

**PACSTATES
GENERAL TERMS**

These PacStates General Terms and Conditions (the “General Terms”) apply to Customer’s purchases of Products and Services (as defined in the Order) from PacStates under the Order and are incorporated by reference into the Order.

PLEASE READ CAREFULLY. THESE GENERAL TERMS INCLUDES A MANDATORY ARBITRATION PROVISION WHICH SHOULD BE FULLY CONSIDERED PRIOR TO ITS EXECUTION.

1. SCOPE OF AGREEMENT.**1.1. General Terms for Services and Products.**

These General Terms apply to Customer and its Affiliates with respect to the procurement of any offerings procured from PacStates or any of its Affiliates pursuant to the Order set forth above (the “Order”). The Order, together with these General Terms, collectively form the agreement between the parties hereto (the “Agreement”). In the event of a conflict between the General Terms and the Order, the General Terms shall control unless the Order expressly states the sections or the provisions of the General Terms that it seeks to override. For purposes of the Agreement, “Affiliate” means any entity that, directly or indirectly through one or more intermediaries, controls or is controlled by or under common control with Customer or PacStates, as the case may be.

2. TERM AND TERMINATION. The Agreement becomes effective upon its execution by the parties thereto and continues for the duration specified in the Order, or if no such duration is specified, until PacStates has provided the Product(s) and performed the Service(s) as described in the Order (“Order Term”); provided that PacStates may terminate this Agreement if (a) Customer fails to pay any applicable fees due to PacStates or its Affiliates within 30 days after receipt of written notice from PacStates of non-payment; (b) Customer commits any other material breach and fails to cure such breach within thirty (30) days after receipt of written notice from PacStates. Upon any termination or expiration of Customer’s right to use a Product, Customer will immediately uninstall (if the Product is software) and cease to use the terminated Product and, upon PacStates’s written request, immediately return such Product to PacStates, together with all related documentation, and copies of such Product and documentation. Upon written request of PacStates, Customer will promptly certify in writing to PacStates that all copies of the Product have been returned, and that any copies not returned have been destroyed. Upon the termination of this Agreement, Customer will promptly pay PacStates for Services rendered, and expenses incurred through the termination date, together with any discontinuance fees that may be set forth in the Order to the extent applicable. PacStates may terminate any license granted for a Deliverable (as defined below) if (i) Customer does not pay PacStates for that Deliverable in accordance with this Agreement, or (ii) if Customer materially breaches any part of Section 4 below.

3. PAYMENT AND DELIVERY. Customer will pay PacStates all fees set forth on the Order (the “Fees”) in accordance with the payment terms set forth on the Order, or if no payment terms are specified, then upon receipt of an invoice specifying the amounts due. All Fees payable under this Agreement are exclusive of sales, use, VAT, customs duties, excise, and any other applicable transaction taxes, which Customer will pay (excluding taxes based upon the net income or employees of PacStates). If payment is not received on or before such amounts become due, PacStates may charge interest, and such interest shall accrue and be

payable at the lesser of the maximum rate permitted under applicable law or at the rate of one and one-half percent (1.5%) per month from the date due until paid in full. Customer shall pay all expenses, including actual attorneys’ fees, incurred by PacStates or its representatives in enforcing its rights under this Agreement, provided that PacStates is successful on the merits. Customer’s obligation to pay undisputed amounts due for Services and PacStates’s right to all such amounts are absolute and unconditional. Customer is not entitled to setoff amounts. All Product is FOB shipping point. In addition to the Fees, unless specified to the contrary in the applicable Order, Customer agrees to pay or reimburse PacStates for all actual, necessary, and reasonable expenses incurred by PacStates in performance of the Order.

4. PROPRIETARY RIGHTS AND CONFIDENTIALITY.

4.1. Proprietary Rights. As between PacStates and its Affiliates and Customer and its Affiliates, PacStates, or its licensors, retains all right, title and interest in any and all intellectual property, informational, industrial property and moral rights in the Products and Service, and copies thereof. Except for equipment (excluding any software, even if embedded therein or delivered therewith) which is expressly purchased pursuant to the Order, PacStates neither grants nor otherwise transfers any rights of ownership in any Product to Customer, its Affiliates or any end users. Each Product, and any documentation therefor, is protected by applicable copyright and trade secrets laws, and other forms of intellectual property, informational and industrial property protection and neither Customer nor its Affiliates shall remove or alter any notices thereof from any Product or documentation (or copies thereof).

4.2. Restrictions. Customer may only use and disclose Product in accordance with the terms of the Order. PacStates reserves all rights in and to the Product not expressly granted in this Agreement. Customer may not disassemble or reverse engineer any Product, or decompile, or attempt to derive any source code from executable code delivered pursuant to this Agreement, except to the extent expressly permitted by applicable law despite this limitation, or provide a third party with the results of any functional evaluation, or benchmarking or performance tests on the Products or Services, without Customer’s prior written approval. Except as expressly authorized in the Order, Customer may not (a) distribute the Products or Services to any third party (whether by rental, lease, sublicense or other transfer), or (b) operate the Products or offer the Services in an outsourcing or service provider business to process the data of third parties. Additional usage restrictions or requirements may apply to certain third-party files or programs embedded in the Product and such restrictions as set forth in applicable documentation, installation instructions or release notes will be observed by Customer.

4.3. Services Deliverables licensed under this Agreement.

(a) **License.** Subject to the terms of the Order, PacStates grants Customer a non-exclusive, non-transferable license to any intellectual property rights owned by PacStates or its Affiliates and that are necessary to utilize the Services or the items specified to be produced and delivered in connection with the performance of the Services (such items, “**Deliverables**”) solely for its own internal use.

(b) **Third Party Products.** Any product provided to Customer by PacStates as a reseller or sublicensor for such third party product is subject to, and provided solely under the terms and conditions of, a separate third party agreement with such third party to which the Customer must bind itself (such agreement, a “**Third Party Agreement**”). Customer agrees to comply with such Third Party Agreement(s). The fulfillment of the Services will not relieve or alter the obligations or responsibilities of either party or of any third party in regard to the software product licensed under the Third Party Agreement.

(c) **Customer Materials.** Subject to Section 4.3(d), as between Customer and its Affiliates and PacStates and its Affiliates, all right, title, and interest in and to any information, program, system, process, methodology, data, and material furnished to PacStates or its Affiliates by Customer or its Affiliates pursuant to the Order (“**Customer Material**”) is, and shall remain, the property of Customer. Customer hereby agrees to secure rights, and does hereby grant rights, to PacStates and its subcontractors to use, reproduce, distribute, display and modify the Customer Materials solely (i) as necessary to perform PacStates’ obligations under the Order, and (ii) to improve upon its offerings.

(d) **Deliverables.** PacStates owns all right, title and interest in the Deliverables, *including* all intellectual property rights embodied therein. Nothing in this Agreement is intended to or will have the effect of vesting in or transferring to Customer rights in PacStates’s or its Affiliates’ or its or their suppliers’ software, methods, know-how or other intellectual property, regardless of whether such intellectual property was created, used or first reduced to practice or tangible form in the course of performance of the Services, whether solely by PacStates or jointly with Customer.

4.4. Mutual Confidentiality. This section sets out the terms for identification of information which is considered confidential and proprietary by a party (the “**Discloser**”), and restrictions against use and disclosure of such Confidential Information after disclosure to the other party (the “**Recipient**”).

(a) **Definition.** The term “**Confidential Information**” means all proprietary or confidential information that is disclosed to the Recipient by the Discloser, and includes, among other things (i) any and all information relating to any products or services provided by a Discloser, its customer-related and financial information, source and executable code, flow charts, drawings, techniques, specifications, development and marketing plans, strategies, forecasts, and sales and marketing materials; (ii) the Products and Services; and (iii) the terms of this Agreement. Confidential Information does not include information that Recipient can show: (A) was rightfully in Recipient’s possession without any obligation of

confidentiality before receipt from the Discloser; (B) is or becomes a matter of public knowledge through no fault of Recipient; (C) is rightfully received by Recipient from a third party without violation of a duty of confidentiality; or (D) is or was independently developed by or for Recipient.

(b) **Disclosure Restrictions.** Each party shall maintain the Confidential Information of the other party in strict confidence, and shall at all times exercise no less than reasonable care with respect to the handling and protection of such Confidential Information. Each party agrees that it shall promptly notify the Discloser upon discovery of any unauthorized disclosure or use of Confidential Information of the Discloser and will reasonably cooperate the Discloser to regain possession of and terminate any unauthorized use of the Confidential Information that was the subject of the breach. Each party shall limit the use and access of Confidential Information solely to Recipient’s bona fide employees, agents (including independent auditors and required government agencies) and authorized users who have a need to know such information for purposes of conducting the Recipient’s business and who are obligated to maintain the confidentiality of and refrain from using such Confidential Information under terms at least as protective as those set forth in the Agreement.

(c) **Required Disclosure.** Notwithstanding the foregoing, the Recipient may disclose Confidential Information of the Discloser pursuant to a valid order or requirement of a court, provided that the Recipient first gives reasonable written notice to the Discloser in order to timely contest such order or requirement. Any such disclosure by the Recipient of the Confidential Information of the Discloser, shall, in no way, be deemed to change, affect or diminish the confidential and proprietary status of such Confidential Information.

4.5. Injunctive Relief. Notwithstanding Section 9.12, both parties acknowledge that their violation of Section 4 may cause the other party immediate and irreparable harm. In the event of such breach, the breaching party agrees that the other party may seek, in addition to any and all other remedies available at law, an injunction, specific performance or other appropriate relief.

5. SERVICES-SPECIFIC TERMS.

5.1. All Necessary Rights. If, as part of PacStates’s performance of Services, PacStates is required to use, copy or modify any third party system (hardware, software or other technology) provided or licensed to Customer, then prior to PacStates’s performance of such Services, Customer will acquire all rights necessary rights, waivers and authorizations for PacStates to perform such Services.

5.2. Limited Service Warranty. PacStates warrants to Customer that it shall provide the Services in a professional and workmanlike manner. Customer’s exclusive remedy and PacStates’s entire liability under this limited warranty will be for PacStates to use commercially reasonable efforts to re-perform any non-conforming portion of the Services within a reasonable period of time, consistent with the warranty provide hereunder. This warranty will not apply to the extent Customer, its contractors or agents have modified any Deliverable, unless otherwise authorized by PacStates in writing. THIS WARRANTY AND CONDITION IS IN LIEU OF ALL OTHER SERVICE WARRANTIES AND CONDITIONS AND THERE ARE NO OTHER EXPRESS OR IMPLIED WARRANTIES

OR CONDITIONS, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT, OR THAT THE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE.

5.3. Right to Act as Agent and Site Preparation.

Customer agrees to provide an "agency letter" authorizing PacStates to act as agent for Customer in ordering necessary Services from the telephone utility company and any long distance carriers, equal access carriers and specialized carriers, whenever applicable. Customer shall provide PacStates with reasonable access to the premises during PacStates's working hours and shall furnish elevator service when necessary as well as heat, light, sanitary facilities, electrical power and protection in order for PacStates to perform the Services. Customer shall obtain all necessary consents and waivers from the owners of the premises in connection with Customer's performance of Services at any site other than PacStates's premises, and at Customer's expense shall supply all supplemental equipment necessary for the Services, including any applicable conduits, back boxes, commercial wiring and outlets.

5.4. Consultant. In the event that Customer is represented by a consultant, PacStates may require that the consultant provide completed key sheets and floor plans and arrange for all necessary services with the local telephone utility and provide Customer training and directories.

6. PRODUCT-SPECIFIC TERMS

6.1. Product Limited Warranty. PacStates warrants to Customer that each Product when delivered conforms in all material respects with its documentation. This warranty does not apply to any products subject to a Third Party Agreement, nor to any updates made to a product as part of maintenance, support or other Services.

6.2. Exclusive Remedies. If notified by Customer in writing within 30 days from the date the non-conforming Product is delivered, PacStates shall, at its option, use commercially reasonable efforts to correct the defect at PacStates's facilities, replace the Product with a functionally comparable product that complies with the warranty, or if PacStates is unable, within a reasonable period of time, to provide a correction or replacement Product with a functionally equivalent substitute, PacStates shall notify Customer and Customer shall be entitled to a refund of the Fees paid for the Product upon prompt return of the Product (and any copies, if applicable) to PacStates. Upon return of the Product all licenses to such Product shall be deemed cancelled. This section states PacStates's entire liability and Customer's sole remedy for Product warranty claims.

6.3. Warranty Limitation. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES AND CONDITIONS WITH RESPECT TO PRODUCT, AND THERE ARE NO OTHER EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, OR NON-INFRINGEMENT, PACSTATES DOES NOT WARRANT THAT THE OPERATION OF THE PRODUCTS WILL BE UNINTERRUPTED OR ERROR FREE, WILL MEET CUSTOMER REQUIREMENTS, OR WILL BE COMPATIBLE WITH OTHER SOFTWARE PRODUCTS

EXCEPT FOR COMPATIBILITY COMMITTED IN THE DOCUMENTATION OR EXPRESSLY SET FORTH IN THE ORDER.

6.4. Delivery. PacStates will arrange for shipment of Product unless otherwise agreed by the parties. Quoted delivery dates are estimates only. PacStates is not liable for shipping delays. Unless otherwise agreed in the Order, Customer shall reimburse PacStates for any shipping and related insurance costs.

6.5. Pricing. With respect to hardware or equipment to be purchased or leased by Customer as described and set forth on the Order ("**Equipment**"), unless otherwise specified in the Order, the price does NOT include the installation and cable for any station or entrance facilities or demarcation point unless noted on the Order.

6.6. Title to Equipment. If Customer decides to purchase rather than lease the Equipment, Customer shall acquire title to the Equipment (excluding any separately licensed software) upon full payment of the Fee for such Equipment to PacStates. As long as any part of the balance due remains outstanding, title to the Equipment shall remain with PacStates and PacStates is hereby granted a security interest in the Equipment until all amounts due are fully paid. Customer agrees to execute any documents which may be necessary or appropriate to protect PacStates's security interest in the Equipment.

6.7. Delivery & Installation. The term "**Installation Date**" shall mean the date on which the Equipment is installed and is functioning so as to be substantially providing the basic service for which the Equipment is intended. Minor omissions or variances in performance of the Equipment which do not materially affect the operation of the system as a whole shall not affect or postpone any installation target date set forth on the Order. PacStates shall use commercially reasonable efforts to make timely delivery and installation. **HOWEVER, ALL STATED DELIVERY AND INSTALLATION DATES ARE APPROXIMATE AND PACSTATES SHALL UNDER NO CIRCUMSTANCES BE LIABLE FOR DAMAGES – DIRECT, SPECIAL, CONSEQUENTIAL OR OTHERWISE – RESULTING FROM DELAYS IN DELIVERY OR INSTALLATION.** Customer may be required to confirm the installation of the Equipment by executing a Delivery and Acceptance Certificate acceptable to PacStates. It shall be conclusively presumed that Customer's execution of the Delivery and Acceptance Certificate confirms Customer's inspection, satisfaction and unqualified acceptance of the Equipment.

6.8. Care and Use of Product. Customer shall not abuse the Equipment or permit it to be serviced by anyone other than PacStates. Neither Customer nor Customer's agent shall connect accessories supplied by anyone other than PacStates to the Equipment without PacStates's written consent, which shall not be unreasonably withheld. Customer shall use Product only in the manner contemplated by the manufacturer and in accordance with law.

7. HAAS-SPECIFIC TERMS

7.1. License of Hardware. During the Order Term, and subject to any limitations set forth herein, PacStates grants to Customer a limited, non-exclusive, non-

transferable license to use, at Customer's designated facility(-ies) set forth in the Order such Licensed Hardware as may be designated in the Order. All Licensed Hardware shall be delivered, installed and maintained by PacStates, subject to Customer's maintenance responsibilities described below. Title to the Licensed Hardware shall remain with PacStates or its suppliers. Customer shall have no right or interest in or to the Licensed Hardware except as expressly provided in the Order or General Terms and shall possess the Licensed Hardware subject and subordinate to the rights of PacStates. Customer will, at its own expense, keep the Licensed Hardware free and clear from any liens or encumbrances of any kind (except any caused by PacStates) and will indemnify and hold PacStates harmless from and against any loss or expense caused by Customer's failure to do so. Customer shall give PacStates immediate written notice of any attachment or process affecting the Licensed Hardware or title thereof. Upon the termination of the Order for any reason, the license(s) granted hereunder shall automatically terminate. PacStates shall have the right to inspect the Licensed Hardware at Customer's premises any time during regular business hours upon reasonable notice to Customer to ensure that Customer's use of the Licensed Hardware complies with the terms and conditions of the Order and the General Terms.

7.2. Customer Responsibilities.

(a) Customer will be responsible for preparing its site(s) for installation, for providing adequate space, foundations, heating and cooling, and electrical power, and for affording PacStates or its agent reasonable access to the premises for installation and maintenance. Except as provided in the Order, Customer is responsible for any special interface equipment or facilities necessary to ensure compatibility between the Licensed Hardware and Customer hardware.

(b) Customer shall have the right to use the Licensed Hardware in a commercially reasonable manner for internal business purposes and in connection with any other services provided by PacStates to Customer pursuant to an Order. Customer shall not remove, alter or destroy in any way any Licensed Hardware, or any label thereon, without the prior written consent of PacStates. Customer may not affix or install any accessory, addition, upgrade, equipment or device on to the Licensed Hardware (other than electronic data) unless expressly approved in writing by PacStates. Customer will, at its own expense, keep the Licensed Hardware in good repair, appearance and condition, subject to normal wear and tear. Customer will be liable for the costs of repair or replacement of Licensed Hardware if damaged or lost due to theft, negligence, intentional acts, unauthorized acts or other causes within the reasonable control of Customer, its agents or employees. Customer shall comply with the restrictions of use set forth in Section 4.2 (Restrictions) of the General Terms with respect to the Licensed Hardware.

(c) Upon the termination or expiration of the Agreement, Customer will promptly surrender the Licensed Hardware to PacStates in as good order and condition as originally delivered, normal wear and tear excepted. Without limiting the foregoing, within ten (10) days of the effective date of termination or expiration of the Agreement, Customer will using a reasonable amount of care remove, package and, at PacStates option and at Customer's expense, either ship to PacStates or permit Customer to

pick-up, all Licensed Hardware. If Customer fails to do so, PacStates will have the right to: (i) charge Customer, and Customer will pay, the fair market value of the Licensed Hardware; and (ii) recover and take possession of such Licensed Hardware, and for this purpose may enter any premises of Customer where such Licensed Hardware is located during normal working hours to remove such Licensed Hardware, without being liable for trespass.

7.3. Insurance. During the Order Term, Customer shall keep in full force and effect: (i) comprehensive general liability insurance in an amount not less than \$1 million per occurrence for bodily injury and property damage and \$2,000,000 aggregate (or equivalent coverage under an "umbrella" policy), including comprehensive form premises and operations, independent contractors, products and completed operations, personal injury, contractual, and broad form property damage liability coverage; (ii) workers compensation insurance in an amount not less than that required by applicable law; and (iii) property and casualty insurance (all risks) covering the Customer location at which the Licensed Hardware is located. Customer agrees that it will be solely responsible for ensuring that its agents (including contractors and subcontractors) obtain and maintain the same types and amount of coverages as required of Customer herein. All such policies shall be written by licensed insurance carriers rated A+ or better by A.M. Best. Prior to installation of any Licensed Hardware at the Customer location, Customer will deliver to PacStates certificates of insurance that evidence the insurance set forth above and cause its insurance provider(s) to name PacStates as an additional insured and notify PacStates in writing of the effective date thereof. Upon request, Customer shall give PacStates at least thirty (30) days prior written notice of any termination, expiration or change in the coverages provided thereunder. Customer will cause each insurance policy of Customer required hereunder to provide that the underwriters waive all claims and rights of recovery by subrogation against PacStates' in connection with any liability or damage covered by the insurance policies.

7.4. LIMITED LICENSED HARDWARE WARRANTY; DISCLAIMER. Customer acknowledges that the Licensed Hardware is manufactured by third parties and that, in addition to the terms in the Agreement, use and possession of the Licensed Hardware by Customer shall be subject to and controlled by the terms of any manufacturer's or, if appropriate, supplier's warranty. PacStates agrees to use commercially reasonable efforts to enforce all warranties made by any manufacturer or supplier with respect to the Licensed Hardware. In the event of any mechanical or service failure of the Licensed Hardware that cannot be resolved within thirty (30) days after Customer has notified PacStates (via PacStates's customer support system), PacStates may, at its sole election, either (i) replace the Licensed Hardware; or (ii) terminate this Agreement and the HaaS Services described in the Order immediately upon written notice to Customer, in which case PacStates will refund to Customer any pre-paid and unused license and support fees with respect to the HaaS Services that relate to the period after the date of notice of such failure. CUSTOMER'S SOLE REMEDY, AND PACSTATES'S ENTIRE LIABILITY, FOR ANY MECHANICAL OR SERVICE FAILURE WITH RESPECT TO THE LICENSED HARDWARE ARE THE REMEDIES OF REPLACEMENT, TERMINATION AND REFUND SET FORTH IN THIS SECTION 7. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS SECTION 7, THE LICENSED HARDWARE IS PROVIDED ON AN "AS IS" BASIS, AND

PACSTATES AND ITS SUPPLIERS DISCLAIM ANY AND ALL OTHER EXPRESS, IMPLIED AND STATUTORY WARRANTIES WITH RESPECT TO THE LICENSED HARDWARE, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, QUALITY, PERFORMANCE, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT AND TITLE.

8. INDEMNIFICATION AND LIMITATION OF LIABILITY

8.1. Intellectual Property Indemnity

(a) **Infringement Claims.** If a third party asserts a claim against Customer asserting that the Deliverables as provided and used as contemplated under the Agreement, and/or PacStates's performance of the Services as performed, infringe a U.S. patent issued as of the date of the Order, or any U.S. trade secret or U.S. copyright owned by that third party ("**IP Claim**"), then PacStates will, at its own expense: (i) defend or settle the IP Claim; and (ii) indemnify Customer for any damages finally awarded against Customer, but only if Customer promptly notifies PacStates of the IP Claim, PacStates retains sole control of the defense of any IP Claim and all negotiations for its settlement or compromise, and Customer provides all reasonable assistance requested by PacStates. Notwithstanding anything to the contrary in the Agreement, PacStates will not be liable for any expenses or settlements incurred by Customer in connection with an IP Claim, unless it has first obtained without PacStates's prior written consent to incur such expenses or undertake such settlement.

(b) **Remedies.** If an injunction or order is obtained against PacStates performing the Services for Customer and/or Customer using the Deliverables by reason of the allegations of infringement, or if in PacStates's opinion the Services and/or Deliverables may violate a third party's proprietary rights, then PacStates may, at its expense: (a) procure for Customer the right to continue to receive the Services and/or use the Deliverables as contemplated under the Agreement; (b) modify or replace the affected Services and/or Deliverables with a compatible, functionally equivalent substitute; terminate this Agreement and release Customer from its obligation to make future payments for the Services and/or Deliverables. Sections 8.1(a) and Section 8.1(b) contain Customer's exclusive remedies and PacStates's sole liability for claims of infringement.

(c) **Exclusions.** PacStates has no obligation for any IP Claim arising from, and Customer shall indemnify PacStates and its Affiliates against, any third-party claim arising from: (i) Customer Materials, (ii) PacStates's compliance with Customer's or Customer-provided third-party designs, specifications, instructions, or technical information; (iii) modifications made by any party other than PacStates, a PacStates Affiliate, or its or their personnel; (iv) Customer's noncompliance with applicable documentation; (v) use of Services or Deliverables for purposes not contemplated by the Agreement or applicable documentation (including unauthorized distribution to third parties) or use after PacStates notifies Customer to discontinue use due to an IP Claim; (vi) Customer's use or combination of the Services or Deliverables with products, software, or services that are not provided by PacStates or a PacStates Affiliate; or (vii) a Product or Deliverable that is not at the most current release level available from PacStates if the most current release level is noninfringing and has been provided by PacStates.

8.2. Customer Indemnity. Customer will indemnify, defend and hold harmless PacStates Indemnitees from all claims, liabilities or expenses (including reasonable attorneys' fees) for (a) physical damage to real property or tangible personal property and bodily injury, including death, to the extent caused by the negligence or willful misconduct of the Customer or any of its Affiliates or each of their respective employees, agents, directors, officers, representatives or contractors arising out of this Agreement and while at the Customers premises; (b) breach of Section 4.4 or any Third Party Agreement, or (c) any violation of applicable laws relating to the Agreement.

8.3. Reliance on Information. In providing the Services, PacStates shall be entitled to rely upon and act in accordance with any instructions, guidelines, data or information provided by Customer and its agents who have actual or apparent authority to provide such instructions, guidelines or information, and shall incur no liability in doing so. Customer shall indemnify, defend and hold PacStates and its affiliates, and its and their agents, harmless from any and all third party claims, losses, actions, suits, proceedings or judgments, including, without limitation, costs and reasonable attorneys' fees, incurred by or assessed against such parties resulting, in whole or in part from (a) any action or failure to act by PacStates in reliance on any instruction, approval, election, decision, action, inaction, omission or nonperformance by Customer or its agents, or its or their officers, directors, shareholders, employees and agents relating to the Services.

8.4. Disclaimer of Damages. PACSTATES AND ITS AFFILIATES AND LICENSORS AND SUPPLIERS ARE NOT LIABLE TO CUSTOMER, OR ITS AFFILIATES, FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE SERVICES, DELIVERABLES OR ANY PRODUCT (INCLUDING WITHOUT LIMITATION LOST PROFITS, LOST COMPUTER USAGE, AND DAMAGE OR LOSS OF USE OF DATA), EVEN IF SUCH PARTIES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND IRRESPECTIVE OF THE NEGLIGENCE OF PACSTATES OR WHETHER SUCH DAMAGES RESULT FROM A CLAIM ARISING UNDER TORT OR CONTRACT LAW.

8.5. Limitation of Liability. PACSTATES'S LIABILITY FOR DIRECT DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT IS LIMITED TO THE LESSER OF THE (A) THE AMOUNT PAID BY CUSTOMER FOR THE APPLICABLE PRODUCT OR SERVICE DURING THE 6 MONTHS IMMEDIATELY PRECEDING THE DATE THE CLAIM FIRST AROSE, OR (B) THE AMOUNT PAID BY CUSTOMER UNDER THE AGREEMENT.

9. MISCELLANEOUS/OTHER PROVISIONS

9.1. Mutual Non-Solicitation. During the term of this Agreement, and for a period of six (6) months thereafter, neither party will solicit for employment any employees of the other party or its Affiliates who, within six (6) months prior to such solicitation: (a) directly performed under this Agreement, (b) had substantial contact with the hiring party in relation to this Agreement, or (c) the hiring party became aware of due to, or derived from information learned through the performance of, this Agreement. For this

purpose, "solicitation" does not include contact resulting from indirect means such as public advertisement, placement firm searches or similar means not directed specifically at the employee to which the employee responds on his or her own initiative. The parties acknowledge and agree that a breach of this "Non-Solicitation" clause will not give rise to a right of termination of this Agreement; the party not in breach will only have the right to seek and recover direct damages from the breaching party.

9.2. Severability. Should any provision of this Agreement be invalid, or unenforceable, the remainder of the provisions will remain in effect. In the event of a dispute, the prevailing party in any litigation or arbitration will be entitled to recover its attorneys' fees and cost incurred from the other party.

9.3. Notices. Unless otherwise provided, notices to either party will be in writing to the address indicated above, or as later amended, and deemed effective when received.

9.4. Verification and Audit. Upon PacStates's written request, Customer will provide PacStates with a certification signed by an officer of Customer verifying that Products are being used pursuant to the terms of this Agreement, including without limitation the licensed capacity of the Products. PacStates may, at its expense, audit Customer's use of Products to confirm Customer's compliance with this Agreement. Any such audit will be conducted during regular business hours at Customer's facilities and will not unreasonably interfere with Customer's business activities. If an audit reveals that Customer has underpaid Fees to PacStates, Customer will pay such underpaid Fees. If the underpaid Fees exceed five percent (5%) of the Fees paid, then Customer will also pay PacStates's reasonable costs of conducting the audit.

9.5. Assignment. Customer may not assign this Agreement or any rights granted in this Agreement to any third party, except with the prior written consent of PacStates.

9.6. No Waivers. Failure of a party to require performance by the other party under this Agreement will not affect the right of such party to require performance in the future. A waiver by a party of any breach of any term of this Agreement will not be construed as a waiver of any continuing or succeeding breach.

9.7. Force Majeure. Any delay or failure of any party to perform any obligation under this Agreement caused by governmental restrictions, labor disputes, storms or natural disasters, emergency, or other causes beyond the reasonable control of the party, will not be deemed a breach of this Agreement. This provision does not apply to the payment of monies or any breach of Section 4.

9.8. Independent Contractors. The parties are independent contractors of each other, and no partnership or joint venture is intended or created by this Agreement. PacStates will perform Services under the general direction of Customer, but PacStates will have sole discretion to determine the manner, method and means of performing such Services subject to the provisions of this Agreement. PacStates will be responsible for and will pay all unemployment, social security and other payroll taxes, and all worker's compensation claims, worker's compensation

insurance premiums and other insurance premiums, with respect to PacStates and its Affiliates' employees.

9.9. Entire Agreement. This Agreement constitutes the entire agreement between Customer and PacStates, and supersedes any prior or contemporaneous negotiations or agreements, whether oral or written, concerning the subject matter thereof.

9.10. Export Controls. Customer will cooperate with PacStates as reasonably necessary to permit PacStates to comply with the laws and regulations of the United States and all other relevant countries, relating to the control of exports ("**Export Laws**"). Customer may not import, nor export or re-export directly or indirectly, including via remote access, any part of the Product into or to any country for which a validated license is required for such import, export or re-export under applicable Export Laws, without first obtaining such a validated license.

9.11. Referencing. Customer agrees that PacStates and its Affiliates may refer to Customer as a customer of PacStates, both internally and in externally published media. Customer also agrees to instruct appropriate personnel within its organization that Customer has agreed to receive and participate in calls, from time to time, with potential customers of PacStates who wish to evaluate the technical specifications of Product.

9.12. Dispute Resolution and Governing Law. ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THE PRODUCTS, THE SERVICES OR THIS AGREEMENT WILL BE SUBJECT TO ARBITRATION ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION UNDER ITS COMMERCIAL ARBITRATION RULES. THE AWARD AND ANY FINDINGS OF THE ARBITRATOR MUST BE FILED WITHIN THIRTY (30) DAYS OF THE FINAL ARBITRATION HEARING. JUDGMENT ON ANY AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. THIS AGREEMENT WILL BE GOVERNED BY THE SUBSTANTIVE LAWS OF THE STATE OF NEVADA. THE CHOICE OF LAW RULES OF ANY JURISDICTION AND THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS WILL NOT APPLY. THE PARTIES HERETO HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT UNDER OR IN RELATION TO THIS AGREEMENT AND ITS INTERPRETATION.

9.13. Survival. Sections 1 – 4, 5.1, 6.3, 6.4, 6.6, 6.8, 7.4, 8 and 9 will survive the termination or expiration of this Agreement.

9.14. Construction. The captions and headings contained herein are for purposes of convenience only and are not a part of this Agreement; any reference to any "Section" refers a Section of these General Terms unless the context clearly indicates otherwise; all references to this Agreement and the words "herein," "hereof," "hereto," and "hereunder" and other words of similar import refer to the Agreement as a whole and not to any particular Section, or other subdivision; and the words "including," "included" and "includes" mean inclusion without limitation. In the event of any ambiguities in the language hereof, there shall be no inference drawn in favor of or against either party.

9.15. Signatures and Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same Agreement. A document signed and transmitted electronically (e.g., PDF) shall have the same binding effect as an original signature. Each

person executing this Agreement, on behalf of any entity hereby represents and warrants that he or she is duly authorized and has full authority to execute and deliver such document.

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