statements of Work

Each engagement under this Agreement will be described in a Statement of Work executed by both Parties, referencing this Agreement and setting out the Specification, deliverables, milestones, target dates, acceptance criteria, fees, and assumptions. In case of conflict, the terms of this Agreement control unless the Statement of Work expressly amends a numbered section of it. The Developer will not begin work outside an executed Statement of Work, and the Customer is not obligated to pay for work performed outside one. The initial Statement of Work covers [PROJECT SUMMARY] with a target delivery date of [TARGET DATE].

3. 3. Development Process and Change Control

The Developer will perform the work using [DEVELOPMENT METHODOLOGY, e.g., two-week sprints with a review at the end of each sprint], and will make progress visible through [REPORTING METHOD, e.g., a shared issue tracker, weekly written status, and access to a staging environment]. Either Party may request a change to the Specification in writing. The Developer will respond within [CHANGE RESPONSE PERIOD, e.g., five business days] with the estimated effort, cost at [CHANGE ORDER RATE], and schedule impact, and no change takes effect until both Parties approve it in writing. The Customer acknowledges that changes accepted late in a milestone may require rework and may move dependent dates. Requests that do not alter the Specification, such as bug reports, are handled under Section 5 rather than as changes.

4. 4. Customer Responsibilities and Dependencies

The Customer will provide timely access to the people, systems, data, credentials, environments, and third-party accounts the Developer needs, and will name a product owner authorized to answer requirements questions and approve deliverables. The Customer will respond to questions and approval requests within [RESPONSE WINDOW, e.g., three business days]. The Customer is responsible for procuring and paying for third-party services the Software depends on, including hosting, databases, API subscriptions, certificates, app store accounts, and monitoring tools. Delay caused by the Customer or by a third-party dependency extends affected dates by at least the length of the delay, and the Developer may invoice for standby time above [STANDBY THRESHOLD, e.g., five business days] at [STANDBY RATE].

5. 5. Delivery, Acceptance Testing, and Defects

The Developer will notify the Customer when a milestone is ready for acceptance testing and will provide access to a test environment and any test instructions. The Customer has [ACCEPTANCE PERIOD, e.g., ten business days] to test the milestone against the acceptance criteria in the applicable Statement of Work and to deliver a single consolidated written list of Defects. A milestone is deemed accepted if the Customer approves it in writing, if the Customer submits no Defect list within the acceptance period, or if the Customer uses the milestone in

production. The Developer will correct reported Defects and resubmit within [CORRECTION PERIOD, e.g., ten business days]. Items on the list that are not Defects are change requests under Section 3. If the same milestone fails acceptance [FAILURE LIMIT, e.g., three] times for the same material Defect, the Customer may terminate the affected Statement of Work under Section 12 and receive the work completed to date.

6. 6. Fees, Milestones, and Payment

The Customer will pay the Developer on a [FEE MODEL, e.g., fixed price per milestone, time and materials at the rates in Exhibit B, or a capped time and materials basis] basis. For fixed-price work, the total fee is [TOTAL FEE], invoiced as [MILESTONE PAYMENT SCHEDULE]. For time and materials work, the Developer will invoice [INVOICE FREQUENCY, e.g., monthly] with a breakdown by person and task, and will notify the Customer before exceeding [BUDGET CAP]. Invoices are due within [PAYMENT TERM, e.g., 30 days] and past-due amounts accrue a late charge of [LATE FEE PERCENTAGE] per month or the maximum permitted by law, whichever is less. The Developer may suspend work and pause deliveries if any undisputed invoice is more than [SUSPENSION TRIGGER, e.g., 30 days] overdue, after written notice. The Customer must raise invoice disputes in writing within [DISPUTE WINDOW, e.g., ten days] and pay undisputed amounts on time.

7. 7. Intellectual Property and Source Code

On receipt of full payment for the applicable Statement of Work, the Developer assigns to the Customer all right, title, and interest in the Software developed specifically for the Customer, including the source code, documentation, and all copyrights in them. Until payment is received, the Developer retains all rights and the Customer has no license to use the Software in production. The Developer retains ownership of its pre-existing and independently developed tools, frameworks, libraries, utilities, and generalized know-how (the "Developer Materials"), and grants the Customer a worldwide, perpetual, irrevocable, non-exclusive, royalty-free license to use, modify, and sublicense the Developer Materials as incorporated into the Software. Nothing in this Agreement prevents the Developer from performing similar work for other customers or from reusing skills, techniques, and general knowledge gained during the engagement.

8. 8. Open Source and Third-Party Components

The Developer may incorporate open source and third-party components into the Software only where their licenses permit the intended use by the Customer. The Developer will not incorporate any component under a license that would require the Customer to disclose, license, or make available its proprietary source code, without prior written approval from the Customer. The Developer will maintain and deliver a bill of materials listing every third-party and open source component, its version, and its license, updated at each milestone. Third-party components are licensed and not assigned, and the Customer is responsible for complying with their terms and for any subscription or usage fees. The Developer makes no warranty regarding third-party components beyond passing through any warranty it is permitted to pass through.

9. 9. Source Control, Environments, and Handover

All code will be committed to a repository at [REPOSITORY LOCATION] to which the Customer has read access from the start of the engagement, and full administrative access on acceptance and payment of the applicable milestone. The Developer will maintain the environments listed in Exhibit A, typically development, staging, and production, and will document build, deployment, configuration, and environment variables sufficiently for a competent engineer to run the Software independently. On completion or termination, the Developer will transfer repositories, documentation, credentials, infrastructure configuration, and any data belonging to the Customer within [HANDOVER PERIOD, e.g., 15 days], and will provide up to [TRANSITION HOURS] of transition assistance at [TRANSITION RATE].

10. 10. Confidentiality and Data Protection

Each Party will keep confidential the non-public information of the other, including source code, architecture, business plans, pricing, credentials, and customer data, will use it only to perform this Agreement, and will protect it with at least reasonable care. Where the Developer processes personal data on behalf of the Customer, it will do so only on documented instructions from the Customer, will apply the security measures described in [SECURITY EXHIBIT REFERENCE], will restrict access to personnel who need it, and will notify the Customer without undue delay and in any event within [BREACH NOTICE PERIOD, e.g., 72 hours] of becoming aware of a security incident affecting that data. The Parties will execute a separate data processing addendum where required by applicable privacy law. The Developer will use production data in non-production environments only when it is anonymized or when the Customer approves in writing. Confidentiality obligations survive for [CONFIDENTIALITY PERIOD, e.g., five years] after termination, and indefinitely for source code and trade secrets.

11. 11. Warranty and Post-Delivery Support

The Developer warrants that for [WARRANTY PERIOD, e.g., 90 days] after acceptance of a milestone, the Software will perform materially in accordance with the Specification, and that the work will be performed in a professional and workmanlike manner by qualified personnel. The sole remedy for breach of this warranty is correction of the Defect by the Developer at no additional charge or, if correction is not commercially practicable, a refund of the fees paid for the affected Deliverable. The warranty does not cover issues caused by modification of the Software by anyone other than the Developer, by use outside the Specification, by failures of third-party services or infrastructure, or by data supplied by the Customer. Except as stated in this section, the Software is provided without any other warranty, express or implied, including implied warranties of merchantability, fitness for a particular purpose, and non-infringement. Ongoing maintenance and support after the warranty period are available under a separate agreement.

12. 12. Term, Termination, and Effects

This Agreement begins on the Effective Date and continues until terminated. Either Party may terminate this Agreement or any Statement of Work for convenience on [TERMINATION NOTICE, e.g., 30 days] written notice, or immediately for a material breach not cured within [CURE PERIOD, e.g., 15 days] after written notice. On termination, the Customer will pay for all work performed and approved expenses incurred through the termination date, and the Developer will deliver all work product for which payment has been received together with the handover items in Section 9. Termination does not affect accrued rights, and Sections covering intellectual property, confidentiality, warranty, liability, indemnification, and governing law survive.

13. 13. Non-Solicitation and Personnel

The Developer will assign qualified personnel to the engagement and remains responsible for their work, their compensation, and their compliance with this Agreement, including confidentiality and intellectual property obligations. The Developer will not subcontract any material portion of the work without prior written notice to the Customer and remains fully responsible for any subcontractor. During the engagement and for [NON-SOLICIT PERIOD, e.g., 12 months] afterward, neither Party will knowingly solicit for employment any individual of the other who was directly involved in the work, except through general public job postings not targeted at that individual. If a Party breaches this section, it will pay a placement fee of [PLACEMENT FEE] as the exclusive remedy.

14. 14. Limitation of Liability, Indemnification, and Governing Law

Neither Party will be liable for indirect, incidental, consequential, special, or punitive damages, or for lost profits, revenue, goodwill, or data, even if advised such damages are possible. Except for breach of confidentiality, the indemnification obligations in this section, and willful misconduct, the total aggregate liability of each Party under this Agreement will not exceed the total fees paid or payable under the applicable Statement of Work in the [LIABILITY CAP PERIOD, e.g., twelve months] preceding the event giving rise to the claim. The Developer will defend and indemnify the Customer against third-party claims that the Software as delivered infringes a United States patent, copyright, or trade secret, excluding claims arising from Customer-supplied materials, from modifications not made by the Developer, or from combination with products not supplied by the Developer. The Customer will defend and indemnify the Developer against third-party claims arising from Customer data, Customer-supplied materials, or use of the Software outside the Specification. The indemnified Party must give prompt written notice and reasonable cooperation. This Agreement is governed by the laws of the State of [GOVERNING STATE], without regard to conflict of laws rules. The Parties will attempt to resolve disputes through escalation to senior representatives for at least [NEGOTIATION PERIOD, e.g., 30 days], then through mediation in [MEDIATION LOCATION], before bringing suit in the state or federal courts located in [VENUE COUNTY AND STATE]. This Agreement, its exhibits, Statements of Work, and signed change orders are the entire agreement between the Parties, and any purchase order terms are expressly rejected. Amendments must be in writing and signed by both Parties. Neither Party may assign this Agreement without consent except to a successor of substantially all of its business. If any provision is unenforceable the remainder stays in effect, and neither Party is liable for delay caused by events beyond its reasonable control.

15. Signatures

By signing below, both Parties confirm they have read and agree to this Agreement as of the Effective Date.

DEVELOPER: [DEVELOPER NAME]. Signature: _____. Printed Name: [DEVELOPER SIGNER NAME]. Title: [TITLE]. Date: [DATE]. CUSTOMER: [CUSTOMER NAME]. Signature:

_____. Printed Name: [CUSTOMER SIGNER NAME]. Title: [TITLE]. Date: [DATE]. This Agreement may be executed in counterparts, and electronic signatures have the same effect as original signatures on a single document.

16. Disclaimer

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