

## REPLACEMENTS, LTD.

### Independent Contractor Agreement

This Agreement is made as of this 29<sup>th</sup> day of May, 2014, by and between Replacements, Ltd., a North Carolina corporation with its principal place of business at 1089 Knox Road, McLeansville, North Carolina 27301, and Anna Yeaman, an individual, whose address is 11115 Aqua Vista St. #406, Los Angeles, CA 91602 ("Contractor").

For good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

- 1. Services to Be Provided.** While this Agreement is in effect and as requested by Replacements, Ltd., Contractor shall provide computer consulting, programming, development, and graphic design services and related work product (the "Services") as further described in Schedule "A-1" (the "Work Order") and in such additional Work Orders that the parties may sign from time to time. The Services shall be of a professional quality and shall conform to generally accepted industry standards and practices. The Work Order may state detailed procedures and practices that shall be followed while performing the Services, including acceptance of the Services. Upon Replacements, Ltd.'s request, Contractor shall provide Replacements, Ltd. with a status report of Contractor's activities including an explanation of actual or anticipated problem areas.
- 2. Competitive Services Retained by Replacements, Ltd.** Replacements, Ltd. may retain the services of other persons or entities to undertake the same or similar services as those performed by Contractor and may independently develop or acquire materials or programs that are similar to, or competitive with, the Services.
- 3. Work Rules and Regulations.** Unless otherwise stated in the Work Order, Contractor shall follow Replacements, Ltd.'s work rules, safety, and security regulations.
- 4. Fees and Expenses.** The fee paid to Contractor shall be stated in the Work Order. Contractor shall be responsible for any expenses Contractor may incur at any time and in any connection with performance of the Services, unless approved in writing by Replacements, Ltd.
- 5. Invoices and Payment.** Contractor shall keep accurate and complete accounts and time records of the Services, including the date and number of hours worked and a short description of the Services provided. Such accounts and records, signed by Replacements, Ltd., including copies of receipts for any expenses if approved in writing by Replacements, Ltd., shall be part of any invoice Contractor submits. All invoices submitted must be signed by a Replacements, Ltd. representative specified in the Work Order or by an officer of Replacements, Ltd. Unless otherwise stated in the Work

Order, Replacements, Ltd. shall pay Contractor within thirty (30) days of receiving a proper and undisputed invoice for Services accepted by Replacements, Ltd. Replacements, Ltd.'s maximum liability hereunder for all causes of action relating to a Work Order shall be as stated in the Work Order.

6. **Term and Termination.** This Agreement shall be effective on the date written on page 1 and shall continue until terminated by either party upon ninety (90) days' written notice to the other party. Except as otherwise provided for in a Work Order made pursuant to this Agreement, on one (1) week's notice at any time, Replacements, Ltd. may terminate Contractor's Services under any or all Work Orders for any reason. Notwithstanding anything herein to the contrary, if Contractor is convicted of any crime or offense, commits serious misconduct in connection with his performance hereunder, or materially breaches any provision of this Agreement, Replacements, Ltd. may terminate any and all Work Orders immediately and without prior notice. After termination, Replacements, Ltd.'s sole obligation shall be to pay Contractor for Services actually rendered and accepted under this Agreement. The following paragraphs shall survive the termination of this Agreement: 2 and 7 through 19.

7. **Work Product and Inventions.** All materials, graphics, websites, code, and computer programs developed, generated or produced by Contractor under a Work Order ("Work Product") shall be Replacements, Ltd.'s sole and exclusive property, free of any restrictions or limitations on its use of such Work Product. Contractor shall have no proprietary interest in the Work Product, and neither Contractor nor any third party shall, at any time, use Work Product in any manner or media without having first received written permission from Replacements, Ltd., including without limitation for Contractor's own self-promotion. Any invention, product, computer program, or specification which is produced as a result of this Agreement or any Work Order, whether patentable or unpatentable, which is made, conceived or first actually or constructively reduced to practice by Contractor ("Inventions") shall be Replacements, Ltd.'s property. Contractor shall promptly disclose all Inventions to Replacements, Ltd.

8. **Ownership.** Contractor agrees that the Work Product is a work specially ordered and commissioned for use as contribution to a collective work and is a work made for hire pursuant to U.S. Copyright Law. If the Work Product or any portion of it is not considered a work made for hire, or if Contractor may be entitled to claim any other ownership interest in the Work Product or Inventions, Contractor hereby transfers, grants, conveys, assigns, and relinquishes exclusively to Replacements, Ltd. all of Contractor's worldwide right, title, and interest in and to such materials, under patent, copyright, trade secret and trademark law, in perpetuity or for the longest period otherwise permitted by law. Contractor shall perform any acts that may be deemed necessary or desirable by Replacements, Ltd. to evidence more fully transfer of ownership to Replacements, Ltd. of the Work Product and Inventions.

9. **License.** If the Work Product or Inventions embody or reflect preexisting rights that Contractor owns or that Contractor does not own but only has the right to license to Replacements, Ltd., Contractor hereby grants to Replacements, Ltd. the irrevocable, perpetual, nonexclusive, worldwide, royalty-free right and license to (i) use,

execute, reproduce, display, perform, distribute copies of, and prepare derivative works based upon such preexisting rights and any derivative works thereof, and (ii) authorize others to do any or all of the foregoing.

**10. Proprietary Information.** While performing the Services, Contractor has been or may be given access to proprietary and confidential information of Replacements, Ltd. (collectively, "Proprietary Information") which includes without limitation:

- (a) any data or information that is competitively sensitive material and not generally known to the public, including, without limitation, data or information relating to Replacements, Ltd.'s websites, operations, pricing lists, pricing policies, marketing or sales strategies or techniques or results, creative content, power point presentations, legal or accounting matters, personnel, business operations, processes, policies, plans, procedures, product inventory, product plans, information technology, customer names and/or addresses, customer records, customer relationships, supplier lists, supplier names and/or relationships, sales information, business plans, executive summaries and related memorandums, and internal performance results relating to the past, present or future business activities of Replacements, Ltd.;
- (b) any technical information, design, process, procedure, formula, program or improvement that is commercially valuable and secret in the sense that its confidentiality affords Replacements, Ltd. a competitive advantage over its competitors; and
- (c) all confidential or proprietary concepts, documentation, reports, data, specifications, computer software, source code, object code, flow charts, data, databases, inventions, know-how, show-how and trade secrets, whether or not patentable, or copyrightable.

Contractor shall use reasonable care to safeguard the Proprietary Information and to prevent the unauthorized use or disclosure thereof. Unless one of Replacements, Ltd.'s officers has given written permission, Contractor shall not disclose to anyone outside of Replacements, Ltd., or use in other than Replacements, Ltd.'s business any Proprietary Information received from Replacements, Ltd. or for Replacements, Ltd. from any other person or entity. These restrictions will apply during and after Contractor's engagement with Replacements, Ltd. Any copies or reproductions of the Proprietary Information shall bear the patent, copyright, trademark or proprietary notices contained in the original, if any. Upon Replacements, Ltd.'s request, or in any event upon termination of this Agreement, Contractor shall surrender to Replacements, Ltd. all memoranda, notes, records, drawings, manuals, computer software, and other documents or materials (and all copies of them) relating to or containing Proprietary Information. When Contractor returns the materials, Contractor shall certify in writing that Contractor has returned all materials containing or relating to Proprietary Information. Contractor shall also abide by the software license, nondisclosure and confidentiality agreements entered into by

Replacements, Ltd. with third parties ("Third Party Agreements"), and those third parties shall be third party beneficiaries of this Agreement.

11. **Irreparable Harm.** Contractor acknowledges that use or disclosure of any Proprietary Information in a manner inconsistent with this Agreement or breach of Third Party Agreements will give rise to irreparable injury to Replacements, Ltd. or such third parties inadequately compensable in damages. Accordingly, in addition to any other legal remedies which may be available, at law or in equity, Replacements, Ltd. or such third parties shall be entitled to equitable or injunctive relief against the unauthorized use or disclosure of Proprietary Information or breach or threatened breach of Third Party Agreements.

12. **Contractor's Warranties.** Contractor warrants and represents that (a) Contractor has the full right, power, and all authority and approval required by law to enter into this Agreement; (b) execution and performance of this Agreement will not constitute a breach or default under, or conflict with, any contract, agreement, commitment, or understanding to which Contractor is a party or by which Contractor is bound; (c) in rendering the Services, Contractor shall not unlawfully utilize any invention, discovery, development, improvement, innovation, or trade secret; (d) Contractor has the proper skill, training and background to perform in a competent and professional manner the work set forth in each Work Order and that all Services will be performed in accordance with such Work Order; and (e) all Work Product shall conform to the specifications in a Work Order or otherwise agreed to in writing by Contractor to Replacements, Ltd. Contractor shall indemnify, defend, and hold harmless Replacements, Ltd., its shareholders, directors, and officers, against any claim, loss, damage, or cost, including reasonable attorneys' fees, arising out of or related to any alleged breach of Contractor's warranties and representations made herein.

13. **Personal Injury and Property Damage.** Contractor shall be liable for and shall indemnify, defend, and hold harmless Replacements, Ltd., its shareholders, directors, and officers, against any claim, loss, damage, or cost, including reasonable attorneys' fees, arising out of or related to Contractor's fault or negligence for personal injury or death or damage to personal or real property. Contractor shall make no claims against Replacements, Ltd. for any damages to Contractor, either for personal injury, including death, or for injury to property of any nature, unless such loss is exclusively the result of Replacements, Ltd.'s gross negligence or willful misconduct.

14. **Intellectual Property Infringement.** Contractor warrants and represents that (a) Contractor has full right, title and authority to grant the rights and licenses granted in this Agreement; and (b) Replacements, Ltd. shall receive free, good and clear title to all Work Product and Inventions. Contractor shall be liable for and shall indemnify, defend, and hold harmless Replacements, Ltd., its shareholders, officers, and directors, against any claim that the Work Product or Inventions misappropriate a trade secret or infringe a patent, copyright or other intellectual property right of any person.

15. **Solicitation of Personnel.** During the term of this Agreement and for one (1) year afterward, Contractor shall not recruit, solicit, employ or engage, for Contractor or others, Replacements, Ltd.'s employees.

16. **Independent Contractors.** Replacements, Ltd. and Contractor are acting hereunder as independent contractors. Contractor shall not be considered or deemed to be an agent, joint venturer, or partner of Replacements, Ltd. Contractor shall not be considered an employee of Replacements, Ltd. and shall not be entitled to any benefits that Replacements, Ltd. grants its employees. If any federal, state or local government or agency thereof, any court, or any other entity determines that Contractor is an employee of Replacements, Ltd. for any purpose, Contractor shall indemnify, defend, and hold harmless Replacements, Ltd., its shareholders, directors, and officers, from and against all liabilities, costs, and expenses (including, but not limited to, reasonable attorneys' fees) associated with such determination.

17. **Publicity and Use of Trademarks.** Contractor shall not use the name, logo, trademarks, trade names or any facsimile thereof of Replacements, Ltd. in publicity releases, promotional material, advertising, marketing or business generating efforts without getting Replacements, Ltd.'s prior written consent.

18. **Unenforceability of Provisions.** If any provision of this Agreement, or any portion hereof, is held to be invalid and unenforceable, then the remainder of this Agreement shall nevertheless remain in full force and effect.

19. **General.** This Agreement constitutes the complete and exclusive statement of agreement between the parties, which supersedes and merges all prior proposals and all other agreements, oral and written, between the parties relating to the subject matter of this Agreement. This Agreement may be modified only in writing signed by both parties. The waiver or failure of either party to exercise any right provided for herein shall not be deemed a waiver of any further right hereunder. This Agreement is personal to Contractor and Contractor may not assign or subcontract its rights, duties or obligations under this Agreement to any person or entity, except as provided for in a Work Order. This Agreement shall bind and benefit Replacements, Ltd., its successors and assigns. This Agreement and performance hereunder and actions related hereto shall be governed by the laws of the State of North Carolina, without regard to choice of law provisions. Contractor will resolve any claim or cause of action it has with Replacements, Ltd. arising out of or relating to this Agreement or Replacements, Ltd. exclusively in a state or federal court located in Guilford County, North Carolina. Any notice given under this Agreement shall be in writing and addressed as shown on page 1. A notice shall be effective: (i) upon receipt if delivered by hand; or (ii) three (3) days after deposit in the U.S. mails, postage prepaid, registered mail, return receipt requested. Either party may change its address at any time by giving written notice of the change.

**[SIGNATURES PAGE FOLLOWS]**

IN WITNESS WHEREOF, the parties have executed this Independent Contractor Agreement as of the date first written above.

**Anna Yeaman**

By: AY

Print Name: ANNA YEAMAN

**Replacements, Ltd.**

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

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

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