

# General Terms & Conditions

In consideration for the payment of fees set forth in the Pricing Worksheet (to which these General Terms and Conditions are attached or which references these General Terms and Conditions), and subject to the terms and conditions of this Agreement, Wisetail will provide Client with the Services as set forth below.

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## 1. Definitions

**“Implementation Fee”** means the fee to be paid by Client to cover the cost of the initial set-up of the LMS System, as detailed in the Pricing Worksheet.

**“Licensing Fee”** means the fee to be paid by Client to cover the ongoing cost of the use of and access to the LMS System as well as the hard costs associated with hosting the LMS System, as detailed in the Pricing Worksheet.

**“LMS System”** means the proprietary Wisetail Learning Management System application software hosted by Wisetail (or a third party hosting or cloud provider utilized by Wisetail) and made available to Client to support the online use of Client’s content by Client’s Users.

**“Location”** or **“Locations”** means a physical location or locations owned, franchised or controlled by Client.

**“Professional Services”** means the professional services and/or integration projects (other than the implementation and initial set-up of the LMS System) requested by Client, as detailed in a Statement of Work executed by the parties.

**“Services”** means the LMS System, Professional Services, implementation services, hosting services, maintenance services and other services and deliverables to be made available or provided by Wisetail to Client as set forth in the Pricing Worksheet, and the applicable exhibits, addenda and Statement(s) of Work attached or incorporated herein by reference.

**“User”** or **“Users”** means a subset of Client’s employees, franchisees & the franchisee employees (or employees of the Locations) who are invited by Client to access and use the LMS System.

## 2. Licenses

**2.1 Services.** In consideration of the fees set forth in the Pricing Worksheet, and subject to the terms and conditions of this Agreement, Wisetail will provide to

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Client the hosting services, implementation services, operation and maintenance identified in the Pricing Worksheet for Client to access the LMS System as authorized under the Agreement.

**2.2 Use and Access.** Subject to the terms and conditions of this Agreement, Wisetail hereby grants Client a non-exclusive, non-transferable (except in accordance with Section 10.4 below), revocable license under its intellectual property rights to access and use the LMS System solely for Client's internal business purposes for the Term (as defined in Section 9 below) of this Agreement. For any Locations not owned by Client, Client agrees that it is responsible for compliance with and breach by such Locations and their Users of the terms and conditions of this Agreement as if such acts and omissions were those of Client.

**2.3 License Restrictions.** Client will have no right to assign or transfer (except in accordance with Section 10.4 below) its right to access and use the LMS System. Client will not permit the LMS System to be used by or for the benefit of anyone other than Client and its Users or for any purpose which is not reasonably related to Client's business operations. Client will not have the right to re-license, sublicense access and/or use the LMS System. Client may not modify, translate, reverse engineer, decompile or create derivative works based upon the LMS System. Client is not granted the right to, and will not: (a) modify, disassemble, decompile or reverse engineer any portion of the LMS System nor authorize any third party to do so; or (b) copy any portion of the LMS System. Client will not use the LMS System to: (i) send spam or otherwise duplicative or unsolicited messages in violation of applicable laws; (ii) send or store infringing, obscene, threatening, libelous, or otherwise unlawful or tortious material, including material harmful to children or violative of third party privacy rights; (iii) send or store material containing software viruses, worms, Trojan horses or other harmful computer code, files, scripts, agents or programs; (iv) interfere with or disrupt the integrity or performance of the LMS System or the data contained therein; or (v) attempt to gain unauthorized access to the LMS System or its related systems or networks. Client agrees to use the LMS System and Services in a manner that complies with all applicable laws including, without limitation, intellectual property and copyright laws.

**2.4 Passwords and ID's.** Client will not: (a) transmit or share identification or password codes to persons other than authorized Users, (b) permit the identification or password codes to be cached in proxy servers and accessed by individuals who are not authorized Users, or (c) permit access to the LMS System through a single identification or password code being made available to multiple Users.

**2.5 Limited Rights.** The rights of Client to use the LMS System and Services are limited to those expressly granted in this Section 2 and will terminate automatically upon the termination of this Agreement for any reason. There are no implied licenses. Wisetail hereby reserves all rights not expressly granted to Client under this Agreement. The LMS System is licensed and not sold.

## 3. Price and Payment Terms

**3.1 Fees and Payment Terms.** The fees to be paid by Client in exchange for the Services to be delivered by Wisetail are as set forth in the Pricing Worksheet, and any exhibits, addenda and Statement(s) of Work attached or incorporated herein by reference. All payments will be made net 30 days from date of invoice, except as otherwise set forth in the Pricing Worksheet, and any exhibits, addenda and Statement(s) of Work attached or incorporated herein by reference. All money amounts set forth herein are expressed in, and all payments to be made hereunder will be made in, United States dollars.

**3.2 Suspension; Late Payments.** Without prejudice to its other rights, Wisetail reserves the right to suspend or terminate this Agreement and/or Client's access to the LMS System and Services if Client does not pay amounts when due hereunder. Delinquent invoices are subject to interest of 1.5% per month on any outstanding balance, or the maximum permitted by law, whichever is less, plus all expenses of collection. Interest will compound monthly. Client will continue to be charged for Licensing Fees during any period of suspension.

**3.3 Expenses.** Client will reimburse Wisetail for any travel-related expenses incurred during the performance of this Agreement provided such travel was pre-approved by Client.

**3.4 Taxes.** The amounts to be paid to Wisetail hereunder will be paid as set forth herein without deduction for any taxes, duties or payments of any kind to any third party. If Wisetail is required to pay or collect any federal, state, local, or value-added tax on any fees charged under this Agreement, or any other similar taxes or duties levied by any governmental authority, excluding taxes levied on Wisetail's net income, then such taxes and/or duties will be billed to and paid by Client immediately upon receipt of Wisetail's invoice and supporting documentation for the taxes or duties charged.

**3.5** No changes may be made to the Pricing Worksheet for any subsequent Renewal Term (as defined below) of this Agreement unless agreed to in writing by both parties hereto.

**3.6 Records; Audit Rights.** During the Term of this Agreement and for two years thereafter, Client will keep accurate records and accounts pertaining to this Agreement in accordance with generally accepted accounting principles and standard business practices. Such records will include, but are not limited to, a record of the Locations and Users (including the identity and Location of Users and number of Users, if applicable) using and accessing the LMS System and Services. Wisetail or its agents may audit Client's records on 15 days' notice to Client. Such audits are solely for the purpose of verifying Client's compliance with the provisions of the Agreement and amounts due by Client to Wisetail hereunder. In the event any such audit reveals an underpayment by Client, (a) Client will promptly remit the amount of the underpayment for the period covered by the audit, and (b)

if such underpayment exceeds 5% of the payment due for the period covered by the audit, then Client will reimburse Wisetail for its reasonable expenses incurred in connection with the audit. Wisetail's rights under this Section will remain in effect during the Term of this Agreement and through the period ending two years from the termination or expiration of the Term of this Agreement.

## 4. Technical Support and Service Level Agreement

**4.1** Wisetail will provide support for the LMS System through an online help desk, 7 days a week between the hours of 6:00 AM and 6:00 PM Mountain Time. After hours and holidays, support will be offered for urgent issues at Wisetail's discretion.

**4.2** Client will receive periodic LMS System bug fixes via a versioning schedule set by Wisetail, at no additional cost to Client.

**4.3** Wisetail guarantees that the LMS System will be available 99.8% of the time on an annual basis, excluding any scheduled maintenance, necessary server migrations or force majeure events. In the event of a breach of the availability guarantee, upon request Wisetail will issue a credit to Client against future Licensing Fees as set forth in the table below:

Annual System / Service Uptime Percentage	Service Level Credit (% of Annual License Fee)
99.8% or greater	0%
≥ 99% but < 99.8%	15%
< 99%	30%

The maximum credit for any annual period will not exceed of 30% of the Licensing Fee for such year and may not be carried over to future periods. This Section 4.3 is Client's sole and exclusive remedy for Wisetail's failure to meet the availability guarantee for any reason.

## 5. Ownership of Intellectual Property

**5.1** Wisetail and/or its licensors will exclusively own all right, title and interest in and to the LMS System and any Aggregate Data, and all intellectual property rights thereto. "Aggregate Data" means any and all data produced from the Client's and its Users' use of the LMS System or provisioning of the Services for broad groups or categories in which the characteristics of individual persons are no longer identifiable, including but not limited to metadata.

**5.2 Client.** Client and/or its licensors will exclusively own all right, title and interest in and to all content created and posted by Client on the LMS System or data generated by Client's and its Users' use of the LMS System (other than Aggregate Data), and all intellectual property rights thereto.

## 6. Confidentiality

**6.1** “Confidential Information” means technical, financial and/or business information disclosed by a party (disclosing party) to the other party (receiving party) in connection with this Agreement, including but not limited to the confidential information of a party’s third party contractors or suppliers. Each party will use reasonable efforts to mark or identify its Confidential Information at the time of disclosure to the other party; provided, however, Confidential Information will include information which a reasonable person under the circumstances would know the disclosing party intended to be treated as Confidential Information. The LMS System and other data on Wisetail’s application server embodies logic, design and coding methodology that is Wisetail’s Confidential Information. All content created and posted by Client on the LMS System or data generated by Client’s and its Users’ use of the LMS System (other than Aggregate Data), is Client’s Confidential Information.

**6.2** The receiving party will (a) keep the disclosing party’s Confidential Information in its strictest confidence and take reasonable precautions to protect such Confidential Information (including, without limitation, all precautions the receiving party employs with respect to its confidential materials); (b) not make any use of the disclosing party’s Confidential Information except to carry out its rights and obligations under this Agreement; (c) not divulge the disclosing party’s Confidential Information or any information derived therefrom to any third party except to receiving party’s affiliates and its and their employees, directors, officers, agents, consultants and contractors (“Representatives”) as is reasonably required in connection with the exercise of receiving party’s rights and obligations under this Agreement; and (d) not copy (except as necessary to carry out its rights and obligations under this Agreement) the disclosing party’s Confidential Information. Any Representatives given access to the disclosing party’s Confidential Information must have a legitimate “need to know” and must have agreed, either as a condition of employment, representation or in a written agreement in order to obtain the Confidential Information, to be bound by terms and conditions no less protective of the disclosing party than this Section 6. The receiving party will be liable for any of its Representatives’ failure to comply with such obligation.

**6.3** Confidential Information does not include information that is: (a) already known by or available to the receiving party without obligation of confidentiality before disclosure under this Agreement; (b) or becomes publicly known without breach of this Agreement by the receiving party; (c) rightfully received by the receiving party from a third party without a duty of confidentiality; (d) independently developed or learned by the receiving party without use of or reference to the disclosing party’s Confidential Information as proven by its records; or (e) disclosed by the receiving party with the disclosing party’s prior written approval.

**6.4** The receiving party may disclose the disclosing party’s Confidential Information pursuant to the order or requirement of a court, administrative agency, or other governmental body; to the extent not prohibited by law, the receiving

party must give reasonable notice to the disclosing party to allow the disclosing party to contest such order or requirement or seek confidentiality treatment. Each party may disclose terms and conditions of this Agreement (a) in connection with any financing transaction or due diligence inquiry, and/or (b) pursuant to a registration statement, annual, quarterly or current report, proxy statement, or other filing with, and any exhibits thereto, filed with the Securities and Exchange Commission, securities exchange or quotation service, or any state securities commission, or any other associated documents or materials so filed or furnished.

**6.5** Each party acknowledges that monetary remedies may be inadequate for any breach of this Section 6 and, without prejudice to any rights or remedies at law or in equity otherwise available to the disclosing party, the disclosing party will be entitled to seek injunctive relief, specific performance or other appropriate equitable remedies to protect its interest therein, without the posting of bond or proof of actual damages.

**6.6** Notwithstanding anything to the contrary in this Agreement, and unless Client provides written notice (email is sufficient) to Wisetail withdrawing Client's authorization, Wisetail may provide high-level live demonstrations of Client's instance of the LMS System to third parties including prospective customers with written notice provided prior to such demonstrations.

## 7. Warranty and Disclaimer

**7.1 General Warranty.** Each party hereby represents and warrants to the other that (a) such party has the right, power and authority to enter into this Agreement and to fully perform all its obligations hereunder; and (b) the making of this Agreement does not violate any agreement existing between such party and any third party.

**7.2 Limited Warranty.** Wisetail warrants that the LMS System provided under this Agreement will be free from material defects. As Client's sole and exclusive remedy for any breach of the foregoing warranty, Wisetail will remedy the defect within a commercially reasonable time free of charge. Client must report any material deficiencies in the LMS System to Wisetail in writing within 90 days of Client's discovery of the defect.

**7.3 Disclaimer.** EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION 7, WISETAIL MAKES NO OTHER WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS, STATUTORY, IMPLIED, OR OTHERWISE, WITH RESPECT TO THE LMS SYSTEM OR SERVICES PROVIDED HEREUNDER, AND WISETAIL HEREBY DISCLAIMS ANY IMPLIED WARRANTIES, CONDITIONS AND REPRESENTATIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SATISFACTORY QUALITY, ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE.

## 8. Limitation of Liability

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**8.1 Exclusion of Damages.** IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES, WHETHER BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, PRODUCT LIABILITY, OR OTHER LEGAL OR EQUITABLE THEORY, AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

**8.2 Total Liability.** Notwithstanding anything to the contrary in this Agreement, WISETAIL'S TOTAL AGGREGATE LIABILITY TO CLIENT FOR ANY KIND OF LOSS, DAMAGE OR LIABILITY ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT, UNDER ANY THEORY OF LIABILITY, WILL NOT EXCEED THE AMOUNTS ACTUALLY PAID BY CLIENT TO WISETAIL HEREUNDER FOR THE LMS SYSTEM AND SERVICES IN THE 12 MONTH PERIOD IMMEDIATELY PRECEDING THE DATE ON WHICH THE CAUSE OF ACTION GIVING RISE TO SUCH LIABILITY AROSE. MULTIPLE CLAIMS WILL NOT EXPAND THIS LIMITATION. Client acknowledges and agrees that the purpose of this Section 8 is to allocate the risks under the terms of the Agreement between the parties and limit potential liability given the fees agreed upon. Wisetail has relied on these limitations in determining whether to provide Client the rights to use and access the LMS System as provided in this Agreement.

**8.3 Failure of Essential Purpose.** The limitations specified in this Section 8 will survive and apply even if any limited remedy specified in this Agreement is found to have failed of its essential purpose.

## 9. Term and Termination

**9.1 Term.** This Agreement will commence on the Effective Date of the Pricing Worksheet and continue in full force and effect, unless earlier terminated in accordance with the express provisions of this Agreement, for the period specified in the Pricing Worksheet ("Initial Term") and thereafter automatically renew for successive one-year terms at the then-current fees and payment schedule (each a "Renewal Term") without notice unless terminated by written notice by either party at least 90 days before the end of such Initial Term or Renewal Term. The "Initial Term" and each "Renewal Term" together are referred to herein as the "Term".

**9.2 Termination.** This Agreement may be terminated immediately by either party upon notice for (a) any material breach by the other party of this Agreement that remains uncured for a period of 30 days following receipt of notice of such material breach, or (b) the insolvency, bankruptcy or receivership of the other party. In addition, this Agreement may be terminated by Wisetail (i) immediately upon notice to Client if (1) Client breaches any of the terms and conditions set forth in Section 2.3 (License Restrictions) of this Agreement, or (2) Client breaches any of the restrictions on use or disclosure of any Confidential Information of Wisetail, or (ii) upon 30 days' notice upon, or (3) the sale or transfer by Client of all or a substantial part of Client's assets.

**9.3 Effect of Termination.** If this Agreement is terminated, Wisetail will provide the Client access to their web site for 30 days following the termination



date. During the 30 day period, the Client can download data generated by the Client and the Client's Users using existing reporting functionality. Media and content posted by the Client or the Client's Users can be downloaded from the LMS using existing media and content download functionality. Data, media, and content will not be provided to the Client by any other means than download functionality available as of the termination date. Each party will return or destroy the other party's Confidential Information, and certify in writing it has done so.

**9.4 Non-Exclusive Remedy.** Except as otherwise expressly stated herein, termination of this Agreement by either party will be a nonexclusive remedy and will be without prejudice to any other right or remedy of such party. Except as otherwise expressly stated herein, the rights and remedies of the parties to this Agreement are cumulative and not alternative.

**9.5 Survival.** Notwithstanding any other provision of this Agreement, Sections 1, 2.3, 2.5, 3, 5 (for amounts due and payable), 6, 7, 8, 9.3, 9.4, 9.5 and 10, and all rights and obligations thereunder, and the exhibits/addenda (to the extent required to carry out the rights and obligations set forth in this Agreement), and all other terms and conditions which by their express statement are intended to survive, will survive any termination of this Agreement.

## 10. Miscellaneous

**10.1 Governing Law.** Disputes under this Agreement will be governed by the laws of the State of Texas excluding rules as to choice and conflict of law. Each party consents to the exclusive jurisdiction and venue of the State and Federal Courts for Travis County, Texas; provided, however, that an action for injunctive relief may be filed in a jurisdiction where the actions or party to be enjoined is located. The parties hereby exclude the application hereto of the United Nations Convention on Contracts for the International Sale of Goods.

**10.2 Force Majeure.** Except with respect to any payment to be made to Wisetail hereunder, neither party will be liable for any failure, deficiency or delay in the performance of its obligations under this Agreement due to any force majeure, which will include but not be limited to any storm, flood, fire, aircraft damage, explosion, electrical or communication line failure, disturbance, war or military action, acts of terrorism, Government act or administrative delay, equipment failure or non-delivery, inability to obtain materials or any cause or matter whatsoever not within the reasonable control of such party. In the event of such a force majeure, the affected party will be entitled to a reasonable extension of time for the performance of its obligations under this Agreement.

**10.3 Independent Contractors.** The parties are independent contractors. Nothing contained herein or done pursuant to this Agreement will constitute either party the agent of the other party for any purpose or in any sense whatsoever, or constitute the parties as partners or joint venturers.

**10.4 Assignment** Client will not have the right or ability to assign or transfer



(whether by merger, operation of law or otherwise) this Agreement, in whole or in part, including without limitation any obligations or rights under this Agreement without the prior written consent of Wisetail, which consent will not be unreasonably withheld. A change of control of Client will be deemed an assignment for purposes of this Section. Wisetail may assign or transfer its rights and obligations under this Agreement, without Client's consent, to a Wisetail affiliate or in connection with any merger, consolidation, sale of all or substantially all of Wisetail's assets or equity, reorganization, or any similar transaction (whether by merger, operation of law or otherwise). In the event of any permitted assignment or transfer of this Agreement by a party, (a) the assigning party will provide prompt written notice of such assignment or transfer to the other party, (b) the assignee must agree to bound by the terms and conditions of this Agreement, and (c) the assignee must be capable of performing the obligations of the assigning party under this Agreement. Any assignment or transfer not made in accordance with this Section will be void. Without limiting the foregoing, any permitted assigns or successors hereof will be bound by all terms and conditions of this Agreement.

**10.5 Amendment.** No alteration, amendment, waiver, cancellation or any other change in any term or condition of this Agreement will be valid or binding on either party unless mutually assented to in writing by both parties.

**10.6 No Waiver.** The failure of either party to enforce at any time any of the provisions of this Agreement, or the failure to require at any time performance by the other party of any of the provisions of this Agreement, will in no way be construed to be a present or future waiver of such provisions, nor in any way affect the validity of either party to enforce each and every such provision thereafter. The express waiver by either party of any provision, condition or requirement of this Agreement will not constitute a waiver of any future obligation to comply with such provision, condition or requirement.

**10.7 Severability.** If, for any reason, a court of competent jurisdiction finds any provision of this Agreement, or portion thereof, to be invalid or unenforceable, such provision of the Agreement will be enforced to the maximum extent permissible so as to affect the intent of the parties, and the remainder of this Agreement will continue in full force and effect. The parties agree to negotiate in good faith an enforceable substitute provision for any invalid or unenforceable provision that most nearly achieves the intent and economic effect of such provision.

**10.8 Notices.** All notices, requests, demands, waivers, and other communications required or permitted hereunder will be in writing and will be deemed to have been duly given: (a) when delivered by hand or confirmed facsimile transmission; (b) one business day after being sent by receipted overnight delivery; or (c) four days after being mailed by certified or registered mail, return receipt requested, with postage prepaid to the attention of CFO if to Wisetail, and the designated contact of Client as specified in the Pricing Worksheet, if to Client, at the appropriate address set forth in the Pricing Worksheet or to such other person or address as either party will furnish to the other party in writing pursuant to the above.

**10.9 Titles and Subtitles.** The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

**10.10 Counterparts.** This Agreement may be executed in counterparts or duplicate originals, both of which will be regarded as one and the same instrument, and which will be the official and governing version in the interpretation of this Agreement. Signatures executing this Agreement may be delivered by facsimile transmission or in an emailed PDF file or by other reliable means.

**10.11 Order of Precedence.** In the event of conflict, the following order of precedence will apply: (a) the General Terms and Conditions, (b) the Pricing Worksheet, (c) any exhibits and addenda attached or incorporated by reference to this Agreement or the Pricing Worksheet, and (d) any Statement of Work attached or incorporated by reference to this Agreement or the Pricing Worksheet.

**10.12 Absence of Third-Party Beneficiary Rights.** No provision of this Agreement is intended nor will be interpreted to provide or create any third party beneficiary rights or any other rights of any kind in any third party, affiliate or subsidiary, and all provisions hereto will be personal solely between the parties hereto.

**10.13 Construction.** This Agreement will be construed without regard to any presumption or rule requiring construction against the drafting party. Each of the individuals executing this Agreement on behalf of a party individually represents and warrants that he or she has been authorized to do so and has the power to bind the party for whom they are signing.

**10.14 Entire Agreement.** This Agreement, including the Pricing Worksheets, and the applicable exhibits, addenda and Statement(s) of Work attached or incorporated herein by reference, constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all previous and contemporaneous agreements and understandings, whether oral or written, between the parties with respect to the subject matter hereof.

**End**