



ITI CONSULTING & DEVELOPMENT SERVICE AGREEMENT

This ITI Consulting and Consulting & Development Services Agreement (the "Agreement") is entered into by and between Industrial Training International LLC, a Washington corporation ("ITI"), and the customer ("Customer") and is made effective as of the date of execution of the Purchase Agreement by each of the parties hereto (the "Purchase Agreement"). ITI and the Customer are each individually referred to as a "Party" and collectively as the "Parties" in this Agreement.

RECITALS

A. WHEREAS, ITI is in the business of providing consulting services, developing, procuring and delivering training content, products and services, including but not limited to audits, performance evaluations, procedure manuals, consulting services, online learning courses, print curriculum, video, 2D/3D animations, mobile applications, and virtual reality simulation Services; and

B. WHEREAS, ITI has agreed to provide such services as further described and set forth on the attached statement of work ("SOW") for the Customer (collectively, the "Consulting & Consulting & Development Services", or the "Services") in accordance with the terms and conditions stated herein.

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms and conditions herein contained, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Consulting & Development Services. During the term of this Agreement, ITI agrees to perform the Consulting & Development Services described on the attached statement of work ("SOW"), incorporated herein by reference, including the delivery to the Customer of any materials, works or things set forth in a SOW that are to be developed or produced in connection with this Agreement, including the Services. In case of conflict between the terms of this Agreement and the SOW, unless expressly stated otherwise in the SOW, this Agreement shall control.

2. Change Orders. If, during the term of this Agreement, either Party desires to make changes to the SOW, the requesting Party shall notify the other Party of the proposed changes in a written request. If both Parties in good faith accept the necessary adjustments, then the Parties shall execute an amendment to the applicable SOW (each a "Change Order") that sets forth in writing a description of the necessary adjustments to the applicable Consulting & Development Services, deliveries, rates or schedules, as necessary. If the Parties cannot, in good faith agree on a proposed Change Order, then the terms of the original SOW shall govern and control. Each Change Order shall be numbered consecutively (e.g., A-1, A-2, A-3, etc.), and shall expressly state that it is subject to the terms and conditions of this Agreement.

3. Payment. In exchange for the Consulting & Development Services, the Customer shall pay ITI all amounts, fees, costs and expenses as set forth in the SOW (collectively, the "Fees").

4. Term; Termination. This Agreement shall commence on the Effective Date and continue until terminated as provided herein. After ITI's completion of the Services, either Party may terminate this Agreement at any time, for any reason, upon thirty (30) days written notice to the other Party. In addition, ITI may terminate this Agreement and the SOW at any time effective immediately upon material breach by the Customer (including, without limitation, a breach of any representation of warranty herein or failure to pay any Fees), and shall have all remedies available to it under any and all applicable laws as a result of such breach. Upon termination, the following procedures shall apply: (i) all revocable licenses granted under this Agreement shall be automatically and irrevocably revoked and terminated; (ii) ITI shall be entitled, as full compensation for any work performed and for any and all rights transferred pursuant to this Agreement, to keep any Fees already received by ITI, and to be paid for work performed and Fees incurred, on a pro-rata basis, for which payment has not been made; and (iii) certain covenants set forth in this Agreement will survive, but shall not imply or create any continued license or right of Customer to access any Intellectual Property (as defined below) of ITI in any way after the date of termination. Upon termination of this Agreement, Customer shall return all materials and ITI's Intellectual Property, Pre-Existing Materials, or information pertaining to any aspects of ITI's business, whether such information is marked "confidential", or not known by actual or potential competitors of ITI, or other third parties not under confidentiality obligations to ITI, or is otherwise confidential or proprietary information of ITI, whether of a technical nature or otherwise (collectively, "Confidential or Proprietary Information") to ITI without the necessity or requirement of written notice from ITI.

5. Intellectual Property Ownership.

5.1. Definitions.

5.1.1. "Intellectual Property" means all inventions (whether patentable or not), patents, design patents, industrial designs, trade secrets, content, trademarks, storyboards, artwork, scripts, animation, copyrights, trade names, mask works, CAD files, blueprints, ideas, formulas, processes, prototypes, models, designs, renderings, photographs, source and object code, data, show-how, know-how, improvements, discoveries, methods, concepts, modifications, upgrades, techniques, proprietary information, performance and moral rights, and other proprietary rights and information, together with all applications, documents, information, data, electronic media, knowledge, or products developed, improved or prepared in respect of, or relating thereto.

5.1.2. “Intellectual Property Rights” means all rights created under all applicable laws (including the common law) governing Intellectual Property, confidential information, unfair trade practices, publicity rights, or any similar law that permits a party independently of contract to control or preclude another party’s use or disclosure of information or intellectual property.

5.1.3. “New IP” means all Intellectual Property developed by ITI in its performance of the Consulting & Development Services, including, without limitation, the Services and all associated Intellectual Property Rights therein.

5.2. Customer Content; Content License. Customer agrees that Customer shall provide to ITI all content necessary and sufficient for ITI’s completion of the Services and all Consulting & Development Services, including, without limitation, Customer’s information, ideas, concepts, content, know-how, specifications, Intellectual Property, and designs relating to the Services and all Consulting & Development Services (collectively, “Customer Content”). Customer shall retain sole and exclusive ownership of all Customer Content and all Intellectual Property Rights therein. Notwithstanding the foregoing, in exchange for ITI providing the Consulting & Development Services, Customer hereby grants to ITI an irrevocable, perpetual, non-exclusive, royalty-free, worldwide, fully paid and non-assessable license to make, have made, access, exploit commercially, integrate, use, edit, upload, download, copy, transfer, transmit, store and make derivative works of all Customer Content provided by Customer to ITI in connection with ITI’s Consulting & Development Services, and for use in the design, development, testing, and commercial exploitation of the Services (the “Content License”). Customer agrees that if ITI makes use of any Customer Content, ITI is not required to compensate Customer for specific piece or part of any Customer Content, and Customer shall have no right, title or interest in any proceeds derived by ITI therefrom.

5.3. Ownership of New IP. Except with respect to Pre-existing Materials, and subject to Section 5.4, below, the Parties hereby acknowledge and agree that upon payment in full of all Fees to ITI, Customer shall conclusively own all New IP created by ITI that is developed for the Customer in connection with the Consulting & Development Services under a work-for-hire arrangement and shall be conclusively deemed to be a “work made for hire” within the meaning of all applicable copyright laws, statutes and regulations. ITI hereby expressly waives and forfeits any right, title, interest or claim to any Intellectual Property and Intellectual Property Rights to the New IP, except as otherwise expressly provided for under this Agreement. ITI agrees to sign applications for formal patents, copyrights, trademarks, assignments, and other papers (including, but not limited to, the execution and delivery of instruments of further assurance or confirmation), and do such things as Customer may require for establishing and protecting its ownership in any Intellectual Property and Intellectual Property Rights in and to the New IP in all countries and to carry out the intent and purpose of this Agreement. Notwithstanding the foregoing, the Customer shall not own, and ITI does not assign or license any right, title or interest in or to: (a) ITI’s Confidential or Proprietary Information or methodologies, concepts, work approaches, know-how, show-how, and techniques; and (b) ITI’s Intellectual Property and Intellectual Property Rights related thereto, proprietary software programs or related source or object code that ITI developed prior to the commencement of the performance of the Consulting & Development Services and all enhancements, improvements or otherwise related thereto that ITI develops during the term of this Agreement, but which are not applicable to the Services created for the Customer hereunder (collectively, the “Pre-existing Materials”).

5.4. Limited ITI License. Upon creation of any New IP, ITI shall be automatically granted an irrevocable, perpetual, non-exclusive, royalty-free, non-assessable, fully-paid, non-transferable, non-assignable (except to a successor by merger, acquisition, or sale of all or substantially all of ITI’s assets, common stock or common stock equivalents, in which case this license shall be assignable), worldwide limited license to access, exploit commercially, integrate, use, edit, upload, download, copy, transfer, transmit and make derivative works of the underlying New IP, including, but not limited to generic technical written, information, 2D/3D artwork, animations, and graphics related thereto, for the sole purpose of ITI’s use, and so long as such use is not in direct competition with the Customer Services (the “ITI License”).

5.5. Copyright and Trademark Notices; Security. The Services, New IP, Confidential or Proprietary Information, documentation, and other items made available by ITI to Customer must contain the same copyright, trademark, patent and other proprietary notices that appear therein, as applicable. Customer shall not remove, disable, circumvent or modify any proprietary notice or security technology included therewith.

5.6. Representations and Warranties. Customer represents and warrants that: (i) Customer has all requisite and necessary rights, title and interest in and to the Customer Content and all Intellectual Property and Intellectual Property Rights related thereto to grant the use of such Customer Content, Intellectual Property and Intellectual Property Rights related thereto to ITI as specified in this Agreement; (ii) no Customer Content, Intellectual Property or Intellectual Property Rights related thereto shall contain any infringing materials or contain any Intellectual Property of third parties for which Customer has no or insufficient rights, license or ability to grant to ITI under the terms and conditions of this Agreement; and (iii) any Customer Content and all Intellectual Property and Intellectual Property Rights related thereto submitted to ITI in any format whatsoever and through any means of submission shall be virus-free and shall contain no malware, worms, trojans, directory viruses, memory resident viruses, overwrite viruses, browser hijacker, polymorphic virus or any other virus or harm to any system of ITI whatsoever. Customer agrees that it shall defend, indemnify, and hold harmless (and pay any and all other expenses and attorneys’ fees in connection therewith) ITI and its respective parents, subsidiaries, owners, directors, officers, employees, agents, affiliates, successors and assigns from and against any and all liability, loss, expenses, damages, costs, claims, and/or actions arising from or relating to any breach of the representations and warranties set forth in this Agreement. A breach of these representations and warranties by Customer shall constitute a material breach of this Agreement.

6. No Warranties. ITI IS HEREBY PROVIDING THE CONSULTING & DEVELOPMENT SERVICES AND THE SERVICES, AND CUSTOMER IS HEREBY ACCEPTING THE CONSULTING & DEVELOPMENT SERVICES AND SERVICES, “AS-IS”, “WHERE-IS” AND WITH ALL FAULTS AND DEFECTS. OTHER THAN AS SET FORTH IN THIS AGREEMENT, ITI MAKES NO REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESS OR IMPLIED, STATUTORY OR

OTHERWISE, EITHER IN FACT OR BY OPERATION OF LAW, WITH RESPECT TO THE CONSULTING & DEVELOPMENT SERVICES TO BE PERFORMED BY ITI OR ANY SERVICES RELATED THERETO. ITI HEREBY DISCLAIMS ALL OTHER EXPRESS AND IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

7. Limitation of Liability. ITI'S TOTAL LIABILITY UNDER THIS AGREEMENT FOR ANY REASON WHATSOEVER IS LIMITED TO THE AMOUNT ACTUALLY PAID BY CUSTOMER TO ITI UNDER THIS AGREEMENT FOR THE CONSULTING & DEVELOPMENT SERVICES THAT GAVE RISE TO SUCH LIABILITY. ITI SHALL IN NO EVENT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, PUNITIVE, SPECIAL OR SIMILAR DAMAGES INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS, LOSS OF REVENUES, LOSS OF DATA, OR INSURANCE LOSSES AND THE LIKE, EVEN IF ITI HAS BEEN ADVISED OF THE OCCURRENCE OF SUCH DAMAGES.

8. Independent Contractor Relationship. The relationship of the Parties is that of independent contractor and Customer, and is governed solely by this Agreement. Neither Party is authorized to act as agent for, or otherwise on behalf of the other Party, and no action by either Party shall bind the other Party. Nothing herein shall be deemed or construed to create a joint venture, partnership, agency, or employee/employer relationship between the Parties for any purpose, including but not limited to, withholding for purposes of social security or income tax, or entitlement to vacation, insurance, retirement, or other employee benefits.

9. Miscellaneous.

9.1. Entire Agreement. This Agreement, together with the SOW, collectively constitutes the full, final and comprehensive agreement between the Parties relative to the subject matter hereof and supersedes and replaces all earlier agreements, arrangements or understandings in that regard, whether written or oral. Neither Party makes any warranties to the other except those specifically expressed herein, and hereby disclaims all other such warranties not expressly stated herein.

9.2. No Waiver. No action or failure to act by either or any of the Parties shall constitute a waiver of any right or duty afforded any of them under this Agreement, nor shall any such action or failure to act constitute an approval or acquiescence in any breach thereunder, except as may be specifically agreed to in writing. No waiver, modification or cancellation of any term or condition of this Agreement shall be effective unless executed in writing by the Party charged therewith. No written waiver shall excuse the performance of any act other than those specifically referred to therein.

9.3. Force Majeure. Neither Party shall be liable to the other for any failure to comply with or for any delay in the performance of the terms of this Agreement (other than for non-payment of Fees) where that failure or delay directly or indirectly arises from accident, fire, flood, earthquake, explosion, acts of God, the failure of any service or utility whether or not under either Party's control, hostile or warlike action in times of peace, war, insurrection, civil war, acts of terrorism, civil disobedience or action taken by governmental authority in hindering, combating or defending against such occurrence, strikes, slow-downs, lock-outs, or other labour or employee interruptions or disturbances, whether involving employees of that Party or of any other person over which that Party has no reasonable control, or acts, regulations or directives of any governmental authority of competent jurisdiction.

9.4. Severability. In the event that any provision of this Agreement or compliance by any of the Parties with any provision of this Agreement shall constitute a violation of any law, or be deemed unenforceable or void, then such provision, to the extent only that it is in violation of law, or is deemed void or unenforceable, shall be deemed modified to the minimum extent necessary so that it is no longer unenforceable, void or in violation of law and shall be enforced to the fullest extent permitted by law. If such modification is not possible, said provision, to the extent that it is in violation of law, void, or unenforceable, shall be deemed severable from the remaining provisions of this Agreement, which provisions shall remain binding on the Parties and in full force and effect.

9.5. Counterpart Execution. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which together constitute one and the same instrument. Delivery of an executed copy of this Agreement by facsimile or other means of electronic communications producing a printed copy of this Agreement shall be deemed to be execution and delivery of this Agreement by the Party so delivering said copy by such means.

9.6. No Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their successors and permitted assigns. This Agreement may be assigned by ITI to a successor by merger, acquisition, or sale of all or substantially all of ITI's assets, common stock or common stock equivalents, upon prior written notice to Customer. Notwithstanding the foregoing, no Party may assign its rights and obligations under this Agreement without the prior written consent of the other Party, which may be held in such Party's absolute discretion.

9.7. Survival. The provisions of Sections 3-5 and 7-9 shall survive the termination or expiration of this Agreement.

9.8. Notices. Any notice required or permitted by this Agreement shall be in writing and delivered in person, sent by documented overnight delivery service, mailed by certified or registered mail, postage prepaid, or sent via email to the appropriate designated address of the intended recipient, transmission verification required, to the appropriate Party or Parties at the addresses referenced below or in the SOW, or to such other address as the Parties may hereafter designate to the other in writing.

9.9. Governing Law; Venue; Attorneys' Fees. This Agreement will be exclusively governed and interpreted by the laws of the state of Washington as it applies to contracts executed and performed within the state of Washington by Parties domiciled in the state of Washington, without reference or regard to Washington's conflict of laws provisions. The Parties hereby irrevocably and unconditionally agree to submit any legal action or proceeding relating to this Agreement or arising out of the relationship of the Parties to the non-exclusive general jurisdiction of the courts of the state of Washington located in King County and the courts of the United States located in the Western District of Washington and, in any such action or proceeding, consent to jurisdiction in such courts and waive any objection to the venue in any such court. Each Party shall bear its own attorneys' fees and costs incurred in the negotiation and execution of this Agreement, provided, however, if any suit or action is instituted in connection with any controversy arising out of this Agreement or to enforce any rights hereunder, the substantially prevailing Party, as determined by the adjudicator in the suit or action, shall be entitled to recover, in addition to costs, such sums as the court may find reasonable as attorneys' fees, including litigation expenses and costs, and such similar sums incurred on any appeal.