

# PROFESSIONAL SERVICES AGREEMENT

**Provider:** Luna Base Inc.

**Address:** 2501 North Harwood Street, Suite 1900, Dallas, TX 75201

**Entity Type:** Delaware Corporation

**Client:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## PROJECT DETAILS & PAYMENT TERMS

Field	Details
Project Name/Description	_____
Total Project Value	\$ _____
Payment Structure	<input type="checkbox"/> Fixed Fee <input type="checkbox"/> Hourly Rate <input type="checkbox"/> Monthly Retainer
Consulting Fee Rate	<input type="checkbox"/> Included <input type="checkbox"/> \$/hour <input type="checkbox"/> \$ fixed fee
Payment Schedule	<input type="checkbox"/> Monthly <input type="checkbox"/> Milestone-based <input type="checkbox"/> Upfront <input type="checkbox"/> Other: _____
Monthly/Periodic Amount	\$ _____
Number of Payment Periods	_____
Down Payment Required	\$ _____ (% of total: _____ %)
Upfront Payment Discount	<input type="checkbox"/> 10% <input type="checkbox"/> 15% <input type="checkbox"/> Other: _____ % <input type="checkbox"/> N/A
Project Delivery Deadline	_____
Statement of Work (SOW)	<input type="checkbox"/> Attached as Exhibit A <input type="checkbox"/> To be produced by Luna
Credits Required	<input type="checkbox"/> Included in fee <input type="checkbox"/> Client to purchase: _____ Credits
Travel Expenses	<input type="checkbox"/> Required <input type="checkbox"/> Not Required (Client approval required)
Third Party APIs/Licenses	<input type="checkbox"/> Required <input type="checkbox"/> Not Required (Client responsible for all costs)
Post-Delivery Warranty Period	<input type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> None
Ongoing Support Required	<input type="checkbox"/> Yes <input type="checkbox"/> No (Separate paid support available)

**Field****Details**

**Executed Partnership Agreement** ☐ Yes (Date: \_\_\_\_\_) ☐ No

**Executed Enterprise Agreement** ☐ Yes (Date: \_\_\_\_\_) ☐ No

## EXECUTION

By signing below (physically or electronically), both parties acknowledge they have read, understood, and agree to be bound by this Professional Services Agreement, including the Project Details & Payment Terms above and all Terms and Conditions below, as well as all incorporated agreements and policies.

**LUNA BASE INC.**

Signature: \_\_\_\_\_

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

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

Date: \_\_\_\_\_

**CLIENT**

Signature: \_\_\_\_\_

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

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

Date: \_\_\_\_\_

**ELECTRONIC EXECUTION NOTICE:** This Agreement may be executed electronically through digital signature platforms, email confirmation, Luna's platform, or other electronic means. Electronic signatures are legally binding and have the same force and effect as handwritten signatures under the E-SIGN Act and UETA.

# TERMS AND CONDITIONS

## 1. AGREEMENT HIERARCHY AND INCORPORATION

**1.1 Order of Precedence:** This Professional Services Agreement ("PSA" or "Agreement") is subject to and incorporates by reference Luna Base Inc.'s Terms of Service ("ToS"), available at <https://lunabase.ai/terms>. In the event of any conflict between agreements, the following order of precedence shall apply:

1. Executed Enterprise Agreement (if any)
2. Executed Partnership Agreement (if any)
3. This Professional Services Agreement
4. Luna Base Inc. Terms of Service
5. Luna Platform License (as defined in the ToS)
6. Credit and Token Usage Terms
7. Privacy Policy and other incorporated policies

**1.2 Partnership and Enterprise Benefits:** If Client has executed a separate Partnership Agreement or Enterprise Agreement with Luna, Client may be entitled to modified terms including but not limited to reduced marketplace fees, preferential Credit conversion rates, enhanced support levels, or modified payment terms as specified in such agreements. Any benefits or modifications specified in executed Partnership or Enterprise Agreements shall automatically apply to this PSA.

**1.3 Compliance with Platform Terms:** Client acknowledges and agrees that all services provided under this Agreement are subject to Luna's Terms of Service, including but not limited to the Luna Platform License, Acceptable Use Policy, and Credit and Token Usage Terms. Client's subscription tier under the ToS determines commercial usage rights for all deliverables, regardless of Credit purchases or fees paid under this PSA.

## 2. SERVICES AND DELIVERABLES

**2.1 Service Delivery:** Luna Base Inc. ("Luna," "Company," "we," or "us") agrees to provide professional consulting and software development services to Client ("you" or "Client") as detailed in the Project Details table above and any attached Statement of Work. All services will be performed using Luna's proprietary AI-augmented development platform, including Luna Base, Luna Autopilot, and Luna Core as applicable.

**2.2 Luna Partner Collaboration:** Luna retains the absolute and non-negotiable right to engage, collaborate with, or subcontract any portion or all of the services under this Agreement to qualified third-party service providers from the Luna Partner Marketplace ("Luna Partners"). Luna Partners are vetted third-party developers, consultants, and service providers who have been approved to provide services through Luna's ecosystem. Client expressly acknowledges and agrees that:

- Luna may delegate any or all project work to Luna Partners at Luna's sole discretion

- Luna Partners will be bound by appropriate confidentiality and quality standards through their Partner Marketplace Terms
- Luna remains primarily liable to Client for deliverables, regardless of Partner involvement
- Client may not directly engage or contract with Luna Partners assigned to this project without Luna's written consent
- Luna Partners must use the Luna platform for all development work per Partner Marketplace Terms
- Client information may be shared with Luna Partners as necessary for project completion
- Luna may replace or reassign Luna Partners at any time without Client approval

**2.3 CRITICAL DISCLAIMER - AI LIMITATIONS:** Luna makes no guarantee whatsoever that any project can be completed entirely through artificial intelligence systems. AI technology, while advanced, has significant limitations and may prove inadequate for complex project requirements. Some work may require extensive manual development, custom coding, traditional programming approaches, or complete human intervention. Client explicitly acknowledges and accepts that project completion depends on numerous variable factors including but not limited to project complexity, technical feasibility, AI system capabilities, third-party service availability, and unforeseen technical constraints that may only become apparent during development.

**2.4 NO COMPLETION GUARANTEE:** Luna expressly disclaims any guarantee of successful project completion. The experimental and evolving nature of AI development tools means that some projects may prove impossible to complete using current technology, may require significantly more resources than initially estimated, or may need to be abandoned due to technical limitations. Client assumes all risks associated with project non-completion and agrees that Luna's sole obligation is to provide best efforts using available tools and methodologies.

**2.5 Statement of Work:** If "To be produced by Luna" is selected for the SOW, Luna will create a detailed Statement of Work as part of the initial project requirements gathering phase. Luna's production of requirements, specifications, and project documentation shall constitute the complete and binding SOW under this Agreement. Client acknowledges that Luna's determination of project scope and requirements is final and that any disagreements with Luna's scope interpretation will be resolved through the change order process described herein.

### **3. PAYMENT TERMS**

**3.1 Payment Structure and Obligations:** Client agrees to pay Luna according to the payment structure and schedule specified in the Project Details table above. All payments are due regardless of project completion status, AI system limitations, or any technical difficulties encountered during development. Payment obligations are absolute and not contingent upon successful project delivery or Client satisfaction with results.

**3.2 Down Payment and Commencement:** If a down payment is specified, it is due upon execution of this Agreement and must be received before Luna will commence any services. Luna reserves the right to

halt all work immediately if any payment is late or if Luna has reasonable concerns about Client's ability to pay.

**3.3 Upfront Payment Incentives:** If Client elects to pay 100% of the project value upfront, the discount percentage specified in the Project Details table will be applied. Such upfront payments are non-refundable regardless of project outcome, AI system performance, or any circumstances that may prevent project completion. Partnership Agreement holders may receive additional discounts as negotiated.

**3.4 Late Payment Consequences:** Payments not received within thirty (30) days of the due date will incur a late fee of 1.5% per month or the maximum allowed by law, whichever is lower. Additionally, Luna may immediately suspend all services, withhold deliverables, and pursue collection activities including engaging collection agencies and legal counsel. All collection costs, attorneys' fees, and court expenses will be Client's responsibility.

**3.5 Fee Adjustment Rights:** Luna reserves the right to adjust fees if project complexity exceeds initial estimates, if AI systems prove inadequate for project requirements necessitating manual work, if third-party costs increase, or if Client requests modifications to project scope or timeline. Such adjustments require Client's acceptance to continue services, unless modified rates are specified in an executed Partnership or Enterprise Agreement.

**3.6 Luna Partner Costs:** When Luna Partners are engaged for project delivery, their costs are included in the project fees unless otherwise specified. Client shall not be separately billed for Luna Partner services unless explicitly agreed in writing. Luna remains responsible for all Partner payments and shall not direct Partners to seek payment from Client.

#### **4. LUNA PLATFORM ACCOUNT AND CREDIT REQUIREMENTS**

**4.1 Mandatory Account Setup:** Professional services under this Agreement require a Luna platform account with appropriate access permissions. This is a non-negotiable requirement for service delivery. Client's subscription tier (Starter, Pro, Teams, or Enterprise) determines the commercial usage rights for all deliverables as specified in the Luna Platform License within the ToS.

**4.2 Team Access and Permissions:** Client agrees to add Luna as a team member on Client's Luna platform account with full administrative access permissions necessary to perform the contracted services. Client authorizes Luna to access, modify, and manage Client's account settings, workspaces, projects, and data as required for service delivery. Luna may grant sub-access to Luna Partners as necessary for project completion. Any restrictions on Luna's access may prevent successful project completion.

**4.3 Credit Requirements and Consumption:** Services under this Agreement will consume Credits according to Luna's Credit and Token Usage Terms. Credits automatically convert to Tokens (internal computational units) when AI services are utilized. The conversion rate between Credits and Tokens is determined by Luna and may vary based on Client's subscription tier, with Partnership Agreement holders potentially receiving preferential conversion rates as negotiated.

**4.4 Additional Credit Purchases:** If the Credits included in the fixed fee are exhausted, or if project requirements exceed initial estimates, Client must purchase additional Credits to continue the project.

Credit purchases do not modify commercial usage rights, which are determined solely by Client's subscription status under the ToS. Luna is not obligated to continue services without adequate Credit balances.

**4.5 Platform Dependencies:** Client acknowledges that Luna's services are entirely dependent on the Luna platform's availability and functionality. Any platform outages, limitations, or changes may affect service delivery, and Luna bears no responsibility for delays or complications arising from platform dependencies.

## **5. THIRD-PARTY COSTS AND TRAVEL**

**5.1 Third Party Service Costs:** Some projects may require third party APIs, software licenses, cloud services, hosting platforms, or integrations ("Third Party Services"). Client is solely and exclusively responsible for all costs associated with Third Party Services, including but not limited to:

- API usage fees, rate limit upgrades, and premium service subscriptions
- Software licensing fees, enterprise licenses, and renewal costs
- Third party service subscriptions and usage-based charges
- Integration platform costs and connector fees
- External service provider fees and consulting charges
- Database hosting, CDN services, and infrastructure costs
- Compliance and security audit fees required by third parties

**5.2 Third Party Approval:** Luna will inform Client of any required Third Party Services and must obtain Client's written approval before incurring such costs. Client acknowledges that refusal to approve necessary third party services may prevent project completion.

**5.3 Travel Expenses:** If travel is marked as "Required" in the Project Details table, all travel expenses including airfare, lodging, meals, ground transportation, parking, and incidental expenses will be Client's responsibility. This includes travel expenses for both Luna personnel and any Luna Partners working on the project. All travel must receive Client's written pre-approval with estimated costs.

## **6. CLIENT COLLABORATION REQUIREMENTS**

**6.1 Mandatory Collaboration:** Client agrees to actively and continuously collaborate with Luna throughout the project duration. This collaboration is essential for project success and includes providing timely feedback, access to necessary systems and personnel, required information and documentation, decision-making authority, and ongoing project input as requested by Luna or authorized Luna Partners.

**6.2 Response Time Requirements:** Client must respond to Luna's requests for information, feedback, approvals, decisions, or clarifications within five (5) business days of receipt. This applies to requests from both Luna personnel and authorized Luna Partners. Failure to respond within this timeframe will result in automatic project timeline extensions equal to the delay period, with no reduction in fees, Credits, or other compensation to Client.

**6.3 Communication Delays:** Any project delays caused by Client's failure to communicate promptly, provide required feedback, make timely decisions, or participate in scheduled meetings will extend project deadlines accordingly. Luna bears no responsibility for delays caused by Client's lack of responsiveness.

**6.4 Authorized Decision Makers:** Client must designate no more than two (2) authorized representatives who have complete decision-making authority for the project. Luna and Luna Partners will only accept direction from these designated individuals.

**6.5 Collaboration Failure:** If Client fails to maintain adequate collaboration levels as determined by Luna, Luna may suspend services, adjust project scope, or terminate the agreement with retention of all fees paid.

## **7. SCOPE CHANGE MANAGEMENT**

**7.1 Strict Scope Definition:** The project scope is strictly limited to the deliverables, features, and requirements specified in the Project Details table and any attached Statement of Work. Any work beyond this scope constitutes additional services subject to separate fees and Luna's acceptance.

**7.2 Change Order Process:** All scope changes must be requested in writing with detailed specifications. Luna may decline any scope change requests at its sole discretion. Approved changes will result in additional fees, potential timeline adjustments, and additional Credit consumption. Luna Partners are not authorized to accept scope changes directly from Client.

**7.3 Scope Creep Protection:** The following activities constitute scope changes subject to additional fees:

- Modifications to existing features
- Enhancements or improvements to delivered functionality
- Additional features not in the original scope
- Design specification changes
- Additional system integrations
- Performance optimization or scalability improvements
- Testing beyond basic functionality
- Documentation beyond basic specifications
- Training or support beyond the warranty period

**7.4 Luna's Scope Authority:** Luna has final authority in interpreting project scope and determining what constitutes additional work. Luna's scope determinations are binding.

## **8. TECHNICAL REQUIREMENTS AND QUALITY**

**8.1 Basic Functionality Standards:** Luna will deliver functional software meeting basic requirements as specified in the Statement of Work. "Basic functionality" means core features working under normal

conditions with standard configurations. This standard applies whether work is performed by Luna directly or through Luna Partners.

**8.2 Client Testing Responsibilities:** Client is solely responsible for all testing beyond Luna's basic functionality verification, including:

- User acceptance testing
- Integration testing with existing systems
- Performance and scalability testing
- Security testing and vulnerability assessments
- Cross-browser and mobile compatibility testing
- Accessibility compliance testing
- Load and stress testing

**8.3 Bug Classification:** During any warranty period, Luna will only address "critical bugs" that completely prevent core functionality. Luna will not address performance issues, optimization needs, minor inconsistencies, cosmetic problems, or compatibility issues.

**8.4 Production Readiness:** Client is solely responsible for ensuring production readiness, including security hardening, performance optimization, scalability enhancements, monitoring implementation, and ongoing maintenance.

## **9. AI-AUGMENTED SERVICES DISCLOSURE**

**9.1 AI Platform Usage:** Client acknowledges that Luna and Luna Partners will use AI systems to deliver services under this Agreement. Luna's service delivery model is built around AI augmentation, and traditional development approaches are not available through this engagement. Client specifically acknowledges that Luna makes no representations about which AI models, versions, or providers will be used for any particular task, and Luna retains absolute discretion to select, modify, or replace AI systems at any time without notice or Client consent.

**9.2 AI Output Characteristics:** AI outputs are inherently probabilistic, non-deterministic, and variable in nature. Client understands and accepts that:

- AI systems may produce materially different results for identical inputs across different sessions
- Generated code may contain logical errors, security vulnerabilities, or architectural flaws
- AI outputs may include hallucinations, fabrications, or factually incorrect information
- Solutions may be incomplete, inefficient, or unsuitable for production use without extensive modification
- AI systems cannot guarantee consistency in coding style, naming conventions, or architectural patterns
- Output quality may degrade with complex, novel, or ambiguous requirements



**9.3 Manual Work Requirements:** Client acknowledges and accepts that extensive manual development work may be required when AI systems prove inadequate, including but not limited to:

- Custom coding for business-critical or complex functionality
- Complete rewriting of AI-generated code that fails to meet requirements
- Manual debugging and error correction across entire codebases
- Architecture redesign when AI-proposed structures prove unworkable
- Performance optimization requiring human expertise
- Security hardening and vulnerability remediation
- Integration work requiring domain knowledge AI lacks
- Testing scenarios AI cannot adequately generate or execute
- Documentation requiring human understanding of business context

**9.4 Output Validation Requirements:** Client assumes complete and sole responsibility for comprehensive validation of all AI-generated outputs. This responsibility is absolute and non-delegable, including:

- Line-by-line code review for logic, security, and quality
- Exhaustive testing under all possible use conditions
- Security scanning and penetration testing
- Performance profiling and optimization verification
- Compliance validation against all applicable standards
- Legal review for regulatory requirements
- Accessibility testing and remediation
- Cross-platform and cross-browser compatibility verification

**9.5 No AI Warranty:** LUNA EXPRESSLY DISCLAIMS ALL WARRANTIES REGARDING AI OUTPUTS, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, SECURITY, OR COMPLIANCE. Client accepts all AI outputs "AS IS" and bears full responsibility for consequences of using AI-generated materials.

**9.6 AI Provider Dependencies:** Client acknowledges that Luna's AI services depend on third-party providers (including but not limited to OpenAI, Anthropic, Google, and others) whose services may be interrupted, modified, or discontinued without notice. Luna bears no liability for such third-party service changes, and Client waives all claims related to AI provider availability, performance, or modifications.

## **10. INTELLECTUAL PROPERTY AND LICENSING**

**10.1 Work Product Ownership.** Subject to the provisions of this Section 10, all work product, deliverables, code, documentation, and other materials specifically created by Luna or Luna Partners for Client under this Agreement ("Work Product") shall be considered "work made for hire" to the maximum extent permitted by applicable law, and all right, title, and interest in and to such Work Product shall vest exclusively in Client upon full payment of all fees due under this Agreement. To the extent any Work Product is not deemed work made for hire under applicable law, Luna hereby irrevocably assigns and transfers to Client all right, title, and interest in and to such Work Product, including all intellectual property rights therein, effective upon Client's full payment. Such assignment explicitly excludes Luna Background IP (as defined below), third-party materials, and open source components, which are licensed, not assigned, to Client.

**10.2 AI-Generated Content Disclaimer.** CLIENT ACKNOWLEDGES AND AGREES THAT LUNA MAKES NO REPRESENTATIONS, WARRANTIES, OR GUARANTEES REGARDING COPYRIGHT OWNERSHIP, PATENTABILITY, OR ANY OTHER INTELLECTUAL PROPERTY RIGHTS IN OR TO CONTENT GENERATED BY ARTIFICIAL INTELLIGENCE SYSTEMS. The legal status of AI-generated content remains unsettled and varies by jurisdiction. Some jurisdictions may not recognize copyright in AI-generated works, while others may attribute rights differently. Client is solely responsible for assessing the intellectual property implications of using AI-generated content in their business operations, products, or services. Luna expressly disclaims any liability for Client's use of AI-generated content, including any third-party claims of infringement or challenges to Client's ownership claims. Client is strongly advised to consult with qualified intellectual property counsel in their jurisdiction to understand the risks and limitations associated with AI-generated content. Client assumes all risk related to the commercial exploitation, protection, and enforcement of any purported intellectual property rights in AI-generated deliverables.

**10.3 Luna Background IP.** Luna retains all right, title, and interest in and to its pre-existing intellectual property, including but not limited to the Luna platform, development tools, methodologies, frameworks, templates, libraries, know-how, and any improvements or derivatives thereof ("Luna Background IP"). Nothing in this Agreement shall be construed as transferring any ownership rights in Luna Background IP to Client. To the extent any Luna Background IP is incorporated into Work Product, Luna hereby grants Client a perpetual, irrevocable, worldwide, non-exclusive, royalty-free license to use such Luna Background IP solely as incorporated in the Work Product for Client's business purposes. This license is non-transferable except in connection with a permitted assignment of this Agreement and does not include any right to extract, separate, or use Luna Background IP independently from the Work Product.

**10.4 Open Source and Third-Party Components.** Work Product may incorporate open source software or third-party components subject to separate license terms. Luna shall use commercially reasonable efforts to identify such components and their applicable licenses to Client, but makes no warranty regarding the completeness of such identification or the compatibility of such licenses with Client's intended use. Client acknowledges that open source licenses may impose obligations such as attribution requirements, source code disclosure, copyleft provisions, or restrictions on commercial use. Client is solely responsible for compliance with all applicable open source and third-party licenses. Luna expressly disclaims any liability for license incompatibilities, compliance failures, or restrictions imposed by open source or third-party licenses. Client agrees to review and understand all applicable license terms before using Work Product in production or commercial contexts.

**10.5 Client Responsibilities and Indemnification.** Client shall be solely responsible for securing all necessary rights, licenses, and permissions for any content, data, or materials provided to Luna for incorporation into Work Product ("Client Materials"). Client represents and warrants that it has all necessary rights to provide Client Materials and that Luna's use of such materials as contemplated by this Agreement will not infringe any third-party rights. Client agrees to indemnify and hold Luna harmless from any claims arising from Client Materials or Client's use of Work Product, including claims related to intellectual property infringement, violation of open source licenses, or challenges to AI-generated content ownership.

**10.6 Feedback and Improvements.** Notwithstanding Client's ownership of Work Product, any suggestions, feedback, or improvements Client provides regarding Luna's platform, services, or methodologies shall become Luna's exclusive property. Client hereby assigns all rights in such feedback to Luna without compensation. Additionally, Luna may use general knowledge, skills, and experience gained from performing services under this Agreement, provided such use does not involve disclosure of Client's Confidential Information or specific Work Product created for Client.

**10.7 Escrow and Source Code.** Luna is not obligated to provide source code escrow services unless separately negotiated and documented. If Client requires source code escrow, additional fees and terms will apply. Luna makes no commitment to maintain, update, or support Work Product beyond the warranty period specified in this Agreement, and Client acknowledges that future modifications or maintenance may require separate engagement.

## **11. CONFIDENTIALITY AND NON-DISCLOSURE**

**11.1 Definition and Scope.** For purposes of this Agreement, "Confidential Information" means all non-public, proprietary, or sensitive information disclosed by either party to the other, whether orally, in writing, or in any other form, including but not limited to source code, algorithms, methodologies, technical documentation, business plans, financial information, customer lists, pricing data, project specifications, and any information that a reasonable person would understand to be confidential given the nature of the information and circumstances of disclosure. Each party acknowledges that it may have access to the other party's Confidential Information in connection with this Agreement and agrees to maintain such information in strict confidence.

**11.2 Confidentiality Obligations.** The receiving party shall hold the disclosing party's Confidential Information in confidence using the same degree of care it uses to protect its own confidential information, but in no event less than reasonable care. The receiving party shall not disclose Confidential Information to any third party without the disclosing party's prior written consent, except to employees, contractors, or advisors who have a legitimate need to know and are bound by written confidentiality obligations at least as restrictive as those contained herein. The receiving party shall use Confidential Information solely for purposes of performing under this Agreement and for no other purpose whatsoever.

**11.3 Luna Partner Disclosure.** Client expressly acknowledges and consents that Luna may share Client's Confidential Information with Luna Partners to the extent necessary for project completion. Luna represents that all Luna Partners are bound by confidentiality obligations through the Partner Marketplace Terms that are at least as protective as those set forth in this Agreement. Luna shall remain liable for any breach of confidentiality by Luna Partners to the same extent as if such breach were

committed by Luna directly, subject to the limitation of liability provisions in this Agreement. Upon project completion or termination, Luna shall use commercially reasonable efforts to ensure Luna Partners return or destroy Client's Confidential Information.

**11.4 Exclusions from Confidentiality.** The obligations set forth in this Section 11 shall not apply to information that: (a) was rightfully known to the receiving party prior to disclosure without any confidentiality obligation; (b) is or becomes publicly available through no breach of this Agreement by the receiving party; (c) is independently developed by the receiving party without use of or reference to Confidential Information, as demonstrated by written records; (d) is rightfully received from a third party without breach of any confidentiality obligation; or (e) is required to be disclosed by law, regulation, or court order, provided that the receiving party provides prompt notice to the disclosing party (to the extent legally permitted) and cooperates with any effort by the disclosing party to seek a protective order.

**11.5 Residual Knowledge.** Notwithstanding the foregoing confidentiality obligations, Luna and its personnel may use Residual Knowledge gained from exposure to Client's Confidential Information. "Residual Knowledge" means ideas, concepts, know-how, and techniques that are retained in the unaided memories of Luna's personnel who have had access to Confidential Information. This right to use Residual Knowledge does not grant Luna any license or rights to Client's intellectual property, nor does it permit Luna to disclose Client's Confidential Information or use specific proprietary details retained in any form other than unaided memory.

**11.6 Return of Information.** Upon termination of this Agreement or upon written request by the disclosing party, the receiving party shall promptly return or, at the disclosing party's option, destroy all Confidential Information in its possession or control, including all copies, extracts, and derivatives thereof. The receiving party shall provide written certification of such return or destruction upon request. Notwithstanding the foregoing, the receiving party may retain copies of Confidential Information to the extent required by law or legitimate document retention policies, provided such retained copies remain subject to the confidentiality obligations herein.

**11.7 Duration and Remedies.** The confidentiality obligations set forth in this Section 11 shall survive termination or expiration of this Agreement for a period of five (5) years, except for trade secrets, which shall be maintained in confidence for as long as they remain trade secrets under applicable law. Each party acknowledges that breach of this Section 11 may cause irreparable harm for which monetary damages would be inadequate, and therefore the non-breaching party shall be entitled to seek equitable relief, including injunction and specific performance, without the necessity of posting bond, in addition to all other available remedies at law or in equity.

## **12. WARRANTY AND SUPPORT**

**12.1 Limited Warranty Scope.** If a warranty period is specified in the Project Details table, Luna provides a strictly limited warranty that Work Product will substantially conform to the specifications explicitly documented in the Statement of Work for the designated warranty period. This limited warranty covers only complete failure of core functionality as originally specified and delivered. The warranty explicitly excludes performance issues, scalability limitations, security vulnerabilities (unless causing complete system failure), compatibility issues with any specific environment, integration problems with third-party systems, user interface or user experience issues, features Client assumed would be included but were

not explicitly specified, optimization needs, or any issues arising after delivery. Luna's sole obligation and Client's exclusive remedy under this warranty is for Luna to use commercially reasonable efforts to correct or provide a workaround for documented nonconformities, provided Client reports such issues in writing within the warranty period.

**12.2 Warranty Conditions and Exclusions.** The limited warranty is immediately void and Luna has no warranty obligations if: (a) Client or any third party modifies, alters, or enhances any Work Product in any way; (b) Work Product is used outside the specifications or parameters documented in the Statement of Work; (c) Client's operating environment differs from the specifications originally provided to Luna; (d) issues arise from third-party dependencies, APIs, or services that change or become unavailable; (e) Client fails to implement Luna's recommended corrections or workarounds; (f) problems result from Client's infrastructure, configuration, or deployment practices; (g) Client fails to report issues within forty-eight (48) hours of discovery; or (h) Client attempts any self-remediation before notifying Luna and allowing Luna opportunity to address the issue. The warranty specifically excludes any issues related to AI-generated code inconsistencies, variations in AI output, or changes in AI model behavior.

**12.3 Post-Warranty Support.** Following expiration of any warranty period, all support, maintenance, bug fixes, enhancements, modifications, updates, consulting, troubleshooting, or other services are available exclusively on a paid basis at Luna's then-current professional services rates. Luna has no obligation to provide any free support, consultation, or assistance beyond the warranty period. Any post-warranty support engagement requires a minimum commitment of ten (10) hours at Luna's current hourly rates, which are subject to change without notice. Luna makes no guarantee regarding the availability of personnel familiar with Client's Work Product, and support may require Client to upgrade to current versions of technologies or platforms.

**12.4 Disclaimer of All Other Warranties.** EXCEPT FOR THE LIMITED WARRANTY EXPRESSLY SET FORTH IN SECTION 12.1, LUNA DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT, OR QUIET ENJOYMENT. LUNA DOES NOT WARRANT THAT WORK PRODUCT WILL BE ERROR-FREE, UNINTERRUPTED, SECURE, COMPATIBLE WITH CLIENT'S SYSTEMS, OR SUITABLE FOR CLIENT'S INTENDED PURPOSES. CLIENT ACKNOWLEDGES THAT AI-GENERATED CODE IS EXPERIMENTAL IN NATURE AND MAY CONTAIN ERRORS, VULNERABILITIES, OR UNEXPECTED BEHAVIORS THAT LUNA CANNOT PREDICT OR PREVENT.

### **13. LIMITATION OF LIABILITY**

**13.1 Aggregate Liability Cap.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, LUNA'S TOTAL CUMULATIVE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR ANY OTHER LEGAL THEORY, SHALL NOT EXCEED THE LESSER OF: (A) THE TOTAL FEES ACTUALLY PAID BY CLIENT TO LUNA UNDER THIS AGREEMENT IN THE SIX (6) MONTHS IMMEDIATELY PRECEDING THE FIRST EVENT GIVING RISE TO LIABILITY; (B) FIFTY PERCENT (50%) OF THE TOTAL FEES PAID UNDER THIS AGREEMENT; OR (C) TEN THOUSAND DOLLARS (\$10,000). This limitation applies on an aggregate basis to all claims, damages, liabilities, costs, and expenses, not on a per-incident basis, and includes any claims related to the acts or omissions of Luna Partners.

**13.2 Exclusion of Consequential Damages.** IN NO EVENT SHALL LUNA BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOSS OF PROFITS, REVENUE, SAVINGS, BUSINESS OPPORTUNITIES, DATA, USE, GOODWILL, REPUTATION, BUSINESS INTERRUPTION, PROCUREMENT OF SUBSTITUTE SERVICES, OR ANY OTHER INTANGIBLE LOSSES, REGARDLESS OF WHETHER LUNA HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF THE LEGAL THEORY UNDER WHICH SUCH DAMAGES ARE SOUGHT. These exclusions apply even if limited remedies fail of their essential purpose and even if damages were foreseeable or actually foreseen by Luna.

**13.3 AI-Specific Disclaimers.** Luna expressly disclaims all liability for damages arising from or related to the inherent limitations and characteristics of AI technology, including but not limited to: AI hallucinations, errors, biases, or inappropriate outputs; inconsistencies between different AI-generated components; security vulnerabilities in AI-generated code that Client failed to identify through proper testing; changes in AI model behavior or availability; inability of AI systems to understand or properly implement complex requirements; need for extensive manual rework of AI outputs; AI-generated content that may infringe third-party rights; and failure of AI systems to produce usable or coherent outputs. Client acknowledges that AI technology is experimental and accepts all risks associated with using AI-generated deliverables.

**13.4 Time Limitation for Claims.** Any claim arising out of or related to this Agreement must be brought within one (1) year after the cause of action accrues. This limitation period is absolute and may not be tolled, extended, or waived for any reason, including ongoing negotiations between the parties regarding the subject matter of the claim. Client waives any statute of limitations to the contrary.

**13.5 Basis of Bargain.** Client acknowledges and agrees that Luna has set its prices and entered into this Agreement in reliance upon the limitations of liability and disclaimers of warranties and damages set forth herein, and that these limitations and disclaimers form an essential basis of the bargain between the parties. Client acknowledges that without these limitations, the fees charged under this Agreement would be substantially higher. Client further acknowledges that it has had the opportunity to purchase insurance to cover the risks allocated to Client under this Agreement.

## **14. INDEMNIFICATION**

**14.1 Client Indemnification.** Client shall defend, indemnify, and hold harmless Luna, its parent company, subsidiaries, affiliates, officers, directors, employees, agents, successors, assigns, and all Luna Partners (collectively, "Luna Indemnitees") from and against any and all third-party claims, demands, suits, proceedings, investigations, settlements, judgments, losses, liabilities, damages, costs, and expenses (including reasonable attorneys' fees, expert witness fees, and court costs) arising out of or related to: (a) Client's use, deployment, modification, or distribution of Work Product; (b) Client's violation of any applicable laws, regulations, or third-party rights; (c) any breach by Client of this Agreement or the ToS; (d) Client's negligence, willful misconduct, or fraudulent acts; (e) claims by Client's customers, users, employees, or other third parties related to Work Product or Client's services; (f) Client Materials or any content, data, or specifications provided by Client; (g) Client's failure to properly test, validate, or secure Work Product before production use; (h) any claims related to AI-generated content, including challenges to ownership, allegations of infringement, or disputes about the legal status of such content; (i) Client's use of Work Product in violation of open source licenses or third-party terms; and (j) any

security breaches, data losses, or privacy violations occurring in Client's environment or resulting from Client's deployment practices.

**14.2 Indemnification Procedures.** With respect to Client's indemnification obligations, Luna may, at its option, control the defense of any indemnified claim with counsel of its choosing. Client shall cooperate fully with Luna in the defense of any such claim and shall not settle any claim that affects Luna's rights or interests without Luna's prior written consent, which may be withheld in Luna's sole discretion. Luna may settle any indemnified claim at Client's expense without Client's consent if such settlement only requires payment of money by Client. Client shall pay all defense costs and settlement amounts as incurred upon Luna's request, rather than awaiting final resolution of claims.

**14.3 Limited Luna Indemnification.** Subject to the limitations set forth in Section 13, Luna will defend Client against third-party claims alleging that Work Product specifically created for Client under this Agreement directly infringes a valid patent, copyright, or trademark, provided that: (a) Client provides prompt written notice of such claim; (b) the alleged infringement arises solely from Client's use of unmodified Work Product in accordance with this Agreement; (c) the infringement is not the result of Client's specifications, requirements, or instructions; (d) Client has not used Work Product for any unauthorized purpose or in combination with other software or materials; (e) Client allows Luna sole control of the defense and settlement of such claim; and (f) Client provides reasonable cooperation in the defense. Luna's maximum liability for indemnification shall not exceed the total fees paid by Client under this Agreement.

**14.4 Exclusions from Luna Indemnification.** Luna shall have no indemnification obligations for any claims arising from or related to: (a) open source components or third-party software incorporated into Work Product; (b) AI-generated content that may coincidentally resemble existing works; (c) modifications to Work Product made by Client or third parties; (d) use of Work Product beyond the scope of rights granted under this Agreement; (e) continued use of Work Product after notice of potential infringement and Luna's provision of non-infringing alternatives; (f) Client's failure to implement updates, patches, or modifications provided by Luna; or (g) any claim that Work Product infringes intellectual property rights due to its compliance with industry standards, common practices, or widely-used methodologies.

**14.5 Sole Remedy.** THE INDEMNIFICATION PROVISIONS SET FORTH IN THIS SECTION 14 STATE THE ENTIRE LIABILITY OF EACH PARTY AND THE EXCLUSIVE REMEDY OF THE OTHER PARTY WITH RESPECT TO ANY THIRD-PARTY CLAIMS COVERED BY SUCH INDEMNIFICATION PROVISIONS. If Work Product becomes subject to an infringement claim, Luna may, at its sole option and expense: (a) procure for Client the right to continue using the Work Product; (b) modify the Work Product to make it non-infringing; (c) replace the Work Product with non-infringing alternatives; or (d) terminate this Agreement and refund a pro-rated portion of fees paid for the affected Work Product.

## **15. EMPLOYEE AND PARTNER NON-SOLICITATION**

**15.1 Non-Solicitation Covenant.** During the term of this Agreement and for a period of twenty-four (24) months following its termination or expiration (the "Restricted Period"), Client agrees not to, directly or indirectly, solicit, recruit, hire, engage, or attempt to hire or engage any individual who is or was an employee, contractor, consultant, or agent of Luna at any time during the twelve (12) months preceding such solicitation or recruitment. This restriction includes all Luna personnel regardless of whether they worked on Client's project, as well as any Luna Partners who were introduced to Client or performed

services in connection with this Agreement. The restriction prohibits Client from encouraging any such individuals to terminate their relationship with Luna, offering employment or consulting opportunities, assisting third parties in recruiting such individuals, or engaging in any conduct designed to facilitate the departure of Luna personnel or Partners.

**15.2 Liquidated Damages.** Client acknowledges that any breach of the non-solicitation provisions would cause significant harm to Luna that would be difficult to quantify, including disruption to ongoing projects, loss of institutional knowledge, costs of recruiting and training replacement personnel, and damage to client relationships. Therefore, in addition to any other remedies available to Luna, Client agrees to pay liquidated damages for each violation as follows: (a) for any Luna employee or contractor, liquidated damages equal to two (2) times such individual's total annual compensation at Luna, plus all recruiting, replacement, and training costs incurred by Luna (with a minimum of \$50,000 in such costs), plus Luna's reasonable attorneys' fees and costs of enforcement; and (b) for any Luna Partner, liquidated damages equal to fifty percent (50%) of such Partner's total billings to Luna in the twelve (12) months preceding the violation, plus a referral fee equal to thirty-five percent (35%) of all revenues Client derives from such Partner for a period of three (3) years following the violation, plus Luna's enforcement costs and attorneys' fees.

**15.3 Direct Partner Engagement.** Client may not directly engage any Luna Partner for services without Luna's prior written consent. If Luna provides such consent, Client shall pay Luna a referral fee equal to thirty-five percent (35%) of the total value of the first year of such engagement, plus fifteen percent (15%) of all subsequent engagement value for an additional two (2) years, with a minimum referral fee of \$50,000 per Partner engagement. Additionally, Client shall pay an administrative processing fee of \$10,000 for each approved direct engagement. Any attempt to circumvent these provisions through use of intermediaries, affiliated entities, or delayed engagement shall be treated as a violation subject to liquidated damages.

**15.4 Exceptions and Notice.** The non-solicitation provisions shall not apply to: (a) general advertisements or job postings not specifically targeted at Luna personnel; or (b) situations where Luna personnel initiate contact with Client entirely independently and without any encouragement from Client, provided that Client immediately notifies Luna in writing of such contact and does not proceed with any engagement for at least thirty (30) days to allow Luna opportunity to retain the individual. If Client inadvertently violates the non-solicitation provisions, Client must notify Luna within twenty-four (24) hours of discovery and has five (5) business days to terminate the improper engagement to avoid liquidated damages.

**15.5 Injunctive Relief.** Client acknowledges that monetary damages alone may be insufficient to compensate Luna for violations of this Section 15. Therefore, in addition to liquidated damages and all other available remedies, Luna shall be entitled to seek and obtain immediate injunctive relief, including temporary restraining orders and preliminary and permanent injunctions, without the necessity of posting bond or other security, to prevent or remedy any breach or threatened breach of the non-solicitation provisions.

## **16. GENERAL PROVISIONS**

**16.1 Governing Law and Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, United States of America, without regard to its conflict of law



principles or the United Nations Convention on Contracts for the International Sale of Goods. Each party irrevocably consents to the exclusive jurisdiction and venue of the state and federal courts located in Delaware for any action arising out of or relating to this Agreement, waives any objection to such jurisdiction or venue, and agrees that service of process may be effectuated by certified mail to the addresses specified in this Agreement.

**16.2 Dispute Resolution.** Any dispute, controversy, or claim arising out of or relating to this Agreement, including its formation, interpretation, breach, or termination, shall be resolved through binding arbitration administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules. The arbitration shall be conducted before a single arbitrator with substantial experience in technology and software development agreements, shall take place in Wilmington, Delaware, and shall be conducted in the English language. The arbitrator's decision shall be final and binding upon the parties, and judgment upon the award may be entered in any court of competent jurisdiction. The arbitrator shall not have authority to award punitive or exemplary damages. Each party shall bear its own attorneys' fees and costs unless the arbitrator determines that a party has pursued frivolous claims or defenses, in which case the arbitrator may award fees and costs to the prevailing party. No class actions, consolidated proceedings, or joinder with other arbitrations shall be permitted. Notwithstanding the foregoing, either party may seek immediate injunctive relief from a court of competent jurisdiction to prevent irreparable harm pending the outcome of arbitration.

**16.3 Entire Agreement.** This Agreement, together with any Statement of Work, the Luna Terms of Service (and all documents incorporated therein by reference including the Privacy Policy, Credit and Token Usage Terms, and Luna Platform License), and any applicable Partnership Agreement or Enterprise Agreement, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations, representations, and warranties, whether written or oral. Client acknowledges that it has not relied upon any representations or statements outside of this Agreement in deciding to enter into this Agreement. The order of precedence for any conflicts shall be as specified in Section 1.1.

**16.4 Amendment and Waiver.** No amendment, modification, or waiver of any provision of this Agreement shall be effective unless in writing and signed by authorized representatives of both parties. Email confirmations explicitly stating agreement to modified terms shall constitute valid written amendments. No course of dealing between the parties or course of performance under this Agreement shall be deemed to modify, amend, or discharge any provision hereof. A waiver of any breach or default under this Agreement shall not constitute a waiver of any other or subsequent breach or default.

**16.5 Assignment.** Client may not assign this Agreement or any of its rights or obligations hereunder, whether by operation of law or otherwise, without Luna's prior written consent, which may be withheld in Luna's sole discretion. Any attempted assignment in violation of this provision shall be null and void. A change of control of Client, including any merger, acquisition, or sale of substantially all assets, shall be deemed an assignment requiring Luna's consent. Luna may freely assign this Agreement without Client's consent to any affiliate, successor, or acquirer, and may delegate any or all of its obligations hereunder to Luna Partners or other service providers while remaining primarily liable for performance.

**16.6 Severability.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the remaining provisions shall continue in full force and effect. The parties agree to negotiate in good faith to replace any invalid provision with a valid provision that most

closely approximates the intent and economic effect of the invalid provision. The invalidity or unenforceability of any provision in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

**16.7 Force Majeure.** Neither party shall be liable for any delay or failure in performance under this Agreement due to causes beyond its reasonable control, including but not limited to acts of God, natural disasters, war, terrorism, pandemic, epidemic, government actions, labor disputes, strikes, internet or telecommunications failures, power outages, or disruptions to AI service providers, provided that the affected party promptly notifies the other party and uses commercially reasonable efforts to mitigate the impact. Force majeure events shall not excuse Client's obligation to pay fees for services already performed or Work Product already delivered.

**16.8 Notices.** All notices required or permitted under this Agreement shall be in writing and delivered by email to legal@lunabase.ai (for Luna) with a copy to support@lunabase.ai, or to the email address specified for Client in the Agreement header, with confirmation of receipt requested. Notices may also be delivered by certified mail, return receipt requested, to the physical addresses specified in this Agreement. Notices shall be deemed given upon receipt or attempted delivery if delivery is refused.

**16.9 Independent Contractors.** The parties are independent contractors and nothing in this Agreement shall be construed to create a partnership, joint venture, agency, or employment relationship. Neither party has authority to bind the other or incur obligations on the other's behalf. Each party shall be solely responsible for its own employees, contractors, taxes, and business expenses.

**16.10 Survival.** The following provisions shall survive termination or expiration of this Agreement: Sections 10 (Intellectual Property), 11 (Confidentiality), 13 (Limitation of Liability), 14 (Indemnification), 15 (Non-Solicitation), 16.2 (Dispute Resolution), and any other provisions that by their nature are intended to survive. All payment obligations accrued prior to termination shall also survive.

**16.11 Counterparts and Electronic Execution.** This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one agreement. Electronic signatures, whether through DocuSign, Adobe Sign, email confirmation, or other electronic means, shall be legally binding and have the same force and effect as handwritten signatures under the U.S. Electronic Signatures in Global and National Commerce Act (E-SIGN Act) and the Uniform Electronic Transactions Act (UETA).

**16.12 Language.** This Agreement is drafted and executed in English. Any translation provided is for convenience only and shall have no legal effect. In the event of any conflict between the English version and any translation, the English version shall prevail for all purposes including interpretation, dispute resolution, and enforcement.