

# Virtual IT, Inc.

## Master Services Agreement

Hello, and thank you for entrusting Virtual IT, Inc. (“Virtual IT,” “we,” “us,” or “our”) to provide you with professional information technology services. This Master Services Agreement (this “Agreement”) governs our business relationship with you, so please read this document carefully and keep a copy for your records.

### SCOPE

- a) **Context.** Throughout this Agreement, references to “Client,” “you,” or “your” mean the entity who has accepted a quote, proposal, service order, or similar document (electronic or otherwise) from Virtual IT. (In this Agreement we refer collectively to these types of documents as a “Quote,” although the actual title(s) or caption(s) of the service-related document might vary.)
- b) **Scope of Services.** This is a “master” agreement and, as such, specific services are not listed in this Agreement. Instead, any services to be provided to you or facilitated for you (as applicable) will be described in a Quote (collectively, “Services”). The scope of our engagement with you is limited to those services expressly listed in a Quote; all other services, projects, and related matters are out-of-scope and will not be provided to you unless we expressly agree to do so in writing (collectively, “Out of Scope Services”). In addition to a Quote, the Services are also defined, clarified, and governed under an additional document that we will refer to in this Agreement as a “Services Statement.” Our Services Statement is akin to a “user manual” that provides important and binding details about the Services, for example, (i) how the Services are provided/delivered, (ii) service levels applicable to the Services, (iii) additional payment terms/obligations, and (iv) auto-renewal terms for the Services. **Please read both the Quote and the Services Statement before accepting the Quote.** If you have any questions about either of those documents or this Agreement, please do not sign the Quote and, instead, contact us for more information.
- c) **Version.** Each Quote will be governed under the version of this Agreement that is in place as of the “last updated” date indicated at the bottom of this document. For that reason, you should keep a copy of this document and make a note of the date indicated below when you accept a Quote.
- d) **Conflicts.** The provisions of a Quote govern over conflicting or different terms contained in this Agreement and the Services Statement—this allows us to craft solutions to meet your needs by making applicable changes in the Quote. Conflicting language between the Services Statement and this Agreement will be interpreted in favor of the Services Statement.
- e) **Third Party Providers/Services.** Some services may be provided to you directly by our personnel, such as situations in which our personnel install software agents on managed devices or physically install equipment at your premises. These services are distinguishable from services that are provided to you or us by third party providers, who are often referred to in the industry as “upstream providers.” (In this Agreement, we refer to upstream providers as “Third Party Providers” and the services that are provided by Third Party Providers are referred to as “Third Party Services”). By way of example, Third Party Services may include help desk services, malware detection and remediation services, backup and disaster recovery solutions, and the provision of software used to monitor the managed part of your network, among others.
  - i. **Selection.** As your managed information technology provider, we will select the Third-Party Providers that provide services appropriate for your managed information technology environment (the “Environment”) and facilitate the provision of Third-Party Services to you. Not all Third-Party Services will be expressly identified as being provided by a Third-Party Provider, and we reserve the right to change Third Party Providers in our sole discretion as long as the change does not materially diminish the Services that we are obligated to provide to you under a Quote.
  - ii. **Reseller.** We are resellers of the Third-Party Services and do not provide those services to you directly. **For this reason, we are not and cannot be responsible for any defect, omission, or failure of any Third-Party Service, or any failure of any Third-Party Provider to provide its services to you or to us.** Third Party Services are provided on an “as is” basis only. If an issue requiring remediation arises with a Third-Party Service, then we will endeavor to provide a reasonable workaround or, if available, a “temporary fix” for the situation; however, we do not warrant or guarantee that any workaround or fix will be available or achieve any particular result, or that Third Party Services will run in an uninterrupted or error-free manner.
  - iii. **Price Increases.** We reserve the right to pass through to you any increases in the costs and/or fees charged by Third Party Providers for the Third-Party Services (“Pass Through Increases”). Since we do not control Third Party Providers, we cannot predict whether such price increases will occur, however, should they occur, we will endeavor to provide you with as much advance notice as reasonably possible.

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### IMPLEMENTATION

- a. **Advice; Instructions.** From time to time, we may provide you with specific advice and directions related to the Services (“Advice”). For example, our Advice may include increasing server or hard drive capacity, increasing CPU power, replacing obsolete equipment, or requesting that you refrain from engaging in acts that disrupt the Environment or that make the Environment less secure. You are strongly advised to promptly follow our advice which, depending on the situation, may require you to make additional purchases or investments in the Environment at your sole cost. We are not responsible for any problems or issues (such as downtime or security-related issues) caused by your failure to promptly follow our Advice. If, in our reasonable discretion, your failure to follow our Advice makes part or all of the Services economically or technically unreasonable or impracticable to provide, then we may terminate the applicable Services For Cause (explained below) by providing notice of termination to you or, alternatively, we may adjust the scope of the Quote to exclude any impacted or affected portion of the Environment. Unless specifically and expressly stated in writing by us (such as in a Quote), any services required to remediate issues caused by your failure to follow our Advice, or your unauthorized modification of the Environment, as well as any services required to bring the Environment up to or maintain the Minimum Requirements (defined below), are out-of-scope.
- i. **Co-Management.** In co-managed situations (e.g., where you have designated other vendors or personnel, or “Co-Managed Providers,” to provide you with services that overlap or conflict with the Services provided by us), we will endeavor to implement the Services in an efficient and effective manner; however, (a) we will not be responsible for the acts or omissions of Co-Managed Providers, or the remediation of any problems, errors, or downtime associated with those acts or omissions, and (b) in the event that a Co-Managed Provider’s determination on an issue differs from our position on a Service-related matter, we will yield to the Co-Managed Provider’s determination and bring that situation to your attention.
  - ii. **Prioritization.** All Services will be implemented and/or facilitated (as applicable) on a schedule, and in a prioritized manner, as we determine reasonable and necessary. Exact commencement / start dates may vary or deviate from the dates we state to you depending on the Services being provided and the extent to which prerequisites (if any), such as transition or onboarding activities, must be completed.
  - iii. **Modifications.** To avoid a delay or negative impact on the Services, we strongly recommend that you refrain from modifying or moving the Environment, or installing software in the Environment, unless we expressly authorize such activity. In all situations (including those in which we are co-managing an Environment with a Co-Managed Provider as described above), we will not be responsible for changes to the Environment that are not authorized by us or any issues or errors that arise from those changes.
- b) **Third Party Support.** If, in our discretion, a hardware or software issue requires vendor or OEM support, we may contact the vendor or OEM (as applicable) on your behalf. If the issue is not covered under a then-current third-party service or maintenance agreement, then you will be responsible for all fees and costs charged by the applicable vendor or OEM. Unless emergency circumstances prevent us from contacting you beforehand, we will obtain your permission before incurring such expenses on your behalf.
- c) **Authorized Contact(s).** We will be entitled to rely on any directions or consent provided by your personnel or representatives who you designate to provide such directions or consent (“Authorized Contacts”). If no Authorized Contact is identified in an applicable Quote or if a previously identified Authorized Contact is no longer available to us, then your Authorized Contact will be the person (i) who accepted the Quote, and/or (ii) who is generally designated by you during our relationship to provide us with direction or guidance. We will be entitled to rely upon directions and guidance from your Authorized Contact until we are affirmatively made aware of a change of status of the Authorized Contact. If your change is provided to us in writing (physical document or by email), then the change will be implemented within two (2) business days after the first business day on which we receive your change notice. If your change notice is provided to us in person or by telephone (live calls only), the change will be implemented on the same business day in which the conversation takes place. Do not use a ticketing system or help desk request to notify us about the change of an Authorized Contact; similarly, do not leave a recorded message for us informing us of a change to your Authorized Contact. We reserve the right but not the obligation to delay the Services until we can confirm the Authorized Contact’s authority within your organization.
- d) **Access.** You hereby grant to us and our designated Third-Party Providers the right to monitor, diagnose, manipulate, communicate with, retrieve information from, and otherwise access the Environment solely as necessary to enable us or those providers, as applicable, to provide the Services. Depending on the Service, we may be required to install one or more software agents into the Environment through which such access may be enabled. It is your responsibility to secure,

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at your 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 Virtual IT or applicable Third-Party Providers to provide the Services to you. Proper and safe environmental conditions must be always provided and assured by you. Virtual IT 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.

- e) **Ongoing Requirements.** Everything in the managed environment must be genuine and licensed including all hardware, software, etc. If we ask for proof of authenticity and/or licensing, you must provide us with such proof. If we require certain minimum hardware or software requirements (“Minimum Requirements”), you agree to implement and maintain those Minimum Requirements as an ongoing requirement of us providing the Services to you.
- f) **Response.** Our response to issues relating to the Services will be handled in accordance with the provisions of the Quote or, if applicable, Services Statement. In no event will we be responsible for delays in our response or our provision of Services during (i) those periods of time covered under the Transition Exception (defined below), or (ii) periods of delay caused by Scheduled Down Time, Client-Side Downtime, Vendor-Side Downtime (all defined below). or (iii) periods in which we are required to suspend the Services to protect the security or integrity of the Environment or our equipment or network, or (iv) delays caused by a force majeure event.
  - i. **Scheduled Downtime.** For the purposes of this Agreement, Scheduled Downtime will mean those hours, as determined by us but which will not occur between the hours of 8:00 AM and 5:00 PM Mountain Time, Monday through Friday without your authorization or unless exigent circumstances exist, during which time we will perform scheduled maintenance or adjustments to the Environment. We will use our best efforts to provide you with at least twenty-four (24) hours of notice prior to scheduling Scheduled Downtime.
  - ii. **Client-Side Downtime.** We 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 your actions or omissions (“Client-Side Downtime”). Client-Side Downtime includes, but is not limited to, any period of time during which we require your participation, or we require information, directions, or authorization from you but cannot reach your Authorized Contact(s).
  - iii. **Vendor-Side Downtime.** We 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 third party service providers, third party licensors, or “upstream” service or product vendors.
  - iv. **Transition Exception.** You acknowledge and agree that for the first forty-five (45) days following the commencement date of any Service, as well as any period of time during which we are performing off-boarding-related services (e.g., assisting you in the transition of the Services to another provider, terminating a service, etc.), the response time commitments provided to you will not apply to us, it being understood that there may be unanticipated downtime or delays related to those activities (the “Transition Exception”).

### **FEES; PAYMENT**

- a) **Fees.** You agree to pay the fees, costs, and expenses charged by us for the Services as described in each Quote and Services Statement. You are responsible for sales tax and any other taxes or governmental fees associated with the Services. If you qualify for a tax exemption, you must provide us with a valid certificate of exemption or other appropriate proof of exemption. You are also responsible for all freight, insurance, and taxes (including but not limited to import or export duties, sales, use, value add, and excise taxes).
- b) **Schedule.** Unless otherwise indicated in a Quote, fees are payable in advance of the provision of the applicable Services. Generally, all fees anticipate automatic monthly recurring payment by you, and payments by any other methods may result in increased fees or costs.
- c) **Nonpayment.** Fees that remain unpaid for more than fifteen (15) days when 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. We reserve the right, but not the obligation, to suspend part or all of the Services without prior notice to you in the event that any portion of undisputed fees are not timely paid. Monthly or recurring charges (if applicable) will continue to accrue during any period of suspension. Notice of disputes related to fees must be received by us within sixty (60) days after the applicable Service is rendered or the date on which you pay an invoice, whichever is later; otherwise, you waive your right to dispute the fee thereafter. We reserve the right to charge a reasonable reconnect fee (of no more than 10% of your monthly recurring fees) if we suspend the Services due to your nonpayment.

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- d) **Increases.** Fee increases, such as increases in our monthly recurring fees or service rates, will be handled in the manner described in the Quote and Services Statement. Please read those documents carefully so that you understand how, and when, such increases may occur. Please note: Limits on fee increases, if described in the Quote or Services Statement, will not apply to Pass Through Increases (described above) which will be excluded when calculating fee increases.
- e) **Expenses.** Any costs or expenses that we incur while providing the Services during a national, state, or local emergency or during a period in which there are fuel, manpower, or other national or local shortages (“State of Emergency”) will be invoiced and payable by you. By way of example, such expenses may include incremental increases in the cost of gasoline or electrical power, or the purchase of health or safety equipment reasonably necessary to provide the Services to you.

### **LIMITED WARRANTIES; LIMITATIONS OF LIABILITY**

- a) **Hardware / Software Purchases.** All equipment, machines, hardware, software, peripherals, or accessories purchased through Virtual IT (“Third Party Products”) are generally nonrefundable once the item is obtained from Virtual IT’s third-party provider or reseller. If you desire to return a Third-Party Product, then the third-party provider’s or reseller’s return policies will apply. We do not guarantee that Third-Party Products will be returnable, exchangeable, or that re-stocking fees can or will be avoided, and you agree to be responsible for paying all return-related administrative fees and/or re-stocking fees. We 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 you, but will have no liability whatsoever for the quality, functionality, or operability of any Third-Party Products, and we 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 Virtual IT and you (including but not limited to implied warranties).
- b) **Liability Limitations.** **This paragraph limits the liabilities arising from the Services and is a bargained-for and material part of our business relationship with you.** You acknowledge and agree that Virtual IT would not provide any Services, or enter into any Quote or this Agreement, unless Virtual IT could rely on the limitations described in this paragraph. In no event will either party be liable for any indirect, special, exemplary, consequential, or punitive damages, such as lost revenue, loss of profits (except for fees due and owing to Virtual IT), savings, or other indirect or contingent event-based economic loss arising out of or in connection with the Services, this Agreement, any Quote, or for any breach hereof or for any damages caused by any delay in furnishing Services under this Agreement or any Quote, even if a party has been advised of the possibility of such damages; however, reasonable attorneys’ fees awarded to a prevailing party (as described below), your indemnification obligations, and any amounts due and payable pursuant to the non-solicitation provision of this Agreement shall not be limited by the foregoing limitation. Except for the foregoing exceptions, a responsible party’s (“Responsible Party’s”) aggregate liability to the other party (“Aggrieved Party”) for damages from any and all claims or causes whatsoever, and regardless of the form of any such action(s), that arise from or relate to this Agreement (collectively, “Claims”), whether in contract, tort, indemnification, or negligence, shall be limited solely to the amount of the Aggrieved Party’s actual and direct damages, not to exceed the amount of fees paid by you (excluding hard costs for licenses, hardware, etc.) to Virtual IT 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 cause of action accrued or \$10,000, whichever is greater. The foregoing limitations shall apply even if the remedies listed in this Agreement fail of their essential purpose; however, the limitations shall not apply to the extent that the Claims are caused by a Responsible Party’s willful or intentional misconduct, or gross negligence. Similarly, a Responsible Party’s liability obligation shall be reduced to the extent that a Claim is caused by, or the result of, the Aggrieved Party’s willful or intentional misconduct, gross negligence, or to the extent that the Aggrieved Party failed to reasonably mitigate (or attempt to mitigate, as applicable) the Claims. Under no circumstances shall Virtual IT have any liability for any claims or causes of action arising from or related to Out of Scope Services.

### **INDEMNIFICATION**

Each party (an “Indemnifying Party”) agrees to indemnify, defend, and hold the other party (an “Indemnified Party”) harmless from and against any and all losses, damages, costs, expenses or liabilities, including reasonable attorneys’ fees, (collectively, “Damages”) that arise from, or are related to, the Indemnifying Party’s breach of this Agreement. The Indemnified Party 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. The Indemnifying Party shall be permitted to have counsel of its choosing participate in the defense of the applicable claim(s); however, (i) such counsel shall be retained at the Indemnifying Party’s



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sole cost, and (ii) the Indemnified Party's counsel shall be the ultimate determiner of the strategy and defense of the claim(s) for which indemnity is provided. No claim for which indemnity is sought by an Indemnified Party will be settled without the Indemnifying Party's prior written consent, which shall not be unreasonably delayed or withheld.

### TERM; TERMINATION

There are several dates of which you should be aware, including the effective/termination dates of this Agreement and the effective/termination dates of the Services under a Quote. Each Quote will have its own term and will be terminated only as provided in this Agreement or as provided in the Quote or Services Statement.

- a) **This Agreement.** This Agreement applies to all Services and is effective as of the date on which we provide a Service to you or on the date on which you accept a Quote, whichever is earlier ("Effective Date"). This Agreement will terminate automatically (i) if you or we terminate this Agreement For Cause (described below), or (ii) six (6) months after the last date on which we provide any Service to you. Upon the termination of this Agreement, all Services will immediately and permanently cease; however, the termination of this Agreement shall not change or eliminate any fees that accrued and/or were payable to us prior to the date of termination, all of which shall be paid by you. **Please note, this Agreement shall not be terminated by either party without cause if Services are in progress under a Quote.**
- b) **Quotes.** The term of the Services will be as indicated in the applicable Quote and Services Statement. The termination of Services under one Quote 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. **Please note, a Quote and/or Services Statement may provide for auto-renewal of the Services; please review your documents carefully.**
- c) **Termination Without Cause.** Unless otherwise indicated in the Quote or otherwise permitted under this Agreement, no party will terminate this Agreement without cause if, on the date of termination, Services are in progress. In addition, no party will terminate a Quote without cause prior to the Quote's natural (*i.e.*, specified) expiration or termination date. (By way of example: If a Quote provides for an annual service, then the Services under that Quote cannot be terminated without cause prior to the expiration of one year). If you terminate the Services under a Quote without cause and without Virtual IT's consent, then you agree to be responsible for paying the termination fee described in the "Termination for Cause" section, below.
- d) **Termination For Cause.** In the event that one party (a "Defaulting Party") commits a material breach under a Quote, Services Statement, or under this Agreement, the non-Defaulting Party will have the right, but not the obligation, to terminate immediately the Services under the relevant Quote (a "For Cause" termination) provided that (i) the non-Defaulting Party has notified the Defaulting Party of the specific details of the breach in writing, and (ii) the Defaulting Party has not cured the default within twenty (20) days (ten (10) days for non-payment by Client) following receipt of written notice of breach from the non-Defaulting Party.
  - i) **Remedies for Early Termination.** If Virtual IT terminates this Agreement or any Quote For Cause, or if you terminate any Services under a Quote without cause prior to such Quote's expiration date, then Virtual IT shall be entitled to receive, and you hereby agree to pay to us, all amounts that would have been paid to Virtual IT had this Agreement or Quote (as applicable) remained in full effect, calculated using the fees and costs in effect as of the date of termination ("Termination Fee"). If you terminate this Agreement or a Quote For Cause, then you will be responsible for paying only for those Services that were delivered properly and accepted by you up to the effective date of termination, and nothing more.
  - ii) **Service Tickets.** Given the vast number of interactions between hardware, software, wireless, and cloud-based solutions, a managed network may occasionally experience disruptions and/or downtime due to, among other things, hardware/software conflicts, communication-related issues, obsolete equipment, and/or user error ("Conflicts"). We cannot and do not guarantee that such Conflicts will not occur, and you understand and agree that the number of service tickets submitted by you is not, by itself, an indication of default by Virtual IT.
- e) **Client Activity as a Basis for Termination.** If you or any of your staff, personnel, contractors, or representatives engages in any unacceptable act or behavior that renders it impracticable, imprudent, or unreasonable to provide the Services to you, then in addition to Virtual IT's other rights under this Agreement, Virtual IT will have the right upon providing you with ten (10) days prior written notice, to terminate this Agreement or the applicable Quote For Cause.
- f) **Consent.** You and we may mutually consent, in writing, to terminate a Quote or this Agreement at any time.
- g) **Equipment / Software Removal.** Upon termination of this Agreement or applicable Quote for any reason, you will provide us with access, during normal business hours, to your premises or any other locations at which Virtual IT Equipment is located to enable us to remove all Virtual IT Equipment from the premises. If you fail or refuse to grant Virtual IT access

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as described herein, or if any of the Virtual IT Equipment is missing, broken or damaged (normal wear and tear excepted) or any of Virtual IT-supplied software is missing, we will have the right to invoice you for, and you hereby agree to pay immediately, the full replacement value of all missing or damaged items. Certain services may require the installation of software agents in the Environment (“Software Agents”). You agree not to remove, disable, circumvent, or otherwise disrupt any Software Agents unless we explicitly direct you to do so.

- h) **Transition; Deletion of Data.** If you request our assistance to transition away from our services, we will provide such assistance if (i) all fees due and owing to us are paid to us in full prior to Virtual IT providing its assistance to you, and (ii) you agree to pay our then-current hourly rate for such assistance, with up-front amounts to be paid to us as we 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. You also understand and agree that any software configurations that we custom create or program for you are our proprietary information and shall not be disclosed to you under any circumstances. **Unless otherwise expressly stated in a Quote or Services Statement or prohibited by applicable law, we will have no obligation to store or maintain any Client data in our possession or control following the termination of this Agreement or the applicable Services.**

### CONFIDENTIALITY

- a) **Defined.** For the purposes of this Agreement, Confidential Information means all non-public information provided by one party (“Discloser”) to the other party (“Recipient”), including but not limited to customer-related data, customer lists, internal documents, internal communications, proprietary reports and methodologies, and related information. Confidential Information will not include information that: (i) has become part of the public domain through no act or omission of the Recipient, (ii) was developed independently by the Recipient, or (iii) is or was lawfully and independently provided to the Recipient prior to disclosure by the Discloser, from a third party who is not and was not subject to an obligation of confidentiality or otherwise prohibited from transmitting such information.
- b) **Use.** The Recipient will keep the Confidential Information it receives fully confidential and will not use or disclose such information to any third party for any purpose except (i) as expressly authorized by the Discloser in writing, or (ii) as needed to fulfill its obligations under this Agreement, or (iii) as required by any law, rule, or industry-related regulation.
- c) **Due Care.** The Recipient will exercise the same degree of care with respect to the Confidential Information it receives from the Discloser as it normally takes to safeguard and preserve its own confidential and proprietary information, which in all cases will be at least a commercially reasonable level of care.
- d) **Compelled Disclosure.** If a Recipient is legally compelled (whether by deposition, interrogatory, request for documents, subpoena, civil investigation, demand or similar process) to disclose any of the Confidential Information, and provided that it is not prohibited by law from doing so, that Recipient will immediately notify the Discloser in writing of such requirement so that the Recipient may seek a protective order or other appropriate remedy and/or waive the Discloser’s compliance with the provisions of this Section. The Recipient will use its best efforts, as directed by the Discloser and at the Discloser’s expense, to obtain or assist the Recipient in obtaining any such protective order. Failing the entry of a protective order or the receipt of a waiver hereunder, the Recipient may disclose, without liability hereunder, that portion (and only that portion) of the Confidential Information that the Recipient has been advised, by written opinion from its counsel (which shall be shared with the Discloser), that the Recipient is legally compelled to disclose.
- e) **Additional NDA.** In our provision of the Services, you and we may be required to enter into one or more additional nondisclosure agreements (each an “NDA”) for the protection of a third party’s Confidential Information (such as, for example, a business associate agreement). In that event, the terms of the NDA will be read in conjunction with the terms of the confidentiality provisions of this Agreement, and the terms that protect confidentiality most stringently shall govern the use and destruction of the relevant Confidential Information.

### OWNERSHIP

Each party is, and will remain, the owner and/or licensor of all works of authorship, patents, trademarks, copyrights and other intellectual property owned by such party (“Intellectual Property”), and nothing in this Agreement, any Quote, or a Services Statement conveys or grants any ownership rights or goodwill in one party’s Intellectual Property to the other party. For the purposes of clarity, you understand and agree that we own any software, codes, algorithms, or other works of authorship that we create while providing the Services to you. If we provide licenses to you for third party software, then you understand and agree that such software is licensed, and not sold, to you, and your use of that software is subject to the terms and conditions of (i) this Agreement, (ii) the applicable Quote, (iii) written directions supplied to you by us, and (iv) any applicable EULA; no other uses

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of such third party software are permitted. To the maximum extent permitted by applicable law, we make 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.

### ARBITRATION

Except for undisputed collections actions to recover fees due to us (“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 our office, then by any arbitration forum as determined by us, 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 our office unless we agree to a different venue. 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.

### MISCELLANEOUS

- a) **Changes to Services Statement.** Services we provide and/or facilitate may be further described and governed under our Services Statement (defined above). We reserve the right, and you hereby agree that we are permitted, to modify our Services Statement from time to time, and you will be notified of those changes (if any) by email.
- b) **EULAs.** Portions of the Services may require you to accept the terms of one or more third party end user license agreements (“EULAs”). If the acceptance of a EULA is required to provide the Services to you, then you hereby grant us permission to accept the EULA on your behalf. EULAs may contain service levels, warranties and/or liability limitations that are different than those contained in this Agreement. **You agree to be bound and abide by the terms of all EULAs.** If while providing the Services we are required to comply with a third-party EULA and the third-party EULA is modified or amended, we reserve the right to modify or amend any applicable Quote with you to ensure our continued compliance with the terms of the third-party EULA.
- c) **BYOD.** You hereby represent and warrant that we are authorized to access all devices, peripherals and/or computer processing units, including mobile devices (such as notebook computers, smartphones and tablet computers) that are connected to the Environment (collectively, “Devices”), regardless of whether such Devices are owned, leased or otherwise controlled by you. Unless otherwise stated in writing by us, Devices managed under a Quote will 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 us and are not expressly covered under a managed service plan from us (“Unknown Devices”).** We will not be responsible for the diagnosis or remediation of any issues in the Environment caused by the connection or use of Unknown Devices in the Environment, and we will not be obligated to provide the Services to any Unknown Devices.
- d) **Equipment.** The information on any equipment or devices that you provide to us for recycling or that are returned to us for de-commissioning at the end of the Services will be deleted; however, we cannot and do not guarantee that deleted information will be rendered irrecoverable under all circumstances. For that reason, we strongly recommend that you permanently delete any personal, confidential, and/or highly sensitive information from such equipment or device before returning that equipment or device to us.
- e) **Compliance.** Unless otherwise expressly stated in a Quote, the Services are not intended, and will not be used, to bring Client into full regulatory compliance with any 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.
- f) **Disclosure.** You warrant and represent that you know of no law or regulation governing your business that would impede or restrict our provision of the Services, or that would require us to register with, or report our provision of the Services (or the results thereof), to any government or regulatory authority. You agree to promptly notify us if you become subject

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to any of the foregoing which, in our discretion, may require a modification to the scope or pricing of the Services. Similarly, if you are subject to responsibilities under any applicable privacy law (such as HIPAA), then you agree to identify to us any data or information subject to protection under that law prior to providing such information to us or, as applicable, prior to giving us access to such information.

- g) **No Fiduciary.** The scope of our relationship with you is limited to the specific Services provided to you; no other relationship, fiduciary or otherwise, exists or will exist between us. If, by operation of law, a fiduciary relationship is imposed or presumed for out-of-scope services, you hereby waive that relationship and any fiduciary obligations thereunder.
- h) **Virtual Security.** You understand and agree 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. We do 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 a Quote, the recovery of Impacted Data is out-of-scope. Moreover, unless expressly stated in a Quote or Services Statement, we will not be responsible for activating multifactor authentication in any application in or connected to the Environment. **You are strongly advised to (i) educate your 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 (ii) obtain insurance against cyberattacks, data loss, malware-related matters, and privacy-related breaches, as such incidents can occur even under a “best practice” scenario. Unless a malware-related incident is caused by our intentionally malicious behavior or our gross negligence, we are held harmless from any costs, expenses, or damages arising from or related to such incidents.**
- i) **Physical Security.** You agree to implement and maintain reasonable physical security for all managed hardware and related devices in your physical possession or control. Such security measures must include (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.
- j) **Updates.** Patches and updates to hardware and software (“Updates”) are created and distributed by third parties—such as equipment or software manufacturers—and may be supplied to us from time to time for installation into the Environment. If Updates are provided to you as part of the Services, we will implement and follow the manufacturers’ recommendations for the installation of Updates; however, (i) we do not warrant or guarantee that any Update will perform properly, (ii) we will not be responsible for any downtime or losses arising from or related to the installation, use, or inability to use any Update, (iii) we will not be responsible for the remediation of any device or software that is rendered inoperable or non-functional due to the Update, and (iv) we reserve the right, but not the obligations, to refrain from installing an Update until we have determined, in our 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.
- k) **Non-Solicitation.** Each party (a “Restricted Party”) acknowledges and agrees that during the term of this Agreement and for a period of one (1) year following the termination of this Agreement, the Restricted Party will not, individually or in conjunction with others, directly or indirectly solicit, induce or influence any of the other party’s employees with whom the Restricted Party worked to discontinue or reduce the scope of their business relationship with the other party, or recruit, solicit or otherwise influence any employee of the other party with whom the Restricted Party worked to discontinue his/her employment or agency relationship with the other party. In the event of a violation of the terms of the restrictive covenants in this section, the parties acknowledge and agree that the damages to the other party would be difficult or impracticable to determine, and in such event, the Restricted Party will pay the other party as liquidated damages and not as a penalty an amount equal to one hundred thousand dollars (\$100,000) or the amount that the other party paid to that employee in the one (1) year period immediately preceding the date on which the Restricted Party violated the foregoing restriction, whichever is greater. In addition to and without limitation of the foregoing, any solicitation or attempted solicitation for employment directed to a party’s employees by the Restricted Party will be deemed to be a material breach of this Agreement, in which event the affected party shall have the right, but not the obligation, to terminate this Agreement or any then-current Quote immediately For Cause.



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- l) **Collections.** If we are required to send your account to Collections or to start any Collections-related action to recover undisputed fees, we will be entitled to recover all costs and fees we incur in the Collections process including but not limited to reasonable attorneys' fees and costs.
- m) **Assignment.** Neither this Agreement nor any Quote may be assigned or transferred by a party without the prior written consent of the other party. This Agreement will be binding upon and inure to the benefit of the parties hereto, their legal representatives, and permitted successors and assigns. Notwithstanding the foregoing, we may assign our rights and obligations hereunder to a successor in ownership in connection with any merger, consolidation, or sale of substantially all of the assets of our business or any other transaction in which ownership of more than fifty percent (50%) of our voting securities are transferred; provided, however, that the assignee expressly assumes our obligations hereunder.
- n) **Amendment.** This Agreement and any Quote may be amended only by a written document (email or similar electronic documents are sufficient for this purpose) that is initiated by us, and that specifically refers to this Agreement or the Quote being amended and is affirmatively accepted in writing (email or electronic signature is acceptable) by you.
- o) **Time Limitations.** The parties mutually agree that, unless otherwise prohibited by law, any action for any matter arising out of or related to any Service (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.
- p) **Severability.** If any provision in this Agreement, any Quote, or the Services Statement is declared invalid by a court of competent jurisdiction, such provision will be ineffective only to the extent of such invalidity, illegibility or unenforceability so that the remainder of that provision and all remaining provisions will be valid and enforceable to the fullest extent permitted by applicable law.
- q) **Other Terms.** We will not be bound by any terms or conditions printed on any purchase order, invoice, memorandum, or other written communication supplied by you unless we have expressly acknowledged the other terms and, thereafter, expressly and specifically accepted such other terms in writing.
- r) **No Waiver.** The failure of either party to enforce or insist upon compliance with any of the terms and conditions of this Agreement, the temporary or recurring waiver of any term or condition of this Agreement, or the granting of an extension of the time for performance, will not constitute an Agreement to waive such terms with respect to any other occurrences.
- s) **Merger.** This Agreement coupled with the Quote and the Services Statement sets forth the entire understanding of the parties and supersedes any and all prior agreements, arrangements or understandings related to the Services; however, any payment obligations that you have or may have incurred under any prior superseded agreement are not nullified by this Agreement and remain in full force and effect. No representation, promise, inducement or statement of intention has been made by either party which is not embodied herein. We will not be bound by any of our agents' or employees' representations, promises or inducements unless they are explicitly set forth in this Agreement or in a Quote or Services Statement. **Our website and marketing materials are provided to you for illustrative or educational purposes only and are not intended (and will not be interpreted) as creating additional duties, requirements, service levels, or promises or guarantees of specific services or specific service results.**
- t) **Force Majeure.** Neither party will be liable to the other party for delays or failures to perform its obligations because of circumstances beyond such party's reasonable control. Such circumstances include, but will not be limited to, any intentional or negligent act committed by the other party, or any acts or omissions of any governmental authority, natural disaster, act of a public enemy, acts of terrorism, riot, sabotage, disputes or differences with workmen, power failure, communications delays/outages, delays in transportation or deliveries of supplies or materials, cyberwarfare, cyberterrorism, or hacking, malware or virus-related incidents that circumvent then-current anti-virus or anti-malware software, and acts of God.
- u) **Survival.** The provisions contained in this Agreement that by their context are intended to survive termination or expiration of this Agreement will survive. If any provision in this Agreement is deemed unenforceable by operation of law, then that provision shall be excised from this Agreement and the balance of this Agreement shall be enforced in full.
- v) **Governing Law; Venue.** This Agreement will be governed by, and construed according to, the laws of the state of Idaho. You hereby irrevocably consent to the exclusive jurisdiction and venue of Ada County, Idaho, for all non-arbitrable claims and causes of action with us that arise from or relate to this Agreement.
- w) **No Third Party Beneficiaries.** The Parties have entered into this Agreement solely for their own benefit. They intend no third party to be able to rely upon or enforce this Agreement or any part of this Agreement.
- x) **Usage in Trade.** It is understood and agreed that no usage of trade or other regular practice or method of dealing between the Parties to this Agreement will be used to modify, interpret, or supplement in any manner the terms of this Agreement.

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- y) **Notices; Writing Requirement.** Where notice is required to be provided to a party under this Agreement, such notice may be sent by U.S. mail, overnight courier, or email as follows: notice will be deemed delivered three (3) business days after being deposited in the United States Mail, first class mail, certified or return receipt requested, postage prepaid, or one (1) day following delivery when sent by FedEx or other overnight courier, or one (1) day after notice is delivered by email. Notice sent by email will be sufficient only if the message is sent to the last known email address of the recipient or such other email address that is expressly designated by the recipient for the receipt of legal notices. All electronic documents and communications between the parties, including email, will satisfy any “writing” requirement under this Agreement.
- z) **Independent Contractor.** Virtual IT is an independent contractor, and is not your employer, employee, partner, or affiliate.
- aa) **Contractors.** Should we elect to use contractors to provide onsite services to you (such as the installation of equipment or the installation of software on local devices), we will guarantee that work as if we performed that work ourselves. For the purposes of clarity, you understand and agree that Third Party Services are resold to you and, therefore, are not contracted or subcontracted services; and Third Party Providers are not our contractors or subcontractors.
- bb) **Data & Service Access.** Some of the Services may be provided by persons outside of the United States and/or your data may occasionally be accessed, viewed, or stored on secure servers located outside of the United States. You agree to notify us if your company requires us to modify these standard service provisions, in which case additional (and potentially significant) costs will apply.
- cc) **“Per Seat” Licensing Fees.** The Services may require us to purchase certain “per seat” licenses from Third Party Providers (such as, for example, Microsoft which sells per seat licenses under its “New Commerce Experience” licensing model). Unless otherwise expressly stated in a Quote, per seat licenses cannot be canceled once they are purchased and cannot be transferred to any other customer. If we purchase per seat licenses for you, then those licenses will require a definite term—such as a one (1) or three (3) year term—which may be paid annually or monthly but, in all cases, must be paid in full by you; please see your Quote for details. **For that reason, you understand and agree that regardless of the reason for termination of the Services, you are required to pay for all applicable per seat licenses in full for the entire term of those licenses.** Provided that you have paid for those licenses in full, you will be permitted to use the licenses until they expire, even if you move to a different managed service provider.
- dd) **Counterparts.** The parties intend to sign, accept and/or deliver any Quote, this Agreement, or any amendment in any number of counterparts, and each of which will be deemed an original and all of which, when taken together, will be deemed to be one agreement. Each party may sign, accept, and/or deliver any Quote, this Agreement, or any amendment electronically (*e.g.*, by digital signature and/or electronic reproduction of a handwritten signature) or by reference (as applicable).