

SOFTWARE AS A SERVICE & PROFESSIONAL SERVICES AGREEMENT

BETWEEN

PERFECTMIND INC.

AND

CITY OF MCKINNEY, TEXAS

DATED: June 21st, 2016

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SOFTWARE AS A SERVICE & PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is dated June 21st , 2016

BY AND BETWEEN:

PerfectMIND Inc.
 (“**PerfectMIND**”), a British Columbia
corporation having an office at:

110-980 West First Street
North Vancouver, British Columbia
V7P 3N4

AND

City of McKinney, Texas
 (“**Customer**”), a Texas corporation
having an office at:

222 N. Tennessee St.
McKinney, Texas 75069

WHEREAS PerfectMIND wishes to license to Customer, and Customer wishes to use and license from PerfectMIND, the Platform (as defined herein) on the terms and conditions set out in this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

PART 1—DEFINITIONS AND INTERPRETATION

1.1 Definitions. In this Agreement, unless the context otherwise requires, capitalized terms will have the meaning assigned to them herein, including the following:

- (a) “**Account**” has the meaning set out in §5.6;
- (b) “**Account-holder**” means an individual designated by Customer to whom an Account is issued;
- (c) “**Applicable Laws**” means all applicable laws and regulations, including all applicable local, provincial, state, national and foreign laws, treaties and regulations as well as orders of courts or laws, regulations, by-laws or ordinances of applicable governmental agencies;
- (d) “**Claims**” means liabilities, actions, proceedings, claims, causes of action, demands, debts, losses, damages, charges and costs, including reasonable legal costs, any amount paid to settle any action or to satisfy a judgment and expenses of any kind and character whatsoever incurred in connection therewith;
- (e) “**Confidential Information**” has the meaning set out in §8.1;
- (f) “**Content**” means all materials and content, including designs, editorials, text, graphics, audiovisual materials, multimedia elements, photographs, videos, music, sound recordings, reports, documents, software, information, formulae, patterns, data and any other work, and

“**Customer Content**” is Content entered, uploaded or inputted into the Platform by or on behalf of Customer;

(g) “**Customer Data**” means information, materials, or data, including Customer Content, entered, uploaded or inputted into the Platform by or on behalf of Customer;

(h) “**Enhancement**” means enhancements, developments, modifications, updates, additions and improvements made to the Platform, other than New Features and Functions;

(i) “**Force Majeure**” means circumstances beyond a party’s reasonable control, including without limitation, acts of God, acts of government, flood, fire, earthquakes, civil unrest, acts of terror, strikes or other labour problems, or Internet service provider failures or delays, or hosting service provider failures or delays;

(j) “**Intellectual Property Rights**” means any and all (i) proprietary rights provided under patent law, copyright law, trade-mark law, design patent or industrial design law, semi-conductor chip or mask work law, or any other applicable statutory provision or otherwise arising at law or in equity, including, without limitation, trade secret law, that may provide a right in works, software, source code, object code, marks, ideas, formulae, algorithms, concepts, methodologies, techniques, inventions, or know-how, or the expression or use thereof, (ii) applications, registrations, licenses, sublicenses, agreements, or any other evidence of a right in any of the foregoing, and (iii) past, present, and future causes of action, rights of recovery, and claims for damage, accounting for profits, royalties, or other relief relating, referring, or pertaining to any of the foregoing;

(k) “**New Features and Functions**” means any update, revision, new version, new module or upgrade of the Platform made available by PerfectMIND from time to time (i) that adds new functions or features to the Platform and (ii) for which PerfectMIND charges a fee to its customers in order to obtain same;

(l) “**PerfectMIND Privacy Policy**” means PerfectMIND’s privacy policy made available at <http://www.perfectmind.com/academy/privacy> as amended from time to time;

(m) “**PerfectMIND Technology**” means (i) any concepts, inventions, systems, processes, techniques, methodologies, know-how, data, tools, templates, technology (including software in executable code and source code), documentation or any other information, data or materials, and any expressions of the foregoing, developed by, owned by, or licensed to, PerfectMIND; and (ii) the Work Product;

(n) “**Permitted Purpose**” means managing and operating Customer’s facilities located in the City of McKinney, Texas, including customer relationship management, facility bookings, membership sales, point of sale transaction processing and scheduling;

(o) “**Platform**” means the software and supporting hardware platform known as “PerfectMIND” that is owned and operated by PerfectMIND, and that will be made available to Customer as a service under this Agreement via a designated website or websites as may be designated by PerfectMIND, from time to time, together with the related documentation, Content (other than Customer Content and Customer Data) and end user materials delivered therewith;

- (p) “**Professional Services**” has the meaning set out in §3.1;
- (q) “**Statement of Work**” has the meaning set out in §3.1;
- (r) “**Term**” has the meaning set out in §7.1; and
- (s) “**Work Product**” means all improvements, enhancements and derivatives thereto developed by PerfectMIND for the purposes of providing the Professional Services under this Agreement or otherwise and any and all other work products developed by PerfectMIND for the purposes of providing the Professional Services under this Agreement.

1.2 Interpretation. In this Agreement, unless expressly stated otherwise or the context otherwise requires, (a) headings and captions are for convenience only and will not be deemed to explain, limit or modify the provisions hereof, (b) the word “**including**”, when following a general statement or term, is not to be construed as limiting the general statement or term (whether or not used in connection with phrases such as “without limitation” or “but not limited to”) and the word “**or**”, when connecting two or more matters, will not imply an exclusive relationship between the matters, (c) a reference to a “**person**” or “**entity**” means an individual, corporation, body corporate, firm, limited liability company, partnership, syndicate, joint venture, society, association, trust or unincorporated organization or governmental authority or trustee, executor, administrator or other legal representative, including any successor to that person, (d) a word importing the masculine gender includes the feminine and neuter, a word in the singular includes the plural, a word importing a corporate entity includes an individual, and vice versa, (e) words, phrases and acronyms not otherwise defined herein that have a meaning commonly understood and accepted by persons familiar with the Internet and computing services professionals will be interpreted and understood to have that meaning herein, and (f) in the event of any conflict or inconsistency between the terms of this Agreement and the terms of the Exhibits hereto, the terms of the Exhibits hereto will prevail to the extent necessary to resolve such conflict or inconsistency.

PART 2—LICENSE

2.1 License. PerfectMIND grants to Customer a non-exclusive, non-transferable, right and limited license, only during the Term, to access and use the Platform for the Permitted Purposes only. All rights not expressly granted to Customer are reserved by PerfectMIND and, if applicable, its licensors.

2.2 Complete Software; Enhancements. Upon completion of the Professional Services described in the Statement of Work attached to this Agreement as Exhibit B, the Platform with the features and functionalities described in Exhibit E attached to this Agreement will be configured and made available to Customer for access and use by Account-holders. Customer agrees that its entry into this Agreement is not contingent on the delivery of any future functionality or features by PerfectMIND. PerfectMIND may, from time to time and in its sole discretion, update the Platform (including the underlying server software or hardware) or otherwise offer Enhancements, which Enhancements will form part of the Platform being licensed and provided hereunder without further payment by Customer. PerfectMIND will use commercially reasonable efforts to (a) ensure that such Enhancements are compatible with and

will not adversely affect or reduce the functionality, performance, availability and accessibility of the Platform, and (b) to the extent that such Enhancements do so adversely affect the Platform and Customer notifies PerfectMIND of same, restore or reinstate the Platform or parts of it causing the adverse effects to its or their status prior to the Enhancement, as soon as may be reasonable and practicable in the circumstances. Notwithstanding any Enhancements or other changes to the Platform, PerfectMIND will maintain the functionality of the Platform so it is always materially equal to or better than the functionality of the Platform as of the date that Customer first commences using the Platform.

2.3 New Features and Functions. PerfectMIND may, from time to time and in its sole discretion, develop and offer New Features and Functions that will not form part of the Platform licensed hereunder and may be provided and licensed separately to Customer for an additional fee. For clarity, in no event will PerfectMIND be obligated to provide any New Features and Functions free of charge.

PART 3—PROFESSIONAL SERVICES

3.1 Professional Services. Customer may, from time to time, request PerfectMIND to provide customization and deployment services and other related professional services in relation to Customer's use of the Platform (the "**Professional Services**") and PerfectMIND may, in its discretion, agree to provide the Professional Services. Upon agreement on the particulars of the Professional Services, including the fees payable by Customer to PerfectMIND for the Professional Services, such particulars shall be included in a statement of work (a "**Statement of Work**"), which shall be signed by PerfectMIND and Customer, and which shall form a schedule to and be incorporated into and form part of this Agreement. To the extent that there is any inconsistency between any provision in any Statement of Work and the rest of this Agreement, the terms of such Statement of Work will prevail. Each Statement of Work may contain, unless the parties agree otherwise, a description of the work to be conducted, the functional requirements and technical specifications applicable to the work, the work schedule and milestones, the deliverables and delivery schedule, acceptance criteria, and such other information and additional terms and conditions as the parties may mutually agree upon. As of the date of this Agreement, PerfectMIND and Customer have agreed upon the Professional Services described in the Statement of Work attached to this Agreement as Exhibit B.

3.2 Change Orders. Customer may, from time to time, request changes to the scope of the Professional Services described in a Statement of Work. In response to any such request from Customer, PerfectMIND shall determine the feasibility of providing such changes and shall estimate the increase in the total fees payable for providing such changes to the Professional Services. Following receipt of PerfectMIND's response to Customer's request, the parties shall negotiate an amended Statement of Work which sets out the changes to the Professional Services and the additional fees payable in respect thereof.

3.3 Customer's Responsibilities. The work functions and tasks relating to the Professional Services for which Customer or a third party shall be responsible shall be described in the Statement of Work. Customer agrees to perform and cause the third party to perform such work functions and tasks in a timely fashion. Customer agrees to provide or make available and

cause any third party identified in the Statement of Work as being responsible for any function or task in any way related to the Professional Services to provide or make available all information reasonably requested by PerfectMIND to perform the Professional Services. PerfectMIND will not be liable for loss or damage arising from reliance on any such information.

3.4 Project Teams. Each party will be solely responsible for staffing its project team for the performance of the Professional Services by PerfectMIND and relating work functions and tasks by Customer as described in a Statement of Work. Each member of a project team will possess skills and knowledge appropriate to the work functions to be performed by that team member. Either party may, by way of replacement or addition, make changes to the personnel assigned to its project team, provided that each replacement team member shall possess skills and knowledge at least equivalent to the project-related skills and knowledge of the team member being replaced. Each party shall appoint a project manager in respect of its project team. The project managers shall be available for weekly meetings to review the progress of the Professional Services.

3.5 Use of Customer's Facilities. For Professional Services to be performed at the Customer premises, Customer will provide all work space, facilities and support that are reasonably requested by PerfectMIND to perform such Professional Services, including without limitation, secretarial support, telephone, and computer facilities.

3.6 No Liability for Others' Failure to Perform. Customer agrees and acknowledges that PerfectMIND's performance of the Professional Services will be conditional upon, and subject to, Customer's performance of its obligations hereunder and the performance by any third party identified in the Statement of Work of its functions and task to the extent that such functions and task relate to the Professional Services, and that PerfectMIND will not be liable or responsible, in any manner or to any extent, for any failure of PerfectMIND to perform all, or any part of, the Professional Services to the extent that any such failure is caused by a failure of Customer to perform its obligations or the third party to perform its functions and tasks.

3.7 Third Party Hardware/Software. Customer will be solely responsible for the evaluation, selection, installation, implementation, compatibility, use and performance of and results obtained from any hardware, systems software, utility software, security software, telecommunication equipment or software, and applications software used in connection with the Professional Services, unless (and only to the extent) otherwise expressly agreed in this Agreement. Except as expressly provided in this Agreement, Customer and/or the third party vendors of the software packages selected for use by Customer will be responsible for the installation, acceptance and performance of the selected software packages.

3.8 Third Party Products. Where the Professional Services to be provided by PerfectMIND involve the acquisition by Customer of products of third parties, PerfectMIND will not be responsible for delays in the delivery of such products by third parties or for such product's faulty quality, defective performance, or failure to perform in accordance with published specifications or accepted standards. PerfectMIND will transfer to Customer any transferable warranties provided to PerfectMIND by third parties. PerfectMIND makes no

independent representations or warranties with respect to products provided by third parties. Any third party warranties are the exclusive remedies of Customer with respect to such products.

3.9 Use of Subcontractors. Customer acknowledges that PerfectMIND may engage agents and subcontractors to perform any of the Professional Services described in a Statement of Work, provided that PerfectMIND shall obtain Customer's prior consent to such engagement. PerfectMIND shall be responsible for the fulfillment of its obligations hereunder, notwithstanding the performance of any of its obligations by its agents and subcontractors.

3.10 No Recruitment. Each party agrees that during the term of this Agreement, and for a period of one (1) year thereafter, it will not, without the prior written consent of the other party, hire, retain or engage, or make an offer in respect of same to, any employee, independent contractor or consultant of the other party.

PART 4—FEES AND PAYMENTS

4.1 Platform Use Fees. Customer will pay all fees and charges in connection with the use of the Platform in accordance with Exhibit A, which forms an integral part hereof and is incorporated herein by reference.

4.2 Platform Use Billing. The fees payable by Customer for use of the Platform in each twelve (12) month period is payable in advance at the beginning of such period. PerfectMIND will invoice Customer for such fees at the beginning of each 12 month period, and Customer will pay each invoice within thirty (30) days after the date of the invoice; provided that the entire fee for the first twelve-month period in the Term is payable and due upon the signing of this Agreement. All amounts due by Customer hereunder will be paid, unless otherwise expressly set out herein, without any deduction, adjustment or set-off whatsoever.

4.3 Taxes. Fees for use of the Platform do not include any taxes, and Customer agrees to pay all applicable sales, use, value-added and other taxes or similar nature based on or due as a result of any amounts paid to PerfectMIND under this Agreement.

4.4 Late Payments. If PerfectMIND does not receive payment in full of an invoice within 30 days after the date of such invoice and Customer fails to make full payment within ten (10) days after written notice of the non-payment is given by PerfectMIND, Customer will be deemed to be in default. Customer will pay any and all collection costs incurred by PerfectMIND in collection of outstanding debts. In addition to any other rights granted to PerfectMIND herein and available to PerfectMIND at law or in equity, PerfectMIND reserves the right to suspend the Accounts and Customer's right to use and access to the Platform if Customer is in default with respect to its payment obligations. PerfectMIND reserves the right to impose a reconnection fee upon reactivation if any such suspension takes place. Nothing in this term shall supersede Texas Government Code Chapter 2251, Prompt Payment Act.

4.5 Professional Services Fees. If the Professional Services are to be provided on a fixed price basis, the Statement of Work will set out the total contract price, a payment schedule, including the fees payable in respect of each deliverable and/or milestone, as applicable. If the Professional Services are to be provided by PerfectMIND on a time and materials basis, the

rate(s) in Exhibit C attached hereto will apply. PerfectMIND may, from time to time and upon sixty (60) days' notice to Customer, amend the rate(s) for Professional Services. Per diem rates shall be based on a 7.5 hour day. Once a Statement of Work is signed by the parties, the rates structure in effect at the time of the signing of the Statement of Work shall apply for the duration of the project described in the Statement of Work. PerfectMIND's fees for Professional Services (whether fixed or based on time and materials) do not include any travel, living or any other out-of-pocket expenses incurred by PerfectMIND or its subcontractors in providing Professional Services. Customer will reimburse PerfectMIND for all reasonable travel, living and other out-of-pocket expenses incurred by PerfectMIND's employees and subcontractors in providing the Professional Services. All such expenses for which PerfectMIND seeks reimbursement will be supported by documentation in a form reasonably acceptable to Customer.

4.6 Professional Fee Billing. PerfectMIND will invoice Customer for the Professional Services according to the payment terms specified in the Statement of Work, or if no payment term is specified in the Statement of Work, on a monthly basis, and Customer will pay each invoice within thirty (30) days after receipt of invoice, unless the parties agree otherwise in writing. The fees for the Professional Services to be performed pursuant to the Statement of Work attached hereto as Exhibit B are set out and shall be due and payable to PerfectMIND in accordance with the "Fee payment schedule" section of Exhibit B, upon Customer's receipt of PerfectMIND's invoices.

4.7 Taxes and Duties Relating to Professional Fees. All amounts payable in respect of the Professional Services rendered by PerfectMIND to Customer under this Agreement will be exclusive of all shipping charges, insurance charges, customs duties, sales taxes, value-added taxes, and any other like charges or taxes. Customer will be responsible for paying all such charges and taxes, where applicable, in connection with the provision of the Professional Services under this Agreement.

4.8 Currency. All prices in this Agreement are in United States (US) dollars.

PART 5—USE OF THE PLATFORM

5.1 PerfectMIND Responsibilities. PerfectMIND will provide the Platform in accordance with the service levels set out in Exhibit D. PerfectMIND will provide to Customer, at no additional charge, the support for the Platform described in Exhibit D. PerfectMIND will comply with all Applicable Laws in the performance of this Agreement.

5.2 Training. PerfectMIND will provide training to Customer's staff during the implementation period as provided in Exhibit B. This training may be in the form of in-person/on-site training or remote/online training. Customer's staff will also have access to all on-line training materials made available by PerfectMIND to its customers including live and pre-recorded webinars. Customer may purchase additional training at PerfectMIND's posted standard hourly rate for professional services. For additional training purchased by Customer, Customer will reimburse PerfectMIND for all reasonable travel and other out-of-pocket expenses incurred by PerfectMIND's employees and subcontractors in providing on-site training. All such

expenses for which PerfectMIND seeks reimbursement will be supported by documentation in a form reasonably acceptable to Customer.

5.3 Customer Responsibilities. Customer will (a) be responsible for Account-holders' compliance with all of the terms and conditions of this Agreement; (b) be solely responsible for the accuracy, quality, integrity and legality of Customer Data, including Customer Content, and of the means by which Customer Data is acquired and used, including compliance with all personal information privacy laws and regulations and ensuring that no third party Intellectual Property Rights are infringed; (c) use commercially reasonable efforts to prevent unauthorized access to or use of the Platform, and notify PerfectMIND promptly of any such unauthorized access or use; and (d) use the Platform only for Permitted Purposes and in accordance with the documentation therefor and all Applicable Laws.

5.4 Prohibited Conduct. Customer will not

- (a) make the Platform available to anyone, or permit anyone to access the Platform, other than Account-holders;
- (b) license, sublicense, sell, resell, publish, republish, transfer, assign, distribute, rent, lease or time-share the rights granted to Customer under this Agreement, or copy or otherwise commercially exploit the Platform or its components in any way except in accordance with the rights granted hereunder;
- (c) use the Platform in any manner or for any purpose (i) that violates this Agreement, (ii) that contravenes, facilitates the violation of, or violates any Applicable Laws; (iii) that extracts, gathers, collects, or stores personal information about individuals except in compliance with all applicable personal information privacy laws or that involves data mining, robots or similar data gathering or extraction methods on individual's personal information without their express consent, or (iv) that interferes with or disrupts the integrity or performance of the Platform, PerfectMIND's systems or networks or third-party data of Content contained therein;
- (d) attempt to gain unauthorized access to the Platform or its related systems or networks;
- (e) post, upload, reproduce, distribute or otherwise transmit on the Platform (i) pyramid schemes, (ii) any material that contains a virus, cancelbot, Trojan horse, worm or other harmful, disruptive or surreptitious component, (iii) defamatory, infringing, indecent or unlawful software, materials or information, or (iv) inappropriate, profane, or obscene software, materials or information without suitable or lawfully-required access controls;
- (f) alter, modify, reverse engineer, decompile, or disassemble, translate, extract data structures from or otherwise attempt to extract the source code from the Platform or any part thereof;
- (g) create derivative works based on the Platform or works containing a substantial part of the Platform;

- (h) copy, frame or mirror any part or content of the Platform;
- (i) disable or circumvent any access control or related process or procedure established with respect to the Platform;
- (j) remove any copyright or other proprietary or Intellectual Property Rights notices or labels on or in the Platform or any part, copy or report generated therefrom or thereof;
- (k) use the Platform to scan or probe another computer system, obstruct or bypass computer identification procedures or engage in unauthorized computer or network trespass without the express permission of the owners of such computer systems;
- (l) access the Platform in order to (i) build a competitive product or service, or (ii) copy any ideas, features, functions or graphics of the Platform;
- (m) forge headers or otherwise manipulate any protocols or identifiers used in any system or protocol in such a manner to disguise the origin of any Content transmitted using the Platform;
- (n) impersonate or falsely represent an association with any person, including a PerfectMIND representative, without the prior express, written permission of such person; or
- (o) permit any of the foregoing to be done by any person, including Customer's employees, contractors, agents, or representatives, including Account-holders.

5.5 Commercial Electronic Messages. All email messages that Customer sends using the Platform will comply with all applicable anti-spam laws and regulations, including those relating to commercial electronic messages. When using the Platform, Customer will represent itself and/or its organization accurately and will not impersonate any other person, whether actual or fictitious. Customer specifically agrees that (to the extent that the Platform permits it, and it is within Customer's control to do so) for all messages that Customer sends using the Platform (i) the "from" line of the message will accurately and in a non-deceptive manner identify Customer's organization; (ii) the "subject" line of the message will not contain any deceptive or misleading content regarding the overall subject matter of the message, and (iii) the message will include the contact information of the Account-holder who sends the message or another individual within Customer's organization who may be readily contacted by the recipient, and such contact information will remain valid for at least 60 days after the message is sent. Customer will ensure that every message sent using the Platform will contain an "unsubscribe" link that allows recipient to remove himself/herself/itself from Customer contact list and specify an electronic address on the World Wide Web that can be accessed by the recipient of the message for the purpose of unsubscribing. Customer will promptly, and in any event no later than 10 days after the receipt of the request, give effect to any unsubscription requests it receives. Customer may not charge a fee, require the recipient to provide any personally identifying information beyond an email address, or make the recipient take any step other than sending a reply email or visiting a single page on an Internet website as a condition for giving effect to an unsubscribe request. Customer acknowledges that Customer will be

responsible for maintaining and giving effect to the list of unsubscribe requests following termination of this Agreement.

5.6 Account Use. PerfectMIND will issue Accounts, or permit Customer to issue Accounts, to individuals selected by Customer as Account-holders. Only Account-holders may access or use the Platform and each Account-holder's access to the Platform requires valid login credentials, including at least user identification and secure passwords (each an "**Account**"). The rights of an Account-holder may not be used by more than one individual, unless the Account of the Account-holder is reassigned in its entirety to another Account-holder, in which case the prior holder of the Account shall no longer have any right to access or use the Platform. Customer acknowledges and agrees that Customer:

(a) is fully responsible for Accounts assigned by or at the request of Customer and the acts and omissions of each Account-holder, including the creation of Account credentials by any person, the maintenance, confidentiality and security of all passwords related to Accounts, and any and all activities that occur under Accounts (including persons who gain access to such Accounts, whether with or without permission);

(b) will notify PerfectMIND as soon as practicable after obtaining or receiving any knowledge of (i) any unauthorized use of an Account or any password related to an Account, or (ii) any other breach of security with respect to an Account, provided that such notification will not negate Customer's liability for any unauthorized use of an Account or password until such time as PerfectMIND can be reasonably expected to take corrective measures; and

(c) will provide true, current, accurate and complete information as prompted by the Account-creation process or as otherwise requested by PerfectMIND from time to time and to promptly update such information when any changes occur so as to keep such information held by PerfectMIND true, current, complete and accurate.

5.7 Usage Limitations. The following provisions apply with respect to the Platform:

(a) **General Practices and Limits.** Customer acknowledges and agrees that PerfectMIND may establish from time to time general practices and limits concerning the use of the Platform, including: the maximum size of any Customer Data, including Customer Content, that may be stored on PerfectMIND servers (the "**Storage Limit**"); the maximum amount, speed and type of Customer Data, including Customer Content, that may be sent from or received using the Platform (the "**Usage Limit**"). Such general practices and limits may be posted on PerfectMIND's website or otherwise made available through the Platform. Customer agrees that Customer's usage may not exceed such limits, and that it is Customer's responsibility to monitor Account usage of the Platform. PerfectMIND covenants that the Storage Limit and the Usage Limit set for Customer will not be less than the following:

Minimum Storage Limit

- Storage: 80GB (\$160 per month for every additional 80GB blocks of storage)

Usage Limit

- Accountholders: Unlimited
- Email: 35,000 emails per month (\$160 per month for additional 50,000 emails)

(b) **Internet-based Software.** The Platform depends on the Internet, including networks, cabling, equipment and facilities that are not in PerfectMIND’s control; accordingly (i) any representation made by PerfectMIND regarding access performance, speeds, reliability, availability, use or consistency of the Platform, to the extent that they are dependent on the underlying Internet services, are on a “commercially reasonable efforts” basis, (ii) PerfectMIND cannot guarantee any minimum level regarding actual user performance, speed, reliability, availability, use or consistency based on factors depending on the Internet, and (iii) content, data, messages, information or materials sent over the Internet may not be completely private, and anonymity is not guaranteed.

PART 6—CONTENT, INTELLECTUAL PROPERTY AND PRIVACY

6.1 Reservation of Rights. All right, title and interest, including all Intellectual Property Rights, in and to the Platform and PerfectMIND Technology is and will at all times be fully vested in PerfectMIND or its licensors, as the case may be.

6.2 Third-Party Content—Content accessed or available through the Platform may be owned by third-parties other than PerfectMIND or Customer (collectively, “**Third Party Content**”) and may be protected by applicable Intellectual Property Rights. During use of the Platform, Customer may enter into correspondence with, purchase goods, hardware or services from, or participate in promotions of advertisers or sponsors showing their goods or services through the Platform. Any such activities, and any terms, conditions, warranties or representations associated with such activities are solely between the applicable third party and Customer. PerfectMIND and its licensors shall have no liability, obligation or responsibility to Customer for any such correspondence, purchases or promotions. Customer acknowledges and agrees that Customer shall be solely responsible for obtaining necessary licenses, consent and permits from third-party providers with respect to any Third Party Content or ancillary software, hardware, or services that Customer may use in connection with its use of the Platform.

6.3 Feedback. From time to time during the term of this Agreement, Customer and Account-holders may provide PerfectMIND with comments, suggestions, ideas and impressions of the Platform (“**Feedback**”). Customer acknowledges and agrees that, by disclosing such Feedback to PerfectMIND, the provider thereof will be deemed to have granted to PerfectMIND a royalty-free, worldwide, transferable, sub-licensable, non-exclusive, irrevocable and perpetual license to use, modify, adapt, improve or incorporate such Feedback into the Platform. Customer

acknowledges and agrees that the right to use the Platform is good and sufficient consideration for any contributions, through the Feedback or otherwise, to the design, improvement, or functionality of the Platform and the transfer to PerfectMIND thereof.

6.4 Customer Data. PerfectMIND does not claim ownership of, and assumes no liability or responsibility with respect to, any Customer Data, including Customer Content. As between PerfectMIND and Customer, all right, title and interest (including Intellectual Property Rights) in and to Customer Data will at all times be fully vested in Customer, except that, by posting, uploading, inputting, providing, submitting, entering or otherwise transmitting Customer Data to PerfectMIND or any third party using the Platform, Customer agrees as follows:

(a) Customer will have thereby granted PerfectMIND a royalty-free, non-exclusive, worldwide, fully paid-up limited license to use, copy, distribute, transmit, display, edit, delete, publish and translate such Customer Data to the extent reasonably required by PerfectMIND in connection with the functionality of the Platform and the performance of this Agreement as well as to ensure adherence to or enforce the terms of this Agreement;

(b) Customer, and not PerfectMIND, will have sole responsibility for the accuracy, quality, integrity, legality, reliability, appropriateness and Intellectual Property Rights of all Customer Data, and PerfectMIND will not be responsible or liable for the deletion, correction, destruction, damage, loss or failure to store any Customer Data; and

(c) Customer will have thereby confirmed, represented and warranted to PerfectMIND that Customer has all rights, titles and interests (including all Intellectual Property Rights as well as the power and authority necessary), to grant the license to such Customer Data set above in subsection 6.4(a).

6.5 Privacy. PerfectMIND acknowledges and agree that Customer Data may contain sensitive information, and, in connection therewith, (a) PerfectMIND will comply with all Applicable Laws relating to personal information privacy, including British Columbia *Personal Information Protection Act* and will adhere to the PerfectMIND Privacy Policy, which forms an integral part hereof and is incorporated herein by reference; (b) PerfectMIND will use industry-standard management practices, technologies and security to protect the integrity, safety and security of Customer Data in both physical and electronic form; (c) Customer acknowledges and agrees that its use of the Platform will utilize, in whole or in part, the public Internet and third party networks to transmit communications, which transmissions may be intercepted by other parties or stored, cached, routed, transmitted or received in jurisdictions outside of the jurisdiction of Customer, (d) PerfectMIND covenants and agrees that Customer Data will be stored only on servers that are located in in the United States; (e) PerfectMIND will not use Customer Data for any purpose other than to provide the functionality of the Platform to Customer and its users, to ensure adherence to or enforce the terms of this Agreement, or (only in aggregate form) for site metrics; (f) PerfectMIND reserves the right to modify the PerfectMIND Privacy Policy and its security policies in its reasonable discretion from time to time, subject to any Applicable Laws.

6.6 Use of the Other Party's Name. Each party may use the other party's name in its news releases, marketing and promotional materials and the like provided that such will comply with any standards set by the other party from time to time. Each party will cease to use the other party's name upon any expiration or termination of this Agreement.

PART 7—TERM AND TERMINATION

7.1 Term. This Agreement commences on the date first set out above and will continue in effect for five (5) years thereafter, unless earlier terminated or renewed in accordance with the provisions of this Agreement (the "**Term**"). At the expiration of the initial five year period, the Term will be automatically renewed for successive one year periods unless a party provides written notice to the other party of the first party's intention not to renew, at least thirty days before the expiry of the then-current Term.

7.2 Renewal Terms. The fees payable by Customer during any such renewal term will be the same as the fee for the last year during the prior term unless PerfectMIND has given Customer written notice of a pricing change at least 90 days' before the end of such prior term, in which case the pricing change will be effective upon renewal and thereafter.

7.3 Termination. Either party may terminate this Agreement for cause, immediately upon written notice to the other party, if:

- (a) the other party is in default of any of its material obligations under this Agreement and such default is not remedied within thirty (30) days of the date of receipt of written notice thereof, provided that cure period with respect to default in payment obligations is ten (10) days; or
- (b) the other party ceases to conduct business in the normal course; the other party becomes insolvent or bankrupt; the other party makes any assignment for the benefit of creditors; proceedings are instituted by or against the other party seeking relief, reorganisation or rearrangement under any laws relating to insolvency; a receiver, liquidator or trustee is appointed in respect of any property or assets of the other party; or an order is made for the liquidation, dissolution or winding up of the other party.

7.4 Payment on Termination. If this Agreement is terminated by Customer due to PerfectMIND's default, then PerfectMIND will refund to Customer, by no later than 30 days after the effective date of the termination, an amount equal to the fees actually paid by Customer for the year during which the termination occurs prorated based on the post-termination portion of the year. Otherwise, any termination of the Agreement will not relieve Customer of its obligation to pay the fees payable to PerfectMIND for the Term of the Agreement for the use of the Platform nor does it entitle Customer to any refund. Upon the termination of this Agreement, without prejudice to any other rights PerfectMIND may have, Customer will (a) remit all fees payable for the Professional Services and Work Products accepted by Customer prior to the date of such termination or suspension; (b) remit all fees payable for work-in-progress, on a time and materials basis, at the rate structure applicable to the Statement of Work Order; and (c) remit all such other costs of PerfectMIND, demonstrated to the reasonable satisfaction of Customer,

directly related to the permanent or temporary winding down of the Professional Services, work and deliveries which are being terminated or suspended.

7.5 Return of Customer Data. Upon request by Customer made within 30 days after the effective date of termination or expiration of this Agreement (except in the case of PerfectMIND terminating this Agreement for cause under §7.3), PerfectMIND will make available to Customer for download a file of the relevant Customer Data in a commercially-reasonable standard (such as comma separated value (.csv) or extendible markup language (.xml)) format along with attachments in their native format as stored by PerfectMIND. After such 30-day period, PerfectMIND will have no obligation to maintain or provide any such Customer Data and will thereafter, unless legally prohibited, delete all such Customer Data in PerfectMIND systems or otherwise in PerfectMIND's possession or under PerfectMIND's control. Within 15 days of any termination for cause of this Agreement by PerfectMIND pursuant to Section 7.3, Customer may request return of Customer Data, in which case Customer will pay to PerfectMIND any fees outstanding prior to the termination of this Agreement plus any fee that PerfectMIND requests, based on the time required to accommodate Customer's request regarding return of Customer Data, and upon receipt of such payments, PerfectMIND will make available Customer Data to Customer for download as set out above. If Customer does not make a request within the 15 day time limit or fails to make payments within five (5) days after receiving PerfectMIND's fee request, Customer's right to access or use Customer Data will immediately cease, and PerfectMIND will have no obligation to maintain or provide any Customer Data and will thereafter, unless legally prohibited, delete all such Customer Data in PerfectMIND systems or otherwise in PerfectMIND's possession or under PerfectMIND's control.

7.6 Survival. Without limiting the applicability of other terms and conditions of this Agreement, the terms of this Agreement that, by their nature, are intended to survive any purported or actual termination or expiry of this Agreement will so survive, including Part 1, Part 3, Part 6, Part 7, Part 8, Part 9 (except for §9.1) and Part 10.

PART 8—CONFIDENTIALITY

8.1 Confidential Information. Neither party will, without the prior written approval of the other party, disclose or use for any purpose other than exercise of its rights or performance of its obligations under this Agreement any information, documents, know-how, trade secrets of the other party, including the terms of this Agreement and such other information that is not in the public domain including, in respect of the Customer Data and, in respect of the Platform (collectively, "**Confidential Information**") that may come to its knowledge or possession by reason of exchange of information under this Agreement or entering into this Agreement.

8.2 Obligation to Protect. Each party will protect the other's Confidential Information using the same standard of care that it would use to protect its own, similar information, but in any case no less than a reasonable standard of care for information of similar sensitivity.

8.3 Title. All right, title and interest (including all Intellectual Property Rights) in and to each party's Confidential Information will be and remain vested in such party.

8.4 Permitted Disclosures. Each party will not disclose Confidential Information of the other party to any person except to the first party's employees, agents and sub-contractors on a strictly "need-to-know" basis, and provided that such persons have are subject to confidentiality obligations equivalent to the obligations imposed hereunder. Notwithstanding such disclosures, each party will be fully responsible for any breaches of confidentiality caused by such persons to whom the Confidential Information is disclosed as if such breach were committed by such party.

8.5 Exceptions. Neither party will have an obligation with respect to Confidential Information where such party can establish, through documentary evidence, that such information (a) was previously known to it free of any obligation to keep it confidential, (b) is or becomes publicly available other than by unauthorized disclosure, (c) is legally disclosed by third parties without restrictions of confidentiality, or (d) has been independently developed by it without reference to the other party's Confidential Information.

8.6 Governmental Disclosures. Notwithstanding anything else in this Agreement, if a party is required to disclose any Confidential Information to a government body or court of law or as otherwise required by law, it may do so provided that it gives the other party sufficient advance notice as reasonable in the circumstances subject to applicable law to enable the owner of such Confidential Information the opportunity to contest the disclosure or obtain a protective order and assists the owner of such Confidential Information in contesting or protecting same.

PART 9—WARRANTIES, DISCLAIMERS, INDEMNITIES AND LIABILITY

9.1 PerfectMIND Warranties. PerfectMIND represents and warrants to Customer that (a) the Platform will perform materially in accordance with the documentation therefor under normal use and circumstances; (b) the Professional Services will be performed in a diligent and workmanlike manner consistent with standards generally observed in the industry for similar services, and the Work Product will materially conform to the Statement of Work upon acceptance, and PerfectMIND will use all commercially reasonable efforts to remedy any material non-conformance of the Work Product to the Statement of Work in an expeditious manner; and (c) the functionality of the Platform will not be materially decreased during the Term, subject to the other provisions of this Agreement. For clarity, PerfectMIND will not be responsible for and the warranties provided by PerfectMIND in this §9.1 do not apply to situations where improper or inadequate installation or maintenance of software or hardware that Customer uses to access or utilize, or otherwise in connection with, the Platform or Customer Data, or failure to properly configure the Platform for use in connection with such hardware or software is the cause of a failure or malfunction.

9.2 Mutual Warranty. Each party represents and warrants that it has the legal power and authority to enter into this Agreement and to fully abide by the terms and conditions hereof.

9.3 NO OTHER WARRANTIES. THE PLATFORM AND THE WORK PRODUCT ARE PROVIDED ON AN "AS-IS" AND "AS-AVAILABLE" BASIS AND

PERFECTMIND DOES NOT GUARANTEE THAT THE PLATFORM WILL FUNCTION ERROR-FREE OR UNINTERRUPTED. CUSTOMER ACKNOWLEDGES THAT PERFECTMIND DOES NOT CONTROL THE TRANSFER OF DATA OVER COMMUNICATIONS FACILITIES, INCLUDING THE INTERNET, AND THAT THE SERVICE PROVIDED UNDER THIS AGREEMENT MAY BE SUBJECT TO LIMITATIONS, DELAYS, AND OTHER PROBLEMS INHERENT IN THE USE OF SUCH COMMUNICATIONS FACILITIES. PERFECTMIND IS NOT RESPONSIBLE FOR ANY DELAYS, DELIVERY FAILURES, OR OTHER DAMAGE RESULTING FROM SUCH PROBLEMS. THERE ARE NO REPRESENTATIONS, CONDITIONS OR WARRANTIES OTHER THAN THOSE EXPRESSLY PROVIDED IN THIS AGREEMENT. THE CONDITIONS, REPRESENTATIONS AND WARRANTIES EXPRESSLY SET OUT HEREIN ARE IN LIEU OF, AND PERFECTMIND EXPRESSLY DISCLAIMS, ALL CONDITIONS, WARRANTIES AND REPRESENTATIONS, EXPRESS, IMPLIED OR STATUTORY, INCLUDING IMPLIED CONDITIONS, WARRANTIES OR REPRESENTATIONS IN RESPECT OF QUALITY, CONDUCT, PERFORMANCE, RELIABILITY, AVAILABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHETHER ARISING BY USAGE OF TRADE, BY COURSE OF DEALING, BY COURSE OF PERFORMANCE, AT LAW, IN EQUITY, BY STATUTE OR OTHERWISE HOWSOEVER, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW.

9.4 Indemnification by PerfectMIND. PerfectMIND will indemnify and hold harmless Customer, and its officers, employees and agents (collectively, in this §9.4, the “**Indemnified Persons**”), from and against any and all Claims brought or made against, or incurred by, the Indemnified Persons, or any one of them, arising out of a claim by a third party that the Platform or the Work Product infringes the Intellectual Property Rights of a third party enforceable in Canada or the United States.

9.5 Exception to PerfectMIND Indemnity. Notwithstanding §9.4, PerfectMIND will not be required to defend or indemnify any Indemnified Person if, and to the extent that, the Claim would not have arisen but for (a) any Indemnified Person’s combination of the Platform or Work products with software, services or products not supplied by PerfectMIND, or (c) any refusal by the Indemnified Person to use a non-infringing version of the Platform or the Work Product offered by PerfectMIND under §9.7.

9.6

9.7 Additional Infringement Obligations. If PerfectMIND receives any knowledge of any Claim in respect of §9.4 or any circumstances in which a Claim in respect of such provision is threatened or reasonably anticipated, it will, as soon as reasonably practicable, (a) procure, at its expense, the right for Customer to use the Platform or the Work Product, as the case may be, or such infringing part thereof; (b) replace, at its expense, the Platform or the Work Product, as the case may be, or such infringing part thereof, with material of comparable functionality that does not breach this Agreement; (c) if the removal of such infringing part of the Platform or the Work Product, as the case may be, would not be a breach of this Agreement, remove such infringing part of the Platform; or (d) terminate this Agreement and refund to

Customer a *pro rata* portion of the Platform use fees prepaid by Customer for the period during which the Agreement is terminated.

9.8 Conduct of Indemnities. Each party acknowledges that the indemnifying party will be given complete authority for the defence or settlement of Claims indemnified hereunder, on the understanding that, in all events, the indemnified party will have the right (at its own expense) to participate in such defence or compromise through counsel of its choosing. An indemnifying party's obligations to provide an indemnity hereunder will be conditional upon (a) the indemnified party notifying the indemnifying party as soon as reasonably practicable after receiving notice of a Claim, (b) the indemnified party providing such information and assistance as reasonably requested by the indemnifying party, and (c) the indemnified party not compromising or settling the Claim without the indemnifying party's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed.

9.9 EXCLUSION AND LIMIT OF LIABILITY. NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY KIND WHATSOEVER AND HOWEVER CAUSED, WHETHER ARISING UNDER CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, INCLUDING (WITHOUT LIMITATION) LOSS OF PRODUCTION, LOSS OF OR CORRUPTION TO DATA, LOSS OF PROFITS OR OF CONTRACTS, LOSS OF BUSINESS, LOSS OF MANAGEMENT OR OPERATION TIME AND LOSS OF GOODWILL OR ANTICIPATED SAVINGS, EVEN IF THE PARTY HAS BEEN NOTIFIED OF THE POSSIBILITY THEREOF OR COULD HAVE FORESEEN SUCH CLAIMS. THE ENTIRE LIABILITY OF EACH PARTY TO THE OTHER PARTY FOR DIRECT DAMAGES FROM ANY CAUSE WHATSOEVER, AND REGARDLESS OF THE FORM OF ACTION OR THE CAUSE OF ACTION, WHETHER IN CONTRACT OR IN TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, BREACH OF A FUNDAMENTAL TERM, FUNDAMENTAL BREACH OR OTHERWISE IN CONNECTION WITH THIS AGREEMENT WILL BE LIMITED TO \$350,000.00 (THREE HUNDRED FIFTY THOUSAND DOLLARS).

PART 10—GENERAL

10.1 Marketing. PerfectMIND may use Customer's name, with an accurate reference to Customer's use of the Platform, in PerfectMIND's marketing materials or on PerfectMIND's website, with a link to Customer's website.

10.2 Notice. Any notice required or permitted to be given hereunder will be in writing and may be given by personal services, including by courier, or by facsimile if confirmed on the same day, or in writing by registered airmail, with postage prepaid to the following:

If to PerfectMIND:
PerfectMIND Inc.
110- 980 West 1st Street
North Vancouver, BC, V7P 3N4
Fax:

Attention: Farid Dordar-CEO or Ali Sanei-COO

If to Customer:
City of McKinney, Texas
P.O. Box 517
222 N. Tennessee Street
McKinney, Texas 75069
Telephone: (972) 547-9026
Facsimile: (972) 547-_____
Email: tthomason@mckinneytexas.org

Attention: Teresa Thomason

With a copy to: Brown & Hofmeister, L.L.C.
 Attn.: Mark S. Houser
 740 East Campbell Road, Suite 800
 Richardson, Texas 75081
 Telephone: (214) 747-6100
 Facsimile: (214) 747-6111
 Email: mhouser@bhlaw.com

Any notice given by personal delivery (including courier) will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by facsimile, on the day of transmittal thereof if given during the normal business hours of the recipient on a business day, and on the business day during which such normal business hours next occur if not given during such hours.

10.3 Assignments. This Agreement may not be assigned by either party without the prior written approval of the other party, such approval not to be unreasonably withheld or delayed, but may be assigned by PerfectMIND to (i) a parent, subsidiary or affiliate; (ii) an acquirer of assets; or (iii) a successor by merger, on written notice to Customer. Any purported assignment in violation of this section shall be void.

10.4 Force Majeure. Neither party shall be liable for damages for any delay or failure of delivery arising out of an event of Force Majeure.

10.5 Waivers. No right under this Agreement will be deemed to be waived except by notice in writing signed by the party waiving its right, and any such waiver will not prejudice its rights in respect of any subsequent breach of this Agreement by the other party. Any failure by a party to enforce any clause of this Agreement or right contained in it, or any forbearance, delay or indulgence granted by a party to the other party, will not be construed as a waiver of the first-mentioned party's rights under this Agreement.

10.6 No Presumption. No presumption shall operate in favour of or against any party hereto as a result of any responsibility that any party may have had for drafting this Agreement.

10.7 Remedies Cumulative. The remedies accorded herein to each of the parties are cumulative and in addition to those provided at law or in equity, and may be exercised separately, concurrently, or successively

10.8 Enurement. This Agreement will enure to the benefit of and be binding upon the parties and their successors, trustees, permitted assigns and receivers.

10.9 Injunctive Relief. Each party acknowledges and agrees that a breach by it of the provisions of this Agreement relating to Confidential Information, Intellectual Property Rights, or restrictive obligations may result in immediate and irreparable harm to the other party for which compensation would be an inadequate remedy. Accordingly, each party acknowledges and agrees that the other party may seek, as a matter of right and without the necessity of establishing the inadequacy of monetary damages, injunctive or other equitable relief to prevent or remedy such conduct from any court of appropriate jurisdiction.

10.10 Entire Agreement. This Agreement together with any applicable Statement of Work constitutes the entire Agreement between the parties and supersedes all prior representations, agreements, statements and understandings, whether verbal or in writing. In connection therewith, no terms or conditions stated in any Customer purchase order or other order or documentation will be incorporated into or form any part of this Agreement, and all such terms or conditions will be null and void, notwithstanding any provision therein.

10.11 Amendments. This Agreement may not be amended except by written instrument signed by an authorized representative of both parties.

10.12 Severability. If any term or provision of this Agreement will be found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same will not affect the other terms or provisions hereof or the whole of this Agreement, but such terms or provisions will be deemed modified to the extent necessary in the court's opinion to render such terms or provisions enforceable, and the rights and obligations of the parties will be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the parties herein set forth.

10.13 Relationship of the Parties. The parties are independent contractors. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary or employment relationship between the parties.

10.14 No Third-Party Beneficiaries. There are no third-party beneficiaries to this Agreement.

10.15 Software Source Code Escrow. At Customer's written request, PerfectMIND will deposit a source code version of the software component of the Platform other than any third party software (the "Software") with all necessary passwords, software keys, and related technical documentation (collectively, the "Source Code") with a third party escrow holder reasonably acceptable to Customer (the "Escrow Holder"). PerfectMIND will update the Source Code with all Enhancements and new releases and with any bug fixes or workarounds provided to Customer. The annual escrow fees will be borne entirely by Customer. The escrow agreement for the Source Code deposit will name Customer as beneficiary, and will provide for the release

of the Source Code to Customer if PerfectMIND becomes insolvent; if any proceedings are commenced or taken for the dissolution, liquidation or winding up of PerfectMIND; or if a trustee, receiver or other person with similar powers is appointed in respect of PerfectMIND in respect of all or a substantially all of its property or assets; or if PerfectMIND ceases to carry on all or substantially all of its business; or if any proceedings involving PerfectMIND involving its bankruptcy or insolvency are taken under any legislation dealing with insolvency are taken under any legislation dealing with creditor's rights; or PerfectMIND makes any assignment or proposal in bankruptcy or any other assignment or proposal for the benefit of creditors ("Release Conditions"). PerfectMIND will have a forty-five (45) day cure period to rectify any of the foregoing Release Conditions after the receipt of a written notice from Customer. Upon the release of the Source Code to Customer, Customer will only use the Source Code in accordance with this Agreement and will only use the Source Code internally for the purpose of providing maintenance, and support for, or to add functionality to the Software. PerfectMIND covenants that the Source Code, and all Enhancements, new releases, updates, bug fixes and workarounds deposited into escrow will include all documentation and materials necessary for a competent programmer to compile, verify, maintain, and support the Source Code. Subject to the information and materials described in this Section being released to Customer pursuant to the terms of this Agreement and any escrow agreement between PerfectMIND, Customer, and Escrow Holder, PerfectMIND hereby grants to Customer a royalty-free license that permits disclosure to a third party support-vendor of a complete and accurate copy of then-current Source Code for the purposes set forth in this Agreement.

10.16 Counterparts. This Agreement may be signed in as many counterparts as may be necessary, each of which so signed will be deemed to be an original and each copy sent by electronic facsimile transmissions will be deemed to be an original, and such counterparts together will constitute one and the same instrument and notwithstanding the date or dates of execution will be deemed to bear the date as first above written.

IN WITNESS WHEREOF the parties have executed this Agreement with effect as of the date first above written.

PERFECTMIND INC.

CITY OF MCKINNEY, TEXAS

Per: _____
(Signature of PerfectMIND Authorized Signatory)

Per: _____
(Signature of Customer Authorized Signatory)

Name: _____
(Please Print PerfectMIND Signatory's Name)

Name: _____
(Please Print Customer Signatory's Name)

Title: _____
(Please Print PerfectMIND Signatory's Title)

Title: _____
(Please Print Customer Signatory's Title)

EXHIBIT A
Platform Use fees

PLATFORM

The fees for the Platform use will be as follows:

Year One (from July 15, 2016 to July 14, 2017): \$35,234

Year Two (from July 15, 2017 to July 14, 2018): \$35,234

Year Three (from July 15, 2018 to July 14, 2019): \$35,234

Year Four (from July 15, 2019 to July 14, 2020): \$35,234

Year Five (from July 15, 2020 to July 14, 2021): \$35,234

EXHIBIT B

Statement of Work

Scope/Project Management and Planning

PerfectMIND will be responsible for planning and managing the project, using best practices generally recognized as good project management methodology, and designating a Project Manager for the project, who will be responsible for:

- Adherence to the project scope and schedule
- Management of work activities including system design and installation, system configuration, data conversion, testing and quality assurance, administrator and end-user training, and go-live support
- Coordination of resources, work sessions, and training
- Communications
- Managing project issues and issue tracking
- Status reports
- Available for status calls to provide updates
- Working with the designated Customer project manager
- Deliverable acceptance and sign-off

The frequency and other details of status reports will be agreed upon during the discovery phase. In addition to the Project Manager, PerfectMIND will assign appropriate staff to complete the deliverables described in this Statement of Work, including at minimum: system installation, software configuration, data conversion, testing, administration and end-user training and go-live support.

Timeline

Customer is planning to implement the solution with the following estimated timeline. PerfectMIND is expected to recommend an overall implementation plan and timeline based on their experience with implementations of similar scope and complexity. All dates are subject to change based on "Project Initiation" Phase.

June 21, 2016	Contract Signature
July 2016	Project kick off
July-Aug 2016	Project Initiation
Aug-Sep 2016	Software Configuration and Reports
Sep 2016	User Acceptance Testing
Aug-Sep 2016	Training and Documentation
Oct 1, 2016	Go-Live (Phase 1 – New Location)
April 2017	Go-live (Phase 2)

Technical Requirements

PerfectMIND will provide a SaaS solution, the only requirement for operating and using the proposed solution will be broadband internet connection and access to the internet via a web browser with all standard browsers being supported (recommended browsers will be communicated to Customer during the implementation phase).

Customer Testing

PerfectMIND will develop a test plan for Customer that covers system and functional, testing. After all of the components of the system have been completed, Customer will conduct system and functional testing. Customer will report any defects to PerfectMIND immediately for correction. If any defects are found, PerfectMIND will provide a plan to achieve acceptance or to make corrections or replacements.

Training

PerfectMIND will provide full training to system administrators and trainers (number of system administrator and trainers to be determined at the discretion of Customer). PerfectMIND will develop a training plan for Customer to fully prepare the system administrators to support the system. The training plan will include:

- In-depth understanding of the system functionalities, including:
 - Security Settings
 - Workflow Development
 - Report Development
 - Software Configuration
- A review of best practices in the configuration and use of the system.
- Training sessions on different modules of the system, including:
 - Contact/Account Management
 - Store/Point of Sale Training
 - Membership Management
 - Attendance Tracking
 - Billing Management
 - Activity/Program Registration
 - Facility Rental
 - Appointments and Private Lesson scheduling
 - Marketing
 - Staff Management
 - Accounting
 - Document Template creation and configuration
- Troubleshooting

PerfectMIND will provide technical assistance to Customer's IT staff on the operation of the system. PerfectMIND will investigate and troubleshoot any technical issues with the system that Customer's IT staff report to PerfectMIND.

Post-live Support

PerfectMIND will provide full application support during the week of go-live. PerfectMIND's project team will be available to provide go-live and post go-live support. The resource(s) will be accessible by phone and email to the system administrators.

Future Services

The ability to provide the services/products in this section may be required in the future. Customer may request to add similar services or products in the future, including but not limited to:

- New features or;
- Features that were identified as Custom
- Additional Reports

and such similar services and products will be provided by PerfectMIND upon PerfectMIND and Customer negotiating and entering into Statements of Work providing for same.

Deliverables and Service Acceptance

Customer designee will formalize the acceptance of the service via written acceptance of the following acceptance forms:

Acceptance Form A- Project Kickoff (Milestone 1)

Purpose

The purpose of the Project Kickoff Acceptance Form is to confirm that the project kickoff has occurred and the following deliverables are completed.

Deliverables

- Contract signature and execution
- Planning of the project kickoff/discovery session
- Resourcing and scheduling for the discovery phase
- Preliminary review of the requirements by the project team prior to the first meeting
- Creation of live production environment, which includes at a minimum (Database won't be available to the client):
 - Setup of Customer’s production environment on the cloud
 - System setups including backups and retentions
 - Database security setup
 - Setup of the monitoring tools and systems on Customer’s database
 - Basic configuration of the database with Parks and Rec Modules

The work was completed on _____ and accepted by Customer.

Accepted by:

(City of _____): _____ Date: _____

Title: _____

(PerfectMIND): _____ Date: _____

Title: _____

Acceptance Form B - Project Initiation (Milestone 2)

Purpose

The purpose of the Project Initiation Acceptance Form is to confirm that the project initiation is complete.

Deliverables

- Discovery phase, which will inform the detailed work breakdown structure and includes:
 - Existing database system discovery
 - Business process review and gap analysis
 - Activity registration overview
 - Facility configuration overview
 - Membership management overview
 - Store and point of sale overview
 - Marketing overview
 - Accounting configuration

The Discovery phase may involve multiple meetings and communications to clarify and assist PerfectMIND in understanding the above areas further.

- Project work breakdown structure includes:
 - Tasks and durations
 - Scheduling
 - Resourcing and assignments
 - Dependencies
- Initiation of tasks listed under “Scope/Project Management and Planning” above, which includes:
 - Communications requirement
 - Project reporting requirements including the frequency and details of the status reports
 - Issue list/tracker requirements

The work was completed on _____ and accepted by Customer.

Accepted by:

(City of _____): _____ Date: _____

Title: _____

(PerfectMIND): _____ Date: _____

Title: _____

Acceptance Form C – Software Configuration and Reports (Milestone 3)

Purpose

The purpose of the Software Configuration and Reports Acceptance Form is to confirm that the software and reports configuration is complete.

Deliverables

- Application configuration and setup
- Security and roles configuration
- Setup workflows and business rules
- Configuration and creations of the reports

The work was completed on _____ and accepted by Customer.

Accepted by:

(City of _____): _____ Date: _____
Title: _____

(PerfectMIND): _____ Date: _____
Title: _____

Acceptance Form D — Omitted Intentionally

Acceptance Form E – User Acceptance Testing (Milestone 4)

Purpose

The purpose of the User Acceptance Testing Form is to confirm that the system testing is complete and the system is functional.

Deliverables

The test plan including test scripts, schedule, roles and responsibilities, and definitions of passed/failed test is provided to Customer and Customer is coached through the testing phase. Customer will conduct a complete test on the system to ensure the following is tested and passed:

- System functions
- Work flows and business rules
- Reports

The work was completed on _____ and accepted by Customer.

Accepted by:

(City of _____): _____ Date: _____

Title: _____

(PerfectMIND): _____ Date: _____

Title: _____

Acceptance Form F - Training (Milestone 5)

Purpose

The purpose of the Training Acceptance Form is to confirm that the training is complete.

Deliverables

The training plan is complete and specifies the training schedule and curriculum for the recipients of system administrator training and end-user training.

Customer will confirm the following:

- System administrators have been trained on all aspects of system configuration, individual and role-based security profiles, enterprise silo security settings and configurations, document template creation, and report queries and changes.
- System administrators are able to complete new configuration items with minimal assistance from PerfectMIND.
- End users have been trained on all aspects of the system and can complete tasks within the system.
- Training materials and online learning center access have been delivered.

The work was completed on _____ and accepted by Customer.

Accepted by:

(City of _____): _____ Date: _____

Title: _____

(PerfectMIND): _____ Date: _____

Title: _____

Acceptance Form G - Go-Live (Milestone 6)

Purpose

The purpose of the Final Acceptance Form is to confirm that the system is operational.

Deliverables

The final data conversion has been completed and the system is pushed to the Production environment.

The work was completed on _____ and accepted by Customer.

Accepted by:

(City of _____): _____ Date: _____

Title: _____

(PerfectMIND): _____ Date: _____

Title: _____

Fee Payment Schedule

Schedule Target Dates	Milestones & Deliverable	Amount	Payment Date
June 21, 2016	<p>Upon signing of the agreement</p> <ul style="list-style-type: none"> • Contract Signature and Execution • Payments due: – 	\$10,000	Upon signing of the Agreement
July 2016	<p>Project Kick off (Milestone 1)</p> <ul style="list-style-type: none"> • Planning of the project kick off/discovery session • Resourcing and Scheduling for the discovery phase • Preliminary review of the requirements by the project team prior to the first meeting • Creation of the live production environment 	\$5,000	Upon completion of Acceptance Form A
July-Aug 2016	<p>Project Initiation (Milestone 2)</p> <ul style="list-style-type: none"> • Discovery phase • Project work breakdown structure • Initiation of tasks listed under “Scope/Project Management and Planning” 	\$5,000	Upon completion of Acceptance Form B
Aug-Sep 2016	<p>Software Configuration and Reports (Milestone 3)</p> <ul style="list-style-type: none"> • Application configuration and setup • Security and roles configuration • Setup workflows and business rules <p>Configuration and creations of the reports</p>	\$5,000	Upon completion of Acceptance Form C

Sep 2016	<p>User Acceptance Testing (Milestone 4)</p> <ul style="list-style-type: none"> • System functions • Work flows and business rules • Reports 	\$5,000	Upon completion of Acceptance Form E
Aug-Sep, 2016	<p>Training (Milestone 5)</p> <ul style="list-style-type: none"> • System administrators have been trained on all aspects of system configuration, individual and role-based security profiles, enterprise silo security settings and configurations, document template creation, and report queries and changes. • System administrators are able to complete new configuration items with minimal assistance from PerfectMIND. • End users have been trained on all aspects of the system and can complete tasks within the system. <p>Training materials and online learning center access have been delivered</p>	\$8,000	Upon completion of Acceptance Form F
Oct 1, 2016	<p>Go-live-Phase 1 (Milestone 6) The system is pushed to the Production environment.</p>	\$10,000	Upon completion of Acceptance Form G
April 2017	<p>Go-live-Phase 2 (Milestone 7) The system is pushed to the Production environment.</p>	\$25,234	Upon completion of Acceptance Form G
Total (Implementation and first year subscription)		\$73,234	

The above fees do not include any travel, living or any other out-of-pocket expenses incurred by PerfectMIND in providing Professional Services. Customer will reimburse PerfectMIND for all reasonable travel, living and other out-of-pocket expenses incurred by PerfectMIND's employees and permitted subcontractors in providing the Professional Services, such expenses not to exceed \$17,000. All such expenses for which PerfectMIND seeks reimbursement will be supported by documentation in a form reasonably acceptable to Customer.

EXHIBIT C
PerfectMIND Rate for Professional Services

Optional Services	Unit Price	Description
Importation of Data	\$150/hr	Upon termination of this Agreement, PerfectMind shall supply to Customer a basic export of the complete data in a format suitable for importation. Anything beyond will be charged at this rate.
Professional Services	\$150/hr	Services outside the agreed to Statement of Work that requires additional resourcing to accommodate Customer's requests (other than development/programming).
Integration to third party software	\$250/hr	Processing Integration with the Customer's preferred payment processor.
Training	\$150/hr	Any future additional training requested outside the Statement of Work.
Development	\$250/hr	Services outside the agreed to Statement of Work that requires additional development (programming).

The above fees do not include any travel, living or any other out-of-pocket expenses incurred by PerfectMIND in providing Professional Services. Customer will reimburse PerfectMIND for all reasonable travel, living and other out-of-pocket expenses incurred by PerfectMIND's employees and permitted subcontractors in providing the Professional Services, such expenses not to exceed \$17,000. All such expenses for which PerfectMIND seeks reimbursement will be supported by documentation in a form reasonably acceptable to Customer.

EXHIBIT D

Service Levels

1. Platform Uptime.

The Platform will achieve a system uptime performance level of 99.9% during the Operation Hours on an annual basis inclusive of any downtime caused by the underlying telecommunication services provider. In this Exhibit, "Operation Hours" means 6 am to midnight Pacific Time, seven days a week.

PerfectMind will only be responsible for its Platform uptime performance levels and will not be responsible for any failure due to a failure of Customer's system(s) or a Force Majeure event as described in Section 10.7 of this Agreement, and such failures shall not be counted against PerfectMind's required system uptime performance levels.

PerfectMind may, upon not less than seven (7) days' prior written notice to Customer, which may be email notification, cause the Platform to be unavailable for a period of time not to exceed 12 consecutive hours ("Planned Maintenance"). Planned Maintenance will be performed during the Maintenance Window, and not more than once per week, unless any such Planned Maintenance is a result of urgent events outside of PerfectMind's direct control in which case PerfectMind will provide as much notice as is practicable. Planned Maintenance will apply against PerfectMind's required uptime performance level unless (i) it is conducted during the Maintenance Window; or (ii) it is as result of remedial work necessary to address a material defect with third party software such as Microsoft® operating system or SQL server. In this Exhibit D, "Maintenance Window" means between 12:01 am and 6:00 am Pacific Time on any day.

If the Platform does not achieve the uptime performance level provided above during a twelve (12) month Performance Period, then Customer may request PerfectMind to issue to Customer a credit equal to \$50 for every hour or portion thereof of downtime in excess of what is permitted by the performance level ("Performance Credit").

To request Performance Credit, Customer shall deliver to PerfectMind notice in writing, no later than thirty (30) days after the last day of a Performance Period during which the availability of the Platform fell below the uptime performance level provided above, specifying the number of hours for which Performance Credit is requested. In this Exhibit, a Performance Period is the twelve (12) month period commencing on the date of this Agreement or on each subsequent one-year anniversary of the date of this Agreement.

To the extent that PerfectMind does not receive timely notice from Customer as provided above, PerfectMind shall have no further obligation to provide Customer with any Performance Credit and Customer shall be deemed to have waived and released PerfectMind from any and all claims related to Platform's uptime or Customer's use or non-use of the Platform during the applicable Performance Period.

2. Technical Support.

Following the reporting of a problem by Customer's technical support personnel either via phone call or email PerfectMind's technical support, PerfectMind will respond to the problem in accordance with the incident level and provide a fix to the problem all in accordance with the table set forth below:

24x7x365 Technical Support		
Description	Response time	Resolution Time
Customer report an incident via phone, email, or chat	A live agent will immediately discuss the issue with Customer	85% of the incidents are currently addressed on the first call
The initial call requires escalation to Level II	The initial call will be transferred to a Sr. live agent to further discuss the incident with the customer	95% of the escalated calls to level II are addressed within the first call
The escalated call to Level II requires escalation to the Development team	Level II agent create a case for the development team to further investigate the incident	Resolution time will follow the SLA table below

Service Level Agreement		
Incident Level	Description	Resolution Time
Critical	This incident level is attained when the following conditions are met: <ul style="list-style-type: none"> - Complete inability to use the Platform; or - A reoccurring temporary inability to use the Platform 	Within the <u>same business day</u>
High	This incident level is attained when the following conditions are met: <ul style="list-style-type: none"> - A significant degradation of the significant features or functions available on the Platform - Recent modifications to the Platform cause some significant features or functions to operate inconsistently 	Within <u>24 hours</u>
Low	This incident level is attained when the following conditions are met: <ul style="list-style-type: none"> - A minor degradation of some significant features or functions; or a degradation of some secondary features or function occurs 	These issues will be reviewed and prioritized according to the severity of the issue. An accurate estimate will be provided to the customer within a week after the incident is reported

EXHIBIT E

Platform Features and Functionalities

PerfectMind's Platform will include the following features and functionalities:

- **Built-In Reporting Engine**
A built-in reporting engine to help the customer to create reports.
- **Integrated Workflow Engine**
Generate workflows to streamline your team's processes and communications
- **Business App Store**
PerfectMind is adaptable through our community-driven App Store.
- **Open API**
Having access to an adaptable integration with external apps allows fluid interconnectivity and collaboration across platforms
- **Data Security, Auditing and Permissions**
The ability to control app-level access, user auditing, user time limits, specific IP access, as well as group- and role-based data permissions.
- **Multi-Site Management & Reporting**
To allow client to manage multiple sites from one account.
- **24/7 Customer Service**
PerfectMind provides 24x7 operation support using live agents/chat/email.

Recreation Management Features:

- **Facility booking and Scheduling**
PerfectMind booking takes care of conflict and contract management, recurring bookings, equipment and rental inventory, capacity management and more. Your staff and your members can schedule events online or on-site. PerfectMind lets you manage facility dependencies, availability, and multiple rates. Customers can book using desktop, tablet or mobile devices on all popular web browsers.
- **Membership Management**
This allows you to manage families, multiple memberships, and related contacts.
- **Document Management**
You can create, save, print, upload and manage your documents for your organization in the cloud. Sign waivers, contracts, and other documents electronically with a digital signature and store them safely in the cloud.
- **Staff Management**
You can view all your staff schedules in one master calendar. PerfectMind provides your staff with the ability to make their own schedule and to adjust availability for vacations and time off. Manage staff wages, commissions, hours, availability and much more. Restrict access permissions for users and groups to improve security.
- **Activity Registration**
Online or on-site registration for all types of bookings including courses, private lessons, drop-in and flexible registrations to accommodate your needs. Intelligent conflict management gives you the flexibility to readily make changes to events.

- **POS and Inventory Management**
To sell products, service or event online or on-site using cutting-edge features within inventory and sales management. Track purchase orders and inventory.
- **Attendance Tracking and Check-in**
Allow customers to scan or check themselves in at the front desk using a kiosk, or manually check-in with a staff member. Improve retention with live class statistics, and much more. Guest check-ins allow for quick processing to non-members or during busy periods.
- **Calendar**
Flexible, multi-functional calendar with drag-and-drop functionality to make changes and updates to events, activities and facility booking. You can also view multiple facilities, locations and courses.
- **Marketing**
A built-in, fully-functional email solution replaces the need for any additional email applications so you can streamline your marketing for programs, campaigns, and personalized operation emails. Increase signups and enrollments using loyalty and referral programs. You can also have access to simple and customizable landing pages and lead-capture forms.
- **Task Management**
To schedule automated and recurring tasks with alerts to stay up-to-date, organized and focused. Set reminders based on predefined or custom triggers
- **Reports**
PerfectMind's built-in reporting engine enables you to create, customize and run reports. Create and schedule custom financial, attendance, utilization, and marketing reports all from the same interface. View real-time analytics and historical data in tabular or graphical format. All reports can be exported for use in a third-party application.
- **Account management**
To keep track of your clients and contacts including organizations and families
- **League Management**