

MASTER SERVICES AGREEMENT

This Master Services Agreement (this "Agreement"), dated as of [DATE] (the "Effective Date"), is by and between FARMERS TELEPHONE COOPERATIVE, INC., a South Carolina non-profit corporation with a mailing address of 1101 E. Main Street, Kingstree, South Carolina ("Service Provider" or "FTC") and [CLIENT NAME], a [state of organization] [type of entity], with offices located at [address] ("Client"). Coverage begins on the date FTC completes its pre-Service implementation of its monitoring agent and anti-virus solutions (the "Coverage Date" as referenced on the statement of work).

Your agreement to the terms and conditions of this Agreement, which may be revised from time to time and shall be posted on our website together with such revisions, is effective upon installation of Service, purchase or payment of Service, and/or use or continued use of Service, whichever is earlier. This Agreement, any Addendum to this Agreement, the contract for each Service to which you subscribe, and all applicable policies posted on FTC's web site constitute the entire agreement between you and FTC with respect to your use of the Service. FTC may revise, amend, or modify this Agreement, any Addendum to this Agreement, any Service Terms, and its policies at any time and in any manner. Notice of any revision, amendment, or modification will be provided as stated By establishing an account and using the Service, you agree to be bound by this Agreement, including future revisions.

FTC provides information technology services, including managed IT, cybersecurity, hosted services, hardware sales, and point-of-sale.

Client desires to retain Service Provider to provide certain of these information technology services upon the terms and conditions set forth in this Agreement, and Service Provider is willing to perform such services.

In consideration of the mutual covenants and agreements set forth in this Agreement, the parties agree as follows:

1. <u>Definitions</u>. Capitalized terms not otherwise defined in the context of this Agreement are set forth and defined in the "*Glossary of Terms*" set forth on <u>Schedule 1</u> attached to this Agreement.

2. Services.

- 2.1 Service Provider shall provide the Services to Client (as described in more detail in each Statement of Work) in accordance with the terms and conditions of this Agreement. By accepting Services and/or an applicable Statement of Work, Client agrees to the terms of this Agreement. If there is a specific, material difference or a direct conflict between the language in a SOW on the one hand and the language in this Agreement on the other, then the language of the Statement of Work will control. It is understood and agreed that all Services requested by Client that are not expressly included within the terms of this Agreement or a SOW will be considered "outside of scope" and will be billed as separate, individual Services from those contemplated herein and any SOW. In addition to the "Exclusions of Service" that may be stated in a SOW, unless a SOW expressly includes such a service, Services shall not include the following: (a) parts and or equipment not covered by vendor/manufacturer warranty or support; (b) software that is not covered by an active software support from software developer; (c) user training for hardware and/or software; (d) the cost of any parts, equipment, or shipping charges of any kind; (e) the cost of any software, licensing, or software renewal or upgrade fees of any kind; (f) the cost of any third party vendor or manufacturer support or incident fees of any kind; (g) the cost to bring Client's Environment up to Minimum Requirements required for Services; (h) service and repair made necessary by the alteration or modification of hardware, software and/or systems other than that authorized by Service Provider, including alterations, software installations or modifications of equipment made by Client's employees or anyone other than Service Provider; (i) maintenance of applications software packages, whether acquired from Service Provider or any other source; or (j) programming (modification of software code) and program (software) maintenance.
- 2.2 Each Statement of Work may include the following information, if applicable: (a) a description of the Services to be performed pursuant to the Statement of Work; (b) the date upon which the Services will commence and the term of such Statement of Work; (c) the fees and costs to be paid to Service Provider under the Statement of Work; (d) the Project implementation plan and/or timetable; (e) Project Milestones and payment schedules; (f) any other criteria for completion of the Services and/or Project; and (g) any other terms and

conditions agreed upon by the parties in connection with the Services to be performed pursuant to such Statement of Work.

- 2.3 All Services will be performed on a schedule, and in a prioritized manner, as Service Provider deems reasonable and necessary. Exact start dates may vary or deviate from the dates Service Provider state to Client depending on the Service being provided and the extent to which prerequisites (if any), such as transition or onboarding activities, must be completed. Service Provider will respond to any notification received by Service Provider of any error, outage, alarm, or alert pertaining to the Environment in accordance with the priority table(s) supplied to Client in an SOW. In no event will Service Provider be responsible for delays in its response or Service Provider's provision of Services during (a) those periods of time covered under the Transition Exception, (b) periods of delay caused by Scheduled Downtime, Client-Side Downtime, Vendor-Side Downtime, (c) periods in which Service Provider is required to suspend the Services to protect the security or integrity of the Environment or Service Provider Equipment, or (d) delays caused by a Force Majeure Event. Service Provider will not be responsible under any circumstances for any delays or deficiencies in the provision of, or access to, the Services to the extent that such delays or deficiencies are caused by Client-Side Downtime or Vendor-Side Downtime.
- 2.4 Each party is, and will remain, the owner and/or licensor of all works of Intellectual Property Rights owned by such party and nothing in this Agreement, any SOW, or the provision of any Service shall be deemed to convey or grant any ownership rights or goodwill in one party's Intellectual Property Rights to the other party unless expressly set forth and described in a SOW. For the purposes of clarity, Client understands and agrees that Service Provider owns any software, codes, algorithms, or other works of authorship that Service Provider creates while providing the Services to Client. If Service Provider provides licenses to Clients for Third Party Products, then Client understands and agrees that such Third Party Products are licensed, and not sold, to Client. Client is allowed to use such Third Party Products subject to the terms and conditions (a) of this Agreement, (b) of the applicable SOW, (c) written directions that Service Provider supplies to Client, and (d) any applicable EULA; no other uses of such Third Party Products are permitted. To the maximum extent permitted by applicable Law, Service Provider makes no warranty or representation, either expressed or implied with respect to third party software or its quality, performance, merchantability, or fitness for a particular purpose.

3. Service Provider's Obligations.

3.1 The Service Provider shall:

- (a) appoint (i) a Service Provider employee to serve as a primary contact with respect to this Agreement and who will have the authority to act on behalf of Service Provider in connection with matters pertaining to this Agreement (the "**Service Provider Contract Manager**"), and (ii) Service Provider Personnel, who shall be suitably skilled, experienced, and qualified to perform the Services;
- (b) before the date on which the Services are to start, obtain, and at all times during the Term of this Agreement maintain, all necessary licenses and consents and materially comply with all relevant Laws applicable to the provision of the Services;
- (c) comply with, and ensure that all Service Provider Personnel, materially comply with, all rules, regulations, and policies of Client that are communicated to Service Provider in writing, including security procedures concerning systems and data and remote access thereto, building security procedures, including the restriction of access by Client to certain areas of its premises or systems for security reasons, and general health and safety practices and procedures; and
- m (d) in connection with Services with fees based on time and materials (versus flat rates), maintain complete and accurate records of the time spent and materials used by Service Provider in providing the Services in such form as Client shall reasonably approve.
- 3.2 Service Provider is responsible for all Service Provider Personnel and for the payment of their compensation, including, if applicable, withholding of income taxes, and the payment and withholding of social security and other payroll taxes, unemployment insurance, workers' compensation insurance payments, and disability benefits.

4. <u>Client's Obligations</u>.

4.1 Client shall:

- (a) cooperate with Service Provider in all matters relating to the Services and appoint a Client employee to serve as the primary contact with respect to this Agreement and who will have the authority to act on behalf of Client with respect to matters pertaining to this Agreement (the "Client Contract Manager"). If no Client Contract Manager is identified in an applicable SOW or if a previously identified Client Contract Manager is no longer available to Service Provider, then the Client Contract Manager will be the person (i) who accepted the SOW, and/or (ii) who is generally designated by Client during the course of relationship to provide Service Provider with direction or guidance. Service Provider will be entitled to rely upon directions and guidance from the Client Contract Manager until Service Provider is affirmatively made aware of a change of status of the Client Contract Manager. Client agrees that it will not use a ticketing system or help desk request to notify Service Provider about the change of a Client Contract Manager nor leave a recorded message for Service Provider informing it of a change to the Client Contract Manager.
- (b) provide Service Provider Personnel such access to Client's premises and such office accommodation and other facilities and equipment and networks as may reasonably be requested by Service Provider, for the purposes of performing the Services and each Project. Without limiting the generality of the foregoing, Client hereby grants to Service Provider and Service Provider's designated Third Party Providers the right to monitor, diagnose, manipulate, communicate with, retrieve information from, and otherwise access the Environment as necessary to enable Service Provider or Third Party Providers, as applicable, to provide the Services and/or Third Party Services. Depending on the Service, Client acknowledges that Service Provider may be required to install one or more software agents into the Environment through which such access may be enabled. It is Client's responsibility to secure, at its own cost and prior to the commencement of any Services, any necessary rights of entry, licenses (including software licenses), permits or other permissions necessary for Service Provider or its Third Party Providers to provide Services to the Environment and, if applicable, at Client's designated premises, both physically and virtually. Proper and safe environmental conditions must be provided and assured by Client at all times. Service Provider shall not be required to engage in any activity or provide any Services under conditions that pose or may pose a safety or health concern to any personnel, or that would require extraordinary or non-industry standard efforts to achieve;
- (c) implement and maintain reasonable physical security for all managed hardware and related Devices in Client's physical possession or control. Client is strongly advised to adhere to the following security measures: (i) physical barriers, such as door and cabinet locks, designed to prevent unauthorized physical access to protected equipment, (ii) an alarm system to mitigate and/or prevent unauthorized access to the premises at which the protected equipment is located, (iii) fire detection and retardant systems, and (iv) periodic reviews of personnel access rights to ensure that access policies are being enforced, and to help ensure that all access rights are correct and promptly updated;
- (d) respond promptly to any Service Provider request to provide direction, information, approvals, authorizations, or decisions that are reasonably necessary for Service Provider to perform Services in accordance with the requirements of this Agreement;
- (e) provide such Client Materials and/or information as Service Provider may request, in order to carry out the Services, in a timely manner, and ensure that it is complete and accurate in all material respects (including the maintenance and preservation of all passwords, keys, access codes, activations codes and other similar words, phrases and codes);
- (f) refrain from modifying or moving the Environment or installing software in the Environment unless Service Provider expressly authorizes such activity and to take all actions reasonably necessary to prevent any third party from making any alterations to any hardware or software subject to the Services. In all situations (including those where Service Provider is co-managing an Environment with Client's internal IT department), Client agrees and understands that Service Provider will not be responsible for changes to the Environment or issues that arises from those changes that are not authorized by Service Provider;

- (g) ensure that all Client Equipment is in good working order and suitable for the purposes for which it is used and conforms to all relevant legal or industry standards or requirements, abide by terms of any warranty issued by any OEM and related software subject to the Services, and keep in working order all files, directories, and code associated with any website controlled by Client;
- obtain and maintain all necessary licenses and consents and comply with all applicable Law in relation to the Services, the Environment, installation of any Service Provider Equipment, the use of Client Materials, and the use of the Client Equipment in relation to the Service Provider Equipment, in all cases before the date on which the Services are to start. If Service Provider asks for proof of authenticity and/or licensing, Client must provide Service Provider with such proof. If Service Provider requires certain minimum hardware or software requirements in a SOW or otherwise ("Minimum Requirements"), Client agrees to implement and maintain those Minimum Requirements as an ongoing requirement of Service Provider providing the Services. Without limiting the generality of the foregoing Minimum Requirements shall include, but shall not be limited to: (i) all servers with Microsoft ™ Windows Operating Systems must be running a current Microsoft [™] supported server edition and have all of the latest Microsoft [™] service packs and critical Updates installed. All hardware must meet minimum Operating Systems requirements; (ii) all desktop computers and notebooks/laptops with Microsoft Windows[™] Operating Systems must be running a current Microsoft [™] supported OS edition and have all of the latest Microsoft ™ service packs and critical Updates installed. All hardware must meet minimum Operating Systems requirements; (iii) all server and desktop software must be genuine, licensed and vendor supported; (iv) all servers, desktops, notebooks/laptops, and email must be protected by a currently licensed, up-to-date and vendor-supported, server-based antivirus solution; (v) all wireless data must be securely encrypted, and (vi) all servers, desktops, and notebooks/laptops must always be accessible via a highspeed internet connection with sustainable upload and download speeds exceeding 256kilobits per second.
- (i) keep, maintain, and ensure all Service Provider Equipment, and shall not dispose of or use any Service Provider Equipment other than in accordance with Service Provider's written instructions or authorization;
- (j) notify Service Provider promptly of any operational or other errors or problems with regard to any hardware or software subject to the Services and not attempt to repair any such error or other problem and to maintain reasonable and appropriate levels of physical and electronic security and protection from all environmental or physical perils, loss of data and/or any harmful or malicious electronic files. Client agrees that if, in Service Provider's discretion, a hardware or software issue requires vendor or Original Equipment Manufacturer ("**OEM**") support, Service Provider may contact the vendor or OEM (as applicable) on Client behalf and invoice Client for all fees and reasonable costs involved in that process;
- (k) To comply with all copyright and/or other Intellectual Property Rights of third parties, as required by any applicable Law;
- (1) Except as otherwise a Service to be performed by Service Provider under a SOW, to perform all patches, updates on hardware or software subject to the Services in a timely manner and in accordance with the instructions provided to Client by the manufacturer in connection with such updates ("**Updates**"). If Updates are provided to Client as part of the Services, Service Provider will implement and follow the manufacturers' recommendations for the installation of Updates; however, Client agrees and understands that Service Provider (i) does not warrant or guarantee that any Update will perform properly, (ii) will not be responsible for any downtime or losses arising from or related to the installation, use, or inability to use any Update, and (iii) reserves the right, but not the obligations, to refrain from installing an Update until Service Provider has determined, in its reasonable discretion, that the Updates will be compatible with the configuration of the Environment and materially beneficial to the features or functionality of the affected software or hardware subject to the Services; and
- m (m) To comply fully with all reasonable specifications, rules, regulations and policies governing the Services provided to Client by Service Provider. Such rules, regulations and policies shall be subject to change from time to time in Service Provider's sole discretion.

- 4.2 If Service Provider's performance of its obligations under this Agreement is prevented or delayed by any act or omission of Client or its agents, subcontractors, consultants, or employees, Service Provider shall not be deemed in breach of its obligations under this Agreement or otherwise liable for any costs, charges, or losses sustained or incurred by Client, in each case, to the extent arising directly or indirectly from such prevention or delay.
- 4.3 Without limiting the generality of the foregoing, Client agrees and understand that it alone, and not Service Provider, is responsible for Client's own compliance with all Laws, including all confidentiality and security requirements, and any and all such requirements of the HIPAA, Gramm-Leach-Bliley Act, USA Patriot Act (along with all network rules applicable to VISA, MasterCard, Discover, and/or other networks). Unless otherwise expressly stated in a SOW, the Services are not intended, and will not be used, to bring Client into full regulatory compliance with any Law, rule, regulation, or requirement that may be applicable to Client's business or operations. Depending on the Services provided, the Services may aid Client's efforts to fulfill regulatory compliance; however, the Services are not (and should not be used as) a compliance solution.
- 4.4 Client warrants and represents that Client knows of no Law governing Client's business that would impede or restrict Service Provider's provision of the Services, or that would require Service Provider to register with, or report Service Provider's provision of the Services (or the results thereof), to any government or regulatory authority. Client agrees to promptly notify Service Provider if Client becomes subject to any of the foregoing which, in Service Provider discretion, may require a modification to the scope or pricing of the Services. Similarly, if Client is subject to responsibilities under any applicable Law (including, but not limited to, HIPAA, Gramm-Leach-Bliley Act, and USA Patriot Act), then Client agrees to identify to Service Provider any data or information subject to protection under that Law prior to providing such information to Service Provider or, as applicable, prior to giving Service Provider access to such information.
- 4.5 Client understands and agrees that data loss or network failures in its Environment may occur, whether or not foreseeable. In order to reduce the likelihood of a network failure, Client must maintain proper security for its computer and information systems, including Updates. Client will adhere to Updates and maintain specific security standards, policies, procedures set forth by the NIST Cybersecurity Framework available at https://www.nist.gov/cyberframework. Except as expressly specified in a Scope of Work Service Provider is not providing any other type of internet security monitoring, cyber security monitoring, or other cyber threats for Client.
- 4.6 Client understands and agrees that no security solution is one hundred percent effective, and any security paradigm may be circumvented and/or rendered ineffective by certain malware, such as certain ransomware or rootkits that were unknown to the malware prevention industry at the time of infection, and/or which are downloaded or installed into the Environment. Service Provider does not warrant or guarantee that all malware or malicious activity will be capable of being detected, avoided, quarantined, or removed, or that any data deleted, corrupted, or encrypted by such malware ("**Impacted Data**") will be recoverable. Unless otherwise expressly stated in an SOW, the recovery of Impacted Data is out-of- scope and not included in the Services. Moreover, unless expressly stated in an SOW, Service Provider will not be responsible for activating multifactor authentication in any application in or connected to the Environment. Client is strongly advised to (a) educate its employees to properly identify and react to "phishing" activity (i.e., fraudulent attempts to obtain sensitive information or encourage behavior by disguising oneself as a trustworthy entity or person through email), and (b) obtain insurance against cyberattacks, data loss, malware-related matters, and privacy-related breaches, as such incidents can occur even under a "best practice" scenario. Except as otherwise expressly set forth in this Agreement, Service Provider is held harmless from any costs, expenses, or damages arising from or related to such incidents.
- 4.7 Client acknowledges that from time to time, Service Provider may provide Client with specific advice and directions related to the Services ("Advice"). For example, Advice may include increasing server or hard drive capacity, increasing CPU power, replacing obsolete equipment, or refraining from engaging in acts that disrupt the Environment or that make the Environment less secure. Client is strongly advised to follow Advice which, depending on the situation, may require Client to make additional purchases or investments in the Environment at its sole cost. Client acknowledges and agrees that Service Provider is not responsible for any problems or issues (such as downtime or security-related issues) caused by Client's failure to promptly follow Advice. If, in Service Provider's discretion, Client's failure to follow Advice renders part or all of the Services economically or technically unreasonable to provide, then Service Provider may terminate the applicable Services for cause by providing notice of termination to Client. Unless specifically and expressly stated in a SOW, any

services required to remediate issues caused by Client's failure to follow Advice, or Client's unauthorized modification of the Environment, as well as any services required to bring the Environment up to or maintain the Minimum Requirements, are out-of-scope and not included in the Services without further remuneration to Service Provider.

5. <u>Change Orders</u>.

- 5.1 If either party wishes to change the scope or performance of the Services, it shall submit details of the requested change to the other party in writing in accordance with the notice provisions in Section 17.4. Service Provider shall, within a reasonable time (not to exceed 14 days) after receiving a Client-initiated request, or at the same time that Service Provider initiates such a request, provide a written estimate to Client of: (a) the likely time required to implement the change; (b) any necessary variations to the fees and other charges for the Services arising from the change; (c) the likely effect of the change on the Services; (d) any other impact the change might have on the performance of this Agreement; and (e) any other information reasonably requested by the Client.
- 5.2 Promptly after receipt of the written estimate, the parties shall negotiate and agree in writing on the terms of such change (a "**Change Order**"). Neither party shall be bound by any Change Order unless mutually agreed upon in writing in accordance with Section 17.10.

6. <u>Term and Termination</u>.

- 6.1 <u>Term</u>. This Agreement shall commence as of the Effective Date and shall continue thereafter until the latest to occur of the completion of the Services under all Statements of Work and a term of two years (the "**Initial Term**"), unless sooner terminated pursuant to this Section 6. The termination of Services under one SOW shall not, by itself, cause the termination of (or otherwise impact) this Agreement or the status or progress of any other Services between the parties.
- Renewal. Upon expiration of the Initial Term, this Agreement shall automatically renew for additional one (1) year terms unless a party provides written notice of nonrenewal at least sixty (60) days prior to the end of the then-current term (each a "Renewal Term" and together with the Initial Term, the "Term"). If the Term is renewed for one or more Renewal Term, the terms and conditions of this Agreement during each Renewal Term shall be the same as the terms and conditions in effect immediately prior to such renewal, subject to any change in fees in accordance with Section 7.5. If either party provides timely notice of nonrenewal, then this Agreement shall terminate on the expiration of the then-current Term, unless sooner terminated as provided in this Section 6.
- Other Termination. Service Provider, in its sole discretion, may terminate this Agreement or any SOW, in whole or in part, at any time without cause, by providing at least thirty (30) days' prior written notice to Client. If Client terminates this Agreement (or any applicable SOW) for a reason other than as set forth in this Section 6 prior to the end of the Term or any subsequent Renewal Term, or if Service Provider terminates this Agreement (or any applicable SOW) for a reason set forth in Section 6.4 below, in addition to any other amounts due to Service Provider under this Agreement, Client shall pay to Service Provider damages equal to one hundred percent (100%) of the fees due during the remaining portion of the Initial Term, any Renewal Term, and/or SOW in effect at the time of such termination. For the avoidance of doubt, the foregoing sentence will apply such that Client will also be responsible to pay to Service Provider an amount equal to one hundred percent (100%) of the fees that would otherwise be due and payable under an upcoming Renewal Term if Client fails to abide by the requirements of Section 6.2 by terminating this Agreement after the expiration of sixty (60) day period described therein.

6.4 <u>Termination for Cause</u>.

(a) Either party may terminate this Agreement or any SOW, effective upon written notice to the other party (the "**Defaulting Party**"), if the Defaulting Party: (i) materially breaches this Agreement, and such breach is incapable of cure, or with respect to a material breach capable of cure, the Defaulting Party does not cure such breach within thirty (30) days after receipt of written notice of such breach; (ii) becomes insolvent or admits its inability to pay its debts generally as they become due; (iii) becomes subject, voluntarily or involuntarily, to any proceeding under any Law relating to domestic

or foreign bankruptcy or insolvency, which is not fully stayed within twenty (20) business days or is not dismissed or vacated within forty-five (45) days after filing; (iv) is dissolved or liquidated or takes any corporate action for such purpose; (v) makes a general assignment for the benefit of creditors; or (vi) has a receiver, trustee, custodian, or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business.

- (b) In the event that Client or any of its staff, personnel, contractors, or representatives engages in any unacceptable act or behavior that renders it impracticable, imprudent, or unreasonable to provide the Services to Client, then in addition to Service Provider's other rights under this Agreement, Service Provider will have the right upon providing Client with ten (10) days prior written notice, to terminate the Services, this Agreement, and/or any applicable SOW. Service Provider shall have the right to immediately cancel all Services herein upon the determination by Service Provider that Client has engaged in any activity prohibited by state or federal law.
- 6.5 <u>Effects of Termination or Expiration</u>. Upon expiration or termination of this Agreement for any reason:
 - (a) Service Provider shall (i) promptly deliver to Client all Deliverables (whether complete or incomplete) for which Client has paid, all Client Equipment and all Client Materials in its possession, (ii) promptly remove any Service Provider Equipment located at Client's premises, (iii) provide reasonable cooperation and assistance to Client upon Client's written request and at Client's expense in transitioning the Services to a different Service Provider (subject to subparagraph (d) below), and (iv) on a pro rata basis, repay all fees and expenses paid in advance for any Services not performed or Deliverables not provided (except to the extent Service Provider is permitted to retain fees in accordance with Section 6.3 above).
 - (b) Each party shall (i) return to the other party all documents and tangible materials (and any copies) containing, reflecting, incorporating, or based on the other party's Confidential Information, (ii) permanently delete all of the other party's Confidential Information from its computer systems, and (iii) certify in writing to the other party that it has complied with the requirements of this clause.
 - (c) If Client fails or refuses to grant Service Provider access as described herein, or if any of the Service Provider Equipment is missing, broken or damaged (normal wear and tear excepted) or any of Service Provider-supplied software is missing, Service Provider will have the right to offset against amounts otherwise owing to Client and/or invoice Client for, and Client hereby agrees to pay immediately, the full replacement value of any and all missing or damaged items.
 - (d) In the event that Client requests Service Provider's assistance to transition away from the Services, Service Provider will provide such reasonable assistance if (i) all fees due and owing to Service Provider are paid to Service Provider in full prior to Service Provider providing its assistance to Client, and (ii) Client agrees to pay Service Provider's a minimum hourly rate of \$200.00 for such assistance, with up-front amounts to be paid to Service Provider as it may require. For the purposes of clarity, it is understood and agreed that the retrieval and provision of passwords, log files, administrative server information, or conversion of data are transition services, and are subject to the preceding requirements. Client also understands and agrees that any software configurations that Service Provider custom creates or programs for Client are Service Provider's proprietary information and shall not be disclosed to Client under any circumstances. Unless otherwise expressly stated in a SOW, Service Provider will have no obligation to store or maintain any Client data in its possession or control beyond five (5) calendar days following the termination of the applicable Services, this Agreement and/or the applicable SOW. Service Provider will be held harmless for, and indemnified by Client against, any and all claims, costs, fees, or expenses incurred by either party that arise from, or are related to, Service Party's deletion of Client's data beyond the time frames described in this section.
- 6.6 <u>Survival</u>. The rights and obligations of the parties set forth in this Section 6.6 and Section 1, Section 9, Section 10, Section 12, Section 6.5, Section 13, Section 14, and Section 17, and any right or obligation of the parties in this Agreement which, by its nature, should survive termination or expiration of this Agreement, will survive any such termination or expiration of this Agreement.

7. Fees and Expenses; Payment Terms.

- 7.1 In consideration of the provision of the Services by the Service Provider and the rights granted to Client under this Agreement, Client shall pay the fees set forth in the applicable Statement of Work.
- 7.2 Where the Services are provided on a time and materials basis: (a) the fees payable for the Services shall be calculated in accordance with Service Provider's daily or hourly fee rates set forth in the applicable Statement of Work; (b) Client shall reimburse Service Provider, at Service Provider's actual cost, for any materials, machinery, equipment, and third-party services, including Third Party Providers (collectively, "Materials"), reasonably necessary for the provision of the Services. Except as otherwise provided in this Agreement, Service Provider shall obtain Client's written consent prior to the purchase of all Materials, which shall not be unreasonably withheld; and (c) Service Provider shall issue invoices to Client monthly in arrears for its fees for time for the immediately preceding month, calculated as provided in this Section 7.2, together with a detailed breakdown of any expenses for such month incurred in accordance with Section 7.4.
- 7.3 Where Services are provided for a fixed price, the total fees for the Services shall be the amount set out in the applicable Statement of Work. The total price shall be paid to Service Provider in installments, as set out in the Statement of Work. On achieving a Project Milestone and/or at the end of a period specified in the applicable Statement of Work in respect of which an installment is due, Service Provider may, but is not required to, issue invoices to Client for the fees that are then payable, together with a detailed breakdown of any expenses incurred in accordance with Section 7.4.
- 7.4 Client agrees to reimburse Service Provider for all reasonable travel and out-of-pocket expenses incurred by Service Provider in connection with the performance of the Services.
- 7.5 The parties agree that for Services provided on a time and materials basis, Service Provider may increase its standard fee rates specified in the applicable Statement of Work upon written notice to Client at least thirty (30) days prior.
- 7.6 Generally, all recurring monthly prices anticipate automatic monthly recurring payment by Client. If applicable, recurring payments made by ACH will be deducted from Client's designated bank account on the first business day of the month in which the Services are to be provided, or if applicable, Client's designated credit card will be charged on the first business of the month in which the Services are to be provided. All other non-recurring Services will be due upon receipt of invoice which Service Provider shall issue to Client in accordance with the terms of this Section, and Client shall pay all invoiced amounts due to Service Provider within thirty (30) days after Client's receipt of such invoice. All payments hereunder shall be in US dollars and, other than payments by ACH and/or credit card, shall be made by check or wire transfer.
- 7.7 Client shall be responsible for all sales, use, and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by Client hereunder. Any such taxes, duties, and charges currently assessed, or which may be assessed in the future, that are applicable to the Services are for the Client's account, and Client hereby agrees to pay such taxes.
- Amounts owing to Service Provider that remain unpaid for more than fifteen (15) days after due will be subject to interest on the unpaid amount(s) until and including the date payment is received, at the lower of either 1% per month or the maximum allowable rate of interest permitted by applicable Law. Service Provider reserves the right (in addition to and not in lieu of its other rights hereunder), but not the obligation, to suspend part or all of the Services without prior notice to Client in the event that any portion of undisputed fees are not timely received by Service Provider. Monthly or recurring charges (as applicable) shall continue to accrue during any period of suspension. Notice of disputes related to fees must be received by Service Provider within thirty (30) days after the applicable Service is rendered or the date on which Client pays an invoice, whichever is later; otherwise, Client waives its right to dispute the fee thereafter. A re-connect fee of up to five percent (5%) may be charged to Client if Service Provider suspend the Services due to Client's nonpayment. Time is of the essence in the performance of all payment obligations by Client. If Service Provider is required to refer Client's account to Collections or to start any Collections-related action to recover undisputed fees, Service Provider will be entitled to recover all costs and fees Service Provider incurs in the Collections process, including, but not limited to, reasonable attorneys' fees and costs.

8. Third Party Services; Equipment.

- 8.1 Portions of the Services may be acquired from, resold from, and/or rely upon the services of, third party vendors, manufacturers, or providers ("Third Party Provider"). Third Party Providers may provide services such as data hosting services, help desk services, malware detection services, domain registration services, data backup/recovery services, other security related services, and/or next generation technology solutions (each, a "Third Party Service"). Not all Third Party Services will be expressly identified as being provided by a Third Party Provider, and at all times Service Provider reserves the right to utilize the services of any Third Party Provider or to change Third Party Providers in its sole discretion as long as the change does not materially diminish the Services that Service Provider is obligated to provide to Client. Client understands and agrees that Third Party Providers are not Service Provider's contractors, subcontractors, or otherwise under its managerial or operational control. While Service Provider will endeavor to facilitate a workaround for the failure of a Third Party Service, Service Provider will not be responsible, and will be held harmless by Client, for any failure of any Third Party Service as well as the failure of any Third Party Provider to provide such services to Service Provider or to Client.
- 8.2 Portions of the Services may require Client to accept the terms of one or more third party end user license agreements with Third Party Providers ("**EULAs**"). If the acceptance of a EULA is required in order to provide the Services to Client, then Client hereby grants Service Provider permission to accept the EULA on Client's behalf. EULAs may contain service levels, warranties and/or liability limitations that are different than those contained in this Agreement. Client agrees to be bound by the terms of such EULAs and will look only to the applicable Third Party Provider for the enforcement of the terms of such EULAs. If, while providing the Services, Service Provider is required to comply with a third-party EULA and the third party EULA is modified or amended, Service Provider reserves the right to modify or amend any applicable SOW with Client to ensure Service Provider's continued compliance with the terms of the third party EULA.
- 8.3 Under no circumstances will Service Provider be responsible for any data lost, corrupted, or rendered unreadable due to (i) communication and/or transmissions errors or related failures (whether onsite or cloud-based), (ii) equipment failures (including but not limited to silent hardware corruption-related issues), or (iii) Service Provider failure to backup or secure data from portions of the Environment that were not expressly designated in the applicable SOW as requiring backup or recovery services. Unless expressly stated in writing by Service Provider, Service Provider does not warrant or guarantee that any maintained storage device or functionality, data backup device or functionality, or load balancing functionality will operate in an error-free manner.
- 8.4 Client hereby represents and warrants that Service Provider is authorized to access all devices, peripherals and/or computer processing units, including mobile devices (such as notebook computers, smart phones and tablet computers) that are connected to the Environment (collectively, "Devices"), regardless of whether such Devices are owned, leased or otherwise controlled by Client. Unless otherwise stated in writing by Service Provider, Devices may not receive or benefit from the Services while the Devices are detached from, or unconnected to, the Environment. Client is strongly advised to refrain from connecting Devices to the Environment where such devices are not previously known to Service Provider and are not expressly covered under a managed service plan from Service Provider ("Unknown Devices"). Service Provider will not be responsible for the diagnosis of, any failures due to, or remediation of any issues in the Environment caused by the connection or use of Unknown Devices in the Environment, and Service Provider will not be obligated to provide the Services to any Unknown Devices.
- 8.5 All Service Provider Equipment is licensed to Client and is neither owned by Client nor leased to Client. Upon the termination of applicable Services, Client's license to use the Service Provider Equipment shall immediately terminate, and thereafter all Service Provider Equipment must be returned to Service Provider immediately at Client's expense. All configurations on the Service Provider Equipment are Service Provider's proprietary information and will not be circumvented, modified, or removed by Client without Service Provider prior written consent.

9. <u>Confidential Information</u>.

9.1 The Receiving Party agrees: (a) not to disclose or otherwise make available Confidential Information of the Disclosing Party to any third party without the prior written consent of the Disclosing Party;

provided, however, that the Receiving Party may disclose the Confidential Information of the Disclosing Party to its officers, employees, consultants, and legal advisors who have a "need to know", who have been apprised of this restriction, and who are themselves bound by nondisclosure obligations at least as restrictive as those set forth in this Section 9; (b) to use the Confidential Information of the Disclosing Party only for the purposes of performing its obligations under the Agreement or, in the case of Client, to make use of the Services and Deliverables; and (c) to immediately notify the Disclosing Party in the event it becomes aware of any loss or disclosure of any of the Confidential Information of Disclosing Party.

9.2 If the Receiving Party becomes legally compelled to disclose any Confidential Information, the Receiving Party shall provide: (a) to the extent permissible, prompt written notice of such requirement so that the Disclosing Party may seek, at its sole cost and expense, a protective order or other remedy; and (d) reasonable assistance, at the Disclosing Party's sole cost and expense, in opposing such disclosure or seeking a protective order or other limitations on disclosure. If, after providing such notice and assistance as required herein, the Receiving Party remains required by Law to disclose any Confidential Information, the Receiving Party shall disclose no more than that portion of the Confidential Information which, on the advice of the Receiving Party's legal counsel, the Receiving Party is legally required to disclose.

10. Representations and Warranties.

- 10.1 Each party represents and warrants to the other party that:
- (a) it is duly organized, validly existing and in good standing as a corporation or other entity as represented herein under the laws and regulations of its jurisdiction of incorporation, organization, or chartering;
- (b) it has the full right, power, and authority to enter into this Agreement, to grant the rights and licenses granted hereunder, and to perform its obligations hereunder:
- (c) the execution of this Agreement by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate action of the party; and
- (d) when executed and delivered by such party, this Agreement will constitute the legal, valid, and binding obligation of such party, enforceable against such party in accordance with its terms.
- 10.2 Service Provider represents and warrants to Client that:
- (a) it shall perform the Services using personnel of required skill, experience, and qualifications and in a professional and workmanlike manner in accordance with commercially reasonable industry standards for similar services and shall devote adequate resources to meet its obligations under this Agreement;
- $\begin{tabular}{ll} (b) & it is in compliance with, and shall perform the Services in compliance with, all applicable Laws; \end{tabular}$
- (c) (i) to Service Provider's knowledge none of the Services, Deliverables, and Client's use thereof infringe or will infringe any registered or issued patent, copyright or trademark of any third party arising under the Law of the United States, and, (ii) as of the date hereof, there are no pending or, to Service Provider's knowledge, threatened claims, litigation, or other proceedings pending against Service Provider by any third party based on an alleged violation of such Intellectual Property Rights, in each case, excluding any infringement or claim, litigation or other proceedings to the extent arising out of (x) any Client Materials or any instruction, information, designs, specifications, or other materials provided by Client to Service Provider, (y) use of the Deliverables in combination with any materials or equipment not supplied or specified by Service Provider, if the infringement would have been avoided by the use of the Deliverables not so combined, and (z) any modifications or changes made to the Deliverables by or on behalf of any Person other than Service Provider;
- (d) the Services and Deliverables will be in conformity in all material respects with all requirements or specifications stated in this Agreement and the applicable Statement of Work for a period

of 30 days after delivery to Client. In the event of Service Provider's breach of the foregoing warranty, Service Provider's sole and exclusive obligation and liability and Client's sole and exclusive remedy shall be as follows:

- (i) The Service Provider shall use reasonable efforts to cure such breach; provided, that if Service Provider cannot cure such breach within a reasonable time (but no more than 30 days) after Client's written notice of such breach, Client may, at its option, terminate the Agreement by serving written notice of termination in accordance with Section 17.4.
- (ii) In the event the Agreement is terminated in accordance with this Section 10.2(d), Service Provider shall within 30 days after the effective date of termination, refund to Client any fees paid by the Client as of the date of termination for such Service or Deliverable less a deduction equal to the fees for receipt or use of such Deliverables or Service up to and including the date of termination on a pro-rated basis.
- (iii) The foregoing remedy shall not be available unless Client provides written notice of such breach within 30 days after delivery of such Service or Deliverable to Client or with respect to changes made by any Person other than Service Provider or at Service Provider's direction.
- All equipment, machines, hardware, software, peripherals, or accessories purchased through Service Providers ("Third Party Products") are generally nonrefundable once the item is ordered from Service Provider's third party provider or reseller. If Client desires to return a Third Party Product, then the Third Party Provider's return policies shall apply. Service Provider does not guarantee that purchased Third Party Products will be returnable, exchangeable, or that re-stocking fees can or will be avoided. Client may be responsible for the payment of all re- stocking or return-related fees charged by the third party provider or reseller as well as reasonable charges for Service Provider time spent in processing returns on Client's behalf. Service Provider will use reasonable efforts to assign, transfer and facilitate all warranties (if any) and service level commitments (if any) for the Third Party Products to Client, but will have no liability whatsoever for the quality, functionality, or operability of any Third Party Products, and Service Provider will not be held liable as an insurer or guarantor of the performance, uptime, or usefulness of any Third Party Products. All Third Party Products are provided "as is" and without any warranty whatsoever as between Service Provider and Client (including but not limited to implied warranties).
- 10.4 EXCEPT FOR THE EXPRESS WARRANTIES IN THIS AGREEMENT, (A) EACH PARTY HEREBY DISCLAIMS ALL WARRANTIES, EITHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE UNDER THIS AGREEMENT, AND (B) SERVICE PROVIDER SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT.

11. <u>Indemnification</u>.

- 11.1 Client shall defend, indemnify, and hold harmless Service Provider and Service Provider's Affiliates and their officers, directors, employees, agents, successors, and permitted assigns from and against all Losses arising out of or resulting from any third-party action arising out of or resulting from: (a) bodily injury, death of any person, or damage to real or tangible, personal property resulting from the negligent or willful acts or omissions of Client; and (b) Client's breach of any representation, warranty, or obligation of Client in this Agreement.
- 11.2 Service Provider shall promptly notify Client in writing of any action and cooperate with the Client at the indemnifying party's sole cost and expense. Service Provider will have the right, but not the obligation, to control the intake, defense and disposition of any claim or cause of action for which indemnity may be sought under this section. Otherwise, Client shall immediately take control of the defense and investigation of such action and shall employ counsel of its choice to handle and defend the same, at Client's sole cost and expense. Client shall not settle any action in a manner that adversely affects the rights of Service Provider without Service Provider's prior written consent. Service Provider's failure to perform any obligations under this Section 11.2 shall not relieve Client of its obligations under this Section 11.2. Service Provider may participate in and observe the proceedings at its own cost and expense.

12. <u>Limitation of Liability</u>.

- 12.1 Client acknowledges and agrees that Service Provider would not provide any Services, or enter into any SOW or this Agreement, unless Service Provider could rely on the limitations described in this Agreement, including this Section.
- 12.2 IN NO EVENT WILL SERVICE PROVIDER BE LIABLE TO CLIENT OR TO ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE, OR PROFIT OR LOSS OF DATA OR FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, OR OTHER INDIRECT OR CONTINGENT EVENT-BASED ECONOMIC LOSS ARISING OUT OF OR IN CONNECTION WITH THE SERVICES, THIS AGREEMENT, ANY SOW, OR FOR ANY LOSS OR INTERRUPTION OF DATA, TECHNOLOGY OR SERVICES, OR FOR ANY BREACH HEREOF OR FOR ANY DAMAGES CAUSED BY ANY DELAY IN FURNISHING SERVICES UNDER THIS AGREEMENT OR ANY SOW, REGARDLESS OF WHETHER SUCH DAMAGE WAS FORESEEABLE AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- 12.3 IN NO EVENT WILL SERVICE PROVIDER'S LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE (A "CLAIM"), EXCEED THE AMOUNT OF ACTUAL AND DIRECT DAMAGES, NOT TO EXCEED THE AMOUNT OF FEES PAID BY CLIENT (EXCLUDING HARD COSTS FOR LICENSES, HARDWARE, ETC.) TO SERVICE PROVIDER FOR THE SPECIFIC SERVICE UPON WHICH THE APPLICABLE CLAIM(S) IS/ARE BASED DURING THE THREE (3) MONTH PERIOD IMMEDIATELY PRIOR TO THE DATE ON WHICH THE CLAIM ACCRUED OR \$5,000, WHICHEVER IS GREATER. THE FOREGOING LIMITATIONS SHALL APPLY EVEN IF THE REMEDIES LISTED IN THIS AGREEMENT FAIL OF THEIR ESSENTIAL PURPOSE. SERVICE PROVIDER'S LIABILITY OBLIGATION SHALL BE FURTHER REDUCED TO THE EXTENT THAT A CLAIM IS CAUSED BY, OR THE RESULT OF, CLIENT WILLFUL OR INTENTIONAL MISCONDUCT, GROSS NEGLIGENCE, OR TO THE EXTENT THAT CLIENT FAILED TO REASONABLY MITIGATE (OR ATTEMPT TO MITIGATE, AS APPLICABLE) THE CLAIMS.

13. Insurance.

- 13.1 At all times during the Term of this Agreement and for a period of three years thereafter, Client should procure and maintain, at its sole cost and expense, such insurance and in such amount as Service Provider may recommend, including cyber liability insurance with limits no less than \$250,000. Industry exposure liability may warrant higher limits than the minimum \$250,000 requirement.
- 13.2 Without limiting the generality of the foregoing, if Client is supplied with Service Provider Equipment, Client should also acquire and maintain, at its sole cost, insurance for the full replacement value of that equipment and listing Service Provider as an additional insured / loss payee and the policy should not be canceled or modified during the term of the applicable Services.
- 13.3 If Client does not secure recommended insurance, Client indemnifies Service Provider against all losses and claims arising out of cyber related events or equipment damage, including Service Provider's reasonable attorney's fees as may be incurred to respond, defend and/or recover its losses.

14. Non-Solicitation.

- 14.1 During the Term of this Agreement and for a period of one (1) year thereafter, Client shall not, directly or indirectly, in any manner solicit or induce for employment any person who performed any work under this Agreement who is then in the employ of Service Provider. A general advertisement or notice of a job listing or opening or other similar general publication of a job search or availability to fill employment positions, including on the internet, shall not be construed as a solicitation or inducement for the purposes of this Section 14.1, and the hiring of any employee or independent contractor who freely responds thereto shall not be a breach of this Section 14.1.
- 14.2 If Client breaches Section 14.1, it shall, on demand, pay to Service Provider a sum equal to one year's basic salary or the annual fee that was payable by the claiming party to that employee, worker, or independent contractor plus the recruitment costs incurred by the non-breaching party in replacing such person.

15. <u>Non-Exclusivity</u>. The Service Provider retains the right to perform the same or similar type of services for third parties during the Term of this Agreement.

16. Force Majeure.

- No party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations to make payments to the other party hereunder), when and to the extent such failure or delay is caused by or results from acts beyond the impacted party's ("Impacted Party") reasonable control, including without limitation the following force majeure events ("Force Majeure Events"): (a) acts of God; (b) flood, fire, earthquake, pandemics, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (d) government order, Law, or actions; (e) embargoes or blockades in effect on or after the date of this Agreement; (f) national or regional emergency; (g) strikes, labor stoppages or slowdowns, or other industrial disturbances; (h) internet outages, shortage of adequate power or transportation facilities; and (i) other similar events beyond the reasonable control of the Impacted Party. The Impacted Party shall give notice within 30 days of the Force Majeure Event to the other party, stating the period of time the occurrence is expected to continue.
- 16.2 During the Force Majeure Event, the non-affected party may similarly suspend its performance obligations until such time as the affected party resumes performance.
- 16.3 The affected party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized and shall resume performance of its obligations as soon as reasonably practicable after the removal of the cause. If the affected party's failure or delay remains uncured for a period of 30 days following written notice given by it under this Section 16, the other party may thereafter terminate this Agreement upon 15 days' written notice.

Miscellaneous.

- 17.1 Client shall, upon the request of Service Provider, promptly execute such documents and perform such acts as may be necessary to give full effect to the terms of this Agreement.
- 17.2 The relationship between the parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.
- 17.3 Neither party shall issue or release any announcement, statement, press release, or other publicity or marketing materials relating to this Agreement, or otherwise use the other party's trademarks, service marks, trade names, logos, symbols, or brand names, in each case, without the prior written consent of the other party, which shall not be unreasonably withheld or delayed.
- 17.4 All notices, requests, consents, claims, demands, waivers, and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by email if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses indicated below (or at such other address for a party as shall be specified in a notice given in accordance with this Section 17.4.

Email	
	Email:

If to Client:

Attention:

[CLIENT ADDRESS]

[Email: [EMAIL ADDRESS]]

NOTICES1

Attention: [TITLE OF OFFICER TO RECEIVE

17.5 For purposes of this Agreement, (a) the words "include," "includes," and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto," and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Sections, Schedules, Exhibits, and Statements of Work refer to the Sections of, and Schedules, Exhibits, and Statements of Work attached to this Agreement; (y) to an agreement, instrument, or other document means such agreement, instrument, or other document as amended, supplemented, and modified from time to time to the extent permitted by the provisions thereof and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Schedules, Exhibits, and Statements of Work referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

- 17.6 This Agreement, together with all Schedules, Exhibits, and Statements of Work and any other documents incorporated herein by reference, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any conflict between the terms and provisions of this Agreement and those of any Schedule, Exhibit or Statement of Work, the following order of precedence shall govern: (a) first, this Agreement, exclusive of its Exhibits and Schedules (unless a Statement of Work expressly sets forth otherwise); (b) second, the applicable Statement of Work; and (c) third, any Exhibits and Schedules to this Agreement; and (d) fourth, the Service Provider Proposal.
- 17.7 Client may not assign, transfer, or delegate any or all of its rights or obligations under this Agreement, including by operation of Law, change of control, or merger, without the prior written consent of Service Provider. No assignment shall relieve the assigning party of any of its obligations hereunder. Any attempted assignment, transfer, or other conveyance in violation of the foregoing shall be null and void. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.
- 17.8 This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit, or remedy of any nature whatsoever, under or by reason of this Agreement.
- 17.9 The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.
- 17.10 This Agreement may be amended, modified, or supplemented from time to time. We may change this Agreement, including the Service Terms, which are part of this Agreement. Changes will be posted and accessible on our website. If any such change results in more restrictive terms or conditions, we will additionally provide you at least thirty (30) days' notice, by bill insert, as a message printed on your bill, or by any other reasonable method permitted by law. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.
- 17.11 If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the parties hereto shall negotiate in good faith to

modify this Agreement so as to affect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

- 17.12 This Agreement shall be governed by and construed in accordance with the internal Laws of the State of South Carolina without giving effect to any choice or conflict of Law provision or rule (whether of the State of South Carolina or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of South Carolina. Any legal suit, action, or proceeding arising out of or related to this Agreement or the Services provided hereunder shall be instituted exclusively in the federal courts of the United States in the State of Carolina or the Court of Common Pleases for the County of Sumter, State of South Carolina, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding. Service of process, summons, notice, or other document by mail to such party's address set forth herein shall be effective service of process for any suit, action, or other proceeding brought in any such court. The parties mutually agree that, unless otherwise prohibited by law, any action for any matter arising out of or related to any Service, this Agreement, or any SOW (except for issues of nonpayment by Client) must be commenced within six (6) months after the cause of action accrues or the action is forever barred.
- Each party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby. Except for undisputed collections actions to recover fees due to Service Provider ("Collections"), any dispute, claim or controversy arising from or related to this Agreement, including the determination of the scope or applicability of this agreement to arbitrate, shall be settled by arbitration before one arbitrator who is mutually agreed upon by the parties. The arbitration shall be administered and conducted by the American Arbitration Association (the "AAA") or if there is no AAA-certified arbitrator available within a twenty (20) mile radius of Service Provider office, then by any arbitration forum as determined by Service Provider, pursuant to the selected forum's arbitration rules for commercial disputes (the "Rules"). In the event of any inconsistency between the Rules and the procedures set forth in this paragraph, the procedures set forth in this paragraph will control. The arbitrator will be experienced in contract, intellectual property and information technology transactions. If the parties cannot agree on an arbitrator within fifteen (15) days after a demand for arbitration is filed, the arbitration venue shall select the arbitrator. The arbitration shall take place in a venue of Service Provider choice. The arbitrator will determine the scope of discovery in the matter; however, it is the intent of the parties that any discovery proceedings be limited to the specific issues in the applicable matter, and that discovery be tailored to fulfill that intent. Initially, the cost of the arbitration shall be split evenly between the parties; however, the party prevailing in the arbitration shall be entitled to an award of its reasonable attorneys' fees and costs.
- 17.14 Each party acknowledges that a breach by a party of Section 9 (Confidentiality), and Section 14 (Non-Solicitation) may cause the non-breaching party irreparable damages, for which an award of damages would not be adequate compensation and agrees that, in the event of such breach or threatened breach, the non-breaching party will be entitled to seek equitable relief, including a restraining order, injunctive relief, specific performance, and any other relief that may be available from any court, in addition to any other remedy to which the non-breaching party may be entitled at law or in equity. Such remedies shall not be deemed to be exclusive but shall be in addition to all other remedies available at law or in equity, subject to any express exclusions or limitations in this Agreement to the contrary.
- 17.15 If any action, suit, or other legal or administrative proceeding is instituted or commenced by either party hereto against the other party arising out of or related to this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and court costs from the non-prevailing party.
- 17.16 This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written by their respective duly authorized officers.

FARMERS TELEPHONE
COOPERATIVE, INC.

By_____

Name:

Title:

[CLIENT NAME]

By____

Name:

Title:

CONFIDENTIAL

(GLOSSERY OF TERMS)

"AAA" has the meaning set forth in Section 17.13.

"Advice" has the meaning set forth in Section 4.7.

"Affiliate" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

"Agreement" has the meaning set forth in the preamble.

"Change Order" has the meaning set forth in Section 5.2.

"Collections" has the has the meaning set forth in Section 17.13.

"Confidential Information" means any information that is treated as confidential by a party, including, but not limited to, all non-public information about its business affairs, products or services, Intellectual Property Rights, trade secrets, third-party confidential information, and other sensitive or proprietary information, marked, designated, or otherwise identified as "confidential". Confidential Information shall not include information that: (a) is already known to the Receiving Party without restriction on use or disclosure prior to receipt of such information from the Disclosing Party; (b) is or becomes generally known by the public other than by breach of this Agreement by, or other wrongful act of, the Receiving Party; (c) is developed by the Receiving Party independently of, and without reference to, any Confidential Information of the Disclosing Party; or (d) is received by the Receiving Party from a third party who is not under any obligation to the Disclosing Party to maintain the confidentiality of such information.

"Client" has the meaning set forth in the preamble.

"Client Contract Manager" has the meaning set forth in Section 4.1(a).

"Client Equipment" means any computers, equipment, systems, cabling, or facilities provided or otherwise owned by Client and used directly or indirectly in the provision of the Services.

"Client Materials" any documents, data, know-how, methodologies, software, and other materials provided to Service Provider by Client or otherwise owned by Client, including computer software, programs, reports, and specifications.

"Client-Side Downtime" means any period of time during which delays or deficiencies are caused by Client actions or omissions, including, but is not limited to, any period of time during which Service Provider requires Client participation or Service Provider require information, directions, or authorization from Client but cannot reach the Client Contract Manager.

"Coverage Date" the date Service Provider completes its pre-Service implementation of its monitoring agent and anti-virus solutions.

"**Defaulting Party**" has the meaning set forth in Section 6.4(a).

"**Deliverables**" means all documents, work product, and other materials that are delivered to Client under this Agreement or prepared by or on behalf of Service Provider in the course of performing the Services, including any items identified as such in a Statement of Work.

"Devices" has the meaning set forth in Section 8.4.

"Disclosing Party" means a party that discloses Confidential Information under this Agreement.

"**Environment**" means, collectively, any computer network (cloud- based or otherwise), computer system, peripheral or device (virtual or physical) acquired, installed, maintained, monitored, or operated by Service Provider for Client or on Client's behalf.

"EULA" has the meaning set forth in Section 8.1.

"Force Majeure Event" has the meaning set forth in Section 16.

"Impacted Data" has the meaning set forth in Section 4.6.

"Impacted Party" has the meaning set forth in Section 16.1.

"Initial Term" has the meaning set forth in Section 6.1.

"Intellectual Property Rights" means all (a) patents, patent disclosures, and inventions (whether patentable or not), (b) trademarks, service marks, trade dress, trade names, logos, corporate names, and domain names, together with all of the goodwill associated therewith, (c) copyrights and copyrightable works (including computer programs), and rights in data and databases, (d) trade secrets, know-how, and other confidential information, and (e) all other intellectual property rights, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection in any part of the world.

"**Law**" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement, or rule of law of any federal, state, local, or foreign government or political subdivision thereof, or any arbitrator, court, or tribunal of competent jurisdiction.

"Losses" mean all losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.

"Materials" has the meaning set forth in Section 7.2

"Minimum Requirements" has the meaning set forth in Section 4.1(h).

"**OEM**" has the meaning set forth in Section 4.1(j).

"**Person**" means an individual, corporation, partnership, joint venture, corporation, governmental authority, unincorporated organization, trust, association, or other entity.

"Project" means a project as described in a Statement of Work.

"**Project Milestone**" means an event or task described in a Statement of Work which shall be completed by the relevant date set forth in the Statement of Work.

"Receiving Party" means a party that receives or acquires Confidential Information directly or indirectly under this Agreement.

"Renewal Term" has the meaning set forth in Section 6.2.

"Rules" has the meaning set forth in Section 17.13.

"Scheduled Downtime" means those hours, as determined by Service Provider but which will not occur between the hours of 8:00 AM and 5:00 PM Eastern Time, Monday through Friday (Federal holidays excluded) without Client authorization or unless exigent circumstances exist, during which time Service Provider will perform scheduled maintenance or adjustments to the Environment. Service Provider will endeavor to provide Client with at least twenty-four (24) hours of notice prior to scheduling Scheduled Downtime.

"Service Provider" has the meaning set forth in the preamble.

"Service Provider Contract Manager" has the meaning set forth in Section 3.1(a).

"Service Provider Equipment" means any equipment, systems, cabling, or facilities provided by or on behalf of Service Provider and used directly or indirectly in the provision of the Services.

"Service Provider Personnel" means all employees and Permitted Subcontractors, if any, engaged by Service Provider to perform the Services.

"Service Provider Proposal" means Client's Request for Proposal for the Services and Service Provider's response, describing how Service Provider proposes to carry out the Services and/or a Project.

"**Services**" mean the services to be provided by Service Provider under this Agreement, as described in more detail in a Statement of Work, and Service Provider's obligations under this Agreement, including, including, but not limited to, any licenses, services, or products that Service Provider sells or re-sells to Client.

"**Statement of Work**" or "**SOW**" means each Statement of Work entered into by the parties as contemplated by this Agreement, each of which describes, summarizes, and/or defines the scope and provision of the Services.

"Term" has the meaning set forth in Section 6.

"Transition Exception" means the first forty-five (45) days following the commencement date of any Service, as well as any period of time during which Service Provider is performing off-boarding-related services (e.g., assisting Client in the transition of the Services to another provider, terminating a service, etc.).

"Third Party Provider" and "Third Party Service" have the meaning set forth in Section Error! Reference source not found. .

"Third Party Products" has the meaning set forth in Section 10.3.

"**Unknown Devices**" has the meaning set forth in Section 8.4.

"Updates" has the meaning set forth in Section 4.1(I).

"**Vendor-Side Downtime**" means any delays or deficiencies caused by third party service providers, third party licensors, or "upstream" service or product vendors.

STATEMENT OF WORK NO: [VERSION DATE]

1. This Statement of Work ("Statement of Work" or "SOW") is executed on [DATE] and adopts and incorporates by reference the terms and conditions of the Master Services Agreement which was entered into on [*** insert date of Agreement ***] (the "Master Agreement"), between FARMERS TELEPHONE COOPERATIVE, INC. ("Service Provider") and [CUSTOMER NAME] ("Customer"). This Statement of Work is effective beginning on the date Service Provider completes its pre-Service implementation of its monitoring agent and anti-virus solutions (the "Coverage Date") and will remain in effect until the term set forth in below in Section 3, unless earlier terminated in accordance with the Master Agreement. Transactions performed under this Statement of Work will be conducted in accordance with and be subject to the terms and conditions of this Statement of Work and the Master Agreement.

2. Capitalized terms used but not defined in this Statement of Work shall have the meanings set out in the Master Agreement.

Scope of Work. Services provided are to be completed pursuant to the detail and during the coverage times set forth in the tables below:

Desktop/Server Managed Services Provided Description	Frequency
Workstation/Server Anti-virus Scans and virus removal	Ongoing
Workstation/Server Malware Scans and removal	Ongoing
Workstation/Server Service Pack, Patches and Hot fixes kept current as per Client policy	Monthly
Proactive PC and Server Monitoring, Alerting, Automation	Ongoing
Third-party Software Patching and Updates	Ongoing
System Management and Remote Control	Ongoing
Help Desk - 8:00AM – 5:00PM, M-F, Excluding observed holidays	As needed
Firewall/Security Managed Services Provided Description	Frequency
Managed Firewall Service including best practice configuration	Ongoing
Web-based monitoring & reporting	Ongoing
Remote firmware updates	As needed
Network and IP Monitoring	Ongoing
Networked Printer Managed Services Provided Description	Frequency
Connectivity and Environment Management	Ongoing
Help Desk Services Provided Description	Frequency
Remote helpdesk covering all named devices, systems and software	As needed
Included Onsite Support for problems that cannot be resolved remotely	As needed
New User and Workstation Setup (if number of devices increase the monthly fee may increase)	As needed

Service Time Availability	Type of Service
8 Hours Day, Monday – Friday (excluding New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving and day after, and Christmas) 8:00 AM – 5:00 PM EST	Remote / On-site if needed (All tickets will be resolved remotely unless resolution requires on-site visit)

Exclusion from Service: In addition to the exclusions from Service set forth in Section 2.1 of the Master Agreement, the following are expressly excluded from and not included in the Services but may be available on a time and material basis (not intended to be an exhaustive list)¹:

Employee-owned devices: supporting, securing, maintaining, backing up, and monitoring devices, included handhelds, not owned by the Customer.

Wireless network survey/installation: creating a new wireless network, or replacing an entire wireless system for another brand;

Cabling: adding new network drops;

¹ Delete any items that are included in the Services.

<u>Email and File sharing/services migrations</u>: moving between email systems and/or file sharing services or moving from an on-premise email and/or file sharing system to a cloud-based system;

<u>Data center/network closet moves</u>: in addition to cabling, this includes moving modems, moving patch panels, moving servers, and other equipment typically found in a server rack or network closet;

<u>Server restore after major event</u>: if Customer has a flood/fire/vandalism/etc. and needs a server(s) restored.

[*** insert any other items you want to specifically exclude ***]

<u>Pricing; term; payment</u>. Services will be provided for the Devices and elements of the Customer's Environment at the site(s) and location(s) listed and noted in the table below:

Covered Devices and Elements of Environment	Quantity	Price	Extended Price	Declined ²
Managed Desktop Remote Monitoring and Maintenance with SOC		\$28.95		
Managed Physical Server		\$49.95		
ThreatLocker		\$4.95		
Desktop/Server Multi-Factor Authentication		\$3.95		$\{ \ \cdot \ $
KnowBe4 Security Awareness Training		\$2.95		
Managed Virtual Server				
Managed Switch				
Managed Firewall				
Managed Access Point				
Business Continuity Disaster Recovery, Managed Desktop Backup/Disaster Recovery, Cloud Retention (12-months)				
Business Continuity Disaster Recovery, Managed Server Backup/Disaster Recovery, Storage Device				

² Initials required for Services declined.

Total Monthly Cost for Coverage	\$
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The number of Devices is the number as of the Coverage Date. The number of Devices will be adjusted once a month to reflect any changes in the number of Devices covered. As the number of devices increases or decreases fees for Services will increase or decrease by price per month, per Device, by Device type at the amount listed in the table above. These increases and decreases will occur automatically and do not require amendment to this SOW.

Sites and Locations Covered Under Agreement

One-Time and Recurring Managed Service Fees:

Fees	Amount
Managed Service; Managed Asset; Cloud Services fees – Fees are calculated using rates in the table above per device, per month. The quantity listed is the number of devices covered as of the Coverage Date, as Devices are added the service fee will increase the fees relating to managed Service.	\$
Monthly Total	¢
Monthly Total	₽

Billable Time Rates for Service NOT included in this SOW:

Services not included in this SOW	Rate	Minimum Charge
Onsite Service 5:01PM-7:59AM EST Monday-Friday and	\$217.50/hr	30
Friday 5:01PM – Monday 7:59AM EST		minutes ³
New Year's Day, Good Friday, Memorial Day, Independence Day,		
Labor Day, Thanksgiving and day after, and Christmas		

<u>Response Times</u>. It is difficult for Service Provider to set response times for many of the Services, as many Services are complex services, and response may vary. When Customer contacts Service Provider, Service Provider will attempt to prioritize the incident and will endeavor to respond no later than 8 business hours after the Customer contacts Service Provider, with "Emergency" situations prioritized first.

It is imperative that Service Provider's response to incidents are carried out in a consistent and fair manner for all customers of Service Provider. The following table are general descriptions and illustrations of typical response and resolution times for possible incidents. Billable time and other projects outside the scope of this SOW do not have typical response or resolution times.

Trouble	Typical Response	Typical Resolution
Service not available (all users and functions unavailable).	Within 1 hour	ASAP – Best Effort
Significant degradation of service (large number of users or business	Within 4 hours	ASAP – Best Effort
Limited degradation of service (limited number of users or functions affected, business process can continue).	Within 24 hours	ASAP – Best Effort
Small service degradation (business process can continue, one user	Within 48 hours	ASAP – Best Effort

³ Time will be billed on the ½ hour and will be rounded up to the next hour. Time that does not exceed the minimum will be billed for the minimum charge. Travel time for Onsite Service will be billed from Service Provider office to Client office at the service call rate.

Service Provider cannot suggest a typical response time for Internet outage when it is held with a 3rd party.

[SIGNATURE PAGE FOLLOWS]

CONFIDENTIAL

IN WITNESS WHEREOF, the parties hereto have executed this Statement of Work as of the date first above written by their respective duly authorized officers.

[***	INSERT	NAME	OF C	JSTON	1ER
***]					
Ву					
Nam	e:				
Title:	•				

FARMERS TELEPHONE COOPERATIVE, INC.

Name: _______

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