

KCS WORKSHOP LICENSE AGREEMENT

This KCS Workshop Agreement (the “Agreement”) is made by and between The Consortium for Service Innovation, a Washington non-profit corporation, located at 751 Laurel Street, Suite 533, San Carlos, California 94070-3113 (“CSI”) and _____, a _____, located at _____ (“Licensee”) as of the latest date signed by the parties (the “Effective Date”). The parties agree as follows:

1. Definitions. In addition to capitalized terms defined elsewhere in this Agreement, the following capitalized terms will have the meanings set forth below:

1.1 “Display Materials” means, with respect to each Workshop, the PowerPoint deck provided by CSI for display and presentation use at such Workshop as specified in Exhibit A.

1.2 “Handouts” means, with respect to each Workshop, the handouts, spreadsheets, charts and graphs provided by CSI for distribution to attendees at such Workshop as specified in Exhibit A. These materials are provided in electronic form and are the responsibility of the Licensee to print.

1.3 “Instruction Guide” means, with respect to each Workshop, the instructor’s manual or guide provided by CSI for such Workshop as specified in Exhibit A.

1.4 “KCS Verification Process” means the process specified by CSI for determining compliance with the KCS Verified Standards, which may include, but is not limited to, successful completion of training with CSI.

1.5 “KCS Verified Instructor” means an individual designated by CSI who has completed the KCS Verified Process and maintains a current status of “KCS Verified.”

1.6 “KCS Verified Trademarks” means KCS VERIFIED and the KCS Verified logo.

1.7 “KCS Verified Standards” means CSI’s standards for knowledge management practices and methodologies.

1.8 “Workshop” means a workshop as specified in Exhibit A that complies with the KCS Verified Standards.

1.9 “Workshop Materials” means the Instruction Manual, Display Materials and Distributable Materials, and any Supplemented Display Materials and Supplemented Handouts.

2. License.

2.1 Grant of License.

(a) Subject to Licensee’s compliance with the terms and conditions herein, CSI grants to Licensee a non-exclusive, personal and nontransferable (with no right to sublicense) license, during the term of this Agreement, to use the KCS Verified Trademarks in connection with the promotion, marketing, offer, conduct and provision of Workshops and to identify the Workshop Materials.

(b) Subject to Licensee’s compliance with the terms and conditions herein, CSI grants Licensee a nonexclusive, personal and nontransferable (with no right to sublicense) license, during the term of this Agreement, to (a) reproduce and use the Instruction Manual for each Workshop for its own internal use in training and preparing for such Workshop; (b) add to, or combine with, the Display Materials and

Handouts complementary training/educational material or supplemental information in the nature of examples and incremental experience, but without modifying the original definition and scope of the KCS practices model or the definitions of the practices themselves. Display Materials and Handouts (respectively, “Supplemented Display Materials” and “Supplemented Handouts”), provided that Supplemented Display Materials and Supplemented Handouts are consistent with the KCS Verified Standards; (c) display the Presentation Materials for each Workshop and, subject to Section 3.2, corresponding Supplemented Presentation Materials to attendees at such Workshop; and (e) reproduce and distribute Handouts for each Workshop and, subject to Section 3.2, Supplemented Handouts, in each case in hard copy form only (e.g., paper and printed materials) to attendees at such Workshop. Any updates and/or upgrades to the Workshop Materials that Licensee may receive from CSI will be governed by the terms and conditions of this Agreement. However, CSI has no obligation to create any such updates or upgrades and can do so at solely at CSI’s discretion.

2.2 Requirements and Restrictions.

(a) Workshops covered by this agreement may only be delivered by a KCS Verified v4 Trainer designated by the Consortium (see Exhibit B).

(b) Licensee will not display the Display Materials (or Supplemented Display Materials) outside of applicable Workshop, and will not distribute any Handouts (or Supplemented Handouts) other than to individual attendees at the applicable Workshops. Licensee will not sublicense any of the rights granted herein or attempt to grant other rights to the Workshop Materials or KCS Verified Trademarks to any third party.

(c) For each Workshop, Licensee will use, display, print and distribute the applicable Workshop Materials, as may be modified by CSI from time to time, in the conduct of such Workshop to the extent licensed under Section 2.1.

(d) Licensee will not delete, remove, modify, obscure, fail to reproduce or in any way interfere with any proprietary, trade secret, or copyright notice appearing on or incorporated in any Workshop Materials. Licensee will use the titles of the respective Workshops and Workshop Materials and CSI’s KCS Verified Trademarks to identify or refer to the Workshops and Workshop Materials at all times and will not create, develop or use any other KCS Verified Trademarks or names in connection with the Workshops or Workshop Materials without CSI’s prior written approval.

(e) Licensee shall not use, register or attempt to register any company name, product name, domain name, user name, email address or URL incorporating any KCS Verified Trademark or any word or combination of letters similar to any KCS Verified Trademark.

3. Quality Control.

3.1 Workshops. Licensee will prepare, offer, promote, market, conduct, provide and sell the Workshops and will use the KCS Verified Trademarks only with Workshops offered by Licensee that comply with the KCS Verified Standards. Licensee will always maintain the quality of the Workshops at a level specified by and satisfactory to CSI. Licensee will permit CSI to attend and inspect the Workshops, Workshop Materials, Marketing Materials and/or the use of KCS Verified Trademarks at all reasonable times and on prior written notice.

3.2 Supplemented Workshop Materials. If requested by CSI, Licensee will submit to CSI samples of copies of all Supplemented Display Materials and Supplemented Handouts that it intends to display or distribute. The quality of the Supplemented Display Materials and Supplemented Handouts will be

deemed acceptable to CSI unless specific objection is given to Licensee within two (2) weeks of the time of inspection.

3.3 Marketing Materials. Licensee will submit to CSI representative samples of advertisements and promotions, brochures, event announcements and other materials that display or that Licensee intends will display any KCS Verified Trademarks (“Marketing Materials”) and all material changes to any Marketing Materials for CSI’s review. The quality of Marketing Materials will be deemed accepted only upon the written approval of CSI, and Licensee will use the KCS Verified Trademarks only with such Marketing Materials specifically approved in writing by CSI, which may be via email.

4. Non-compete

4.1 Licensee agrees not to create their own workshops that in whole or in part use the materials covered in section 1 or curriculums that CSI has licensable offerings for without prior written approval from CSI. Workshops the Licensee offers that existed prior to the effective date of this agreement and include materials covered by this license must be reviewed by CSI for Non-compete compliance.

5. Use of KCS Verified Trademarks

5.1 Licensee will only use the KCS Verified Trademarks to identify, label and promote Workshops and Workshop Materials that comply with the KCS Verified Standards. Except for such identification, Licensee will not at any time do, or cause to be done, any act or thing in any way which may suggest, directly or indirectly, that (i) CSI endorses, approves or sponsors Licensee or any other products or services of Licensee, including without limitation, any judgment or determination by CSI with respect to Licensee’s Workshops relative to any other party or workshops with which CSI has authorized use of the KCS Verified Trademarks; or (ii) that Licensee is for any purposes an agent of CSI.

5.2 Licensee will comply with CSI’s instructions and directions regarding the use, appearance and placement of KCS Verified Trademarks, including without limitation, any style guide or KCS Verified Trademark usage guidelines that may be provided or updated by CSI from time to time.

5.3 The KCS Verified Trademarks will further be used only in conformance with the following guidelines: (a) the KCS Verified Trademarks are proper adjectives and should be followed by generic terms, e.g., Licensee’s KCS Verified workshop; (b) the KCS Verified Trademarks should not be pluralized; (c) the KCS Verified Trademarks should not be used in the possessive form; (d) the KCS Verified Trademarks are never verbs; and (e) the KCS Verified Trademarks should always be set off from surrounding text by using initial capital letters, all capital letters, quotation marks, italics or other different type font.

5.4 Licensee will not alter the nature or design of the KCS Verified Trademarks in any way and will not use the KCS Verified Trademarks in the creation of a composite trademark or associate it with another trademark or name used by Licensee, unless prior written consent is obtained from CSI.

6. Royalty Payments

6.1 Royalties. In consideration of the licenses and rights granted herein, Licensee will pay CSI a royalty (“Royalty”) as specified in Exhibit A for each individual registered or attending each Workshop.

6.2 Reporting. Licensee will report each Workshop that it conducts to CSI within five (5) days of completion of such Workshop and the number of registrants and attendees.

6.3 Invoices and Payment. CSI will invoice Licensee for Royalties accrued, and Licensee will pay invoices within 45 days of invoice date. All amounts past due will bear interest at the lesser of one and one-half percent (1.5%) per month or the highest interest rate allowable under applicable law.

6.4 Books and Records. Licensee will prepare and maintain complete and accurate books and records sufficient to verify its compliance or non-compliance with its payment and other obligations under this Agreement. During the term of this Agreement and for a period of three (3) years thereafter, CSI will have the right to audit, inspect and copy those books and records maintained by Licensee upon at all reasonable times and on prior written notice. If the audit establishes an underpayment to CSI, then Licensee will promptly pay CSI the amount of the underpayment plus interest from the date past due and reimburse CSI for the cost of the audit.

7. Disclaimers; Limitation of Liability.

7.1 THE WORKSHOP MATERIALS AND KCS VERIFIED TRADEMARKS ARE PROVIDED "AS IS," WITHOUT WARRANTY OF ANY KIND. CSI DISCLAIMS ALL WARRANTIES, EITHER EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT.

7.2 IN NO EVENT WILL CSI BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, SPECIAL, OR INCIDENTAL DAMAGES (INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR BUSINESS INTERRUPTION) ARISING OUT OF THIS AGREEMENT OR THE USE OR INABILITY TO USE ANY WORKSHOP MATERIALS OR KCS VERIFIED TRADEMARKS, EVEN IF CSI HAS BEEN ADVISED OR THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT WILL CSI'S AGGREGATE LIABILITY FOR ALL DAMAGES RELATED TO THIS AGREEMENT, WHETHER UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY, EXCEED THE ROYALTIES PAID BY LICENSEE TO CSI IN THE MOST RECENT TWELVE (12) MONTHS OF THE AGREEMENT.

8. Indemnity. CSI assumes no liability to Licensee or to third parties with respect to the Workshops prepared, offered, promoted, marketed, conducted, provided and/or sold by Licensee or the use, display or distribution of the KCS Verified Trademarks, Workshop Materials or Marketing Materials. Licensee agree to indemnify, defend and hold harmless CSI and its officers, directors, employees, agents, contractors, volunteers, co-authors and licensors from any and all claims, actions, losses, liabilities, damages, costs and expenses (including without limitation attorneys' fees) resulting from or incidental to (a) Licensee's negligence or willful misconduct, or (b) Licensee's breach of this Agreement, including any representation, warranty or covenant hereunder. Licensee will not settle any such claim or action without CSI's prior written consent. CSI may participate in the defense or settlement of the claim at its own expense with counsel of its choosing. The foregoing obligations do not apply to the extent that any KCS Verified Trademark infringement claim is based on Licensee's use of the KCS Verified Trademarks as permitted under, and in accordance with the requirements of, this Agreement or any copyright infringement claim based on the use of the Workshop Materials (excluding the Supplemented Display Materials and Supplemented Handouts) as permitted under, and in accordance with the requirements of, this Agreement. Licensee agrees to carry a general insurance policy with limits of at least One Million Dollars (\$1,000,000) per occurrence.

9. Term and Termination.

9.1 Term. Except as otherwise provided herein, this Agreement will remain in full force and effect

for a term of one year from the Effective Date of this Agreement. This Agreement may be extended for subsequent one year terms upon the parties' written agreement. CSI's agreement to extend this Agreement may require Licensee's successful re-completion of the KCS Verification Process or other demonstration, to the satisfaction of CSI, of Licensee's continued compliance with the KCS Verified Standards.

9.2 Insolvency. CSI may terminate this Agreement in the event that Licensee: (a) applies for or consents to the appointment of a receiver, trustee, or liquidator for all or a substantial part of Licensee's assets; (b) is unable to, or admits in writing its inability to, pay its debts as they mature; (c) makes a general assignment for the benefit of creditors; (d) has any petition under any bankruptcy law filed against it, which petition is not dismissed within 60 days of such filing, or is adjudicated bankrupt or insolvent; or (e) files a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement for the benefit of creditors, or takes advantage of any insolvency law in its capacity as a debtor. In the event that the foregoing clause is held to be unenforceable, then the trustee in bankruptcy or debtor in possession, as applicable, will be able to maintain this Agreement only if the trustee or debtor in possession abides by all of the provisions herein; and failure to do so will be a material breach of this Agreement.

9.3 Breach. CSI may terminate this Agreement upon thirty (30) days prior written notice if the Licensee is in material breach, or in the case of nonpayment five (5) days prior written notice, of this Agreement and Licensee fails to remedy such breach to CSI's satisfaction within such notice period.

9.4 Immediate Termination. Notwithstanding Section 8.3, CSI may terminate this Agreement upon written notice to Licensee if (a) Licensee violates the scope or limitations on its license under Section 2 of this Agreement; (b) Licensee's certification of compliance with KCS Verified Standards expires or terminates for any reason; or (c) Licensee fails to comply with the quality control provisions of Section 3.

9.5 Effect of Termination.

(a) Upon termination of this Agreement for any reason, all rights granted to Licensee hereunder will automatically terminate. Licensee will return or destroy, as directed by CSI, all Workshop Materials, Marketing Materials and other information and materials provided by CSI, in Licensee's possession or control. Licensee agrees to certify its compliance with the foregoing requirements upon CSI's request.

(b) Neither party will be liable to the other party for any termination or expiration of this Agreement in accordance with the terms hereof, including loss of goodwill, prospective profits or anticipated sales, or any expenditures, investments, leases or commitments made hereunder or for any other reason. Each party acknowledges and agrees that it has no expectation and has not received any assurances that its business relationship with the other party will continue beyond the stated term of this Agreement or its earlier termination in accordance herewith.

10. Proprietary Rights.

10.1 The Workshop Materials and KCS Verified Trademarks are protected by copyright, KCS Verified Trademark and/or other intellectual property laws and are owned exclusively by CSI (and/or its licensors and co-authors, if any). Nothing in this Agreement will be construed or interpreted as granting to Licensee any rights of ownership or any other proprietary rights in or to the Workshop Materials and KCS Verified Trademarks or any modifications, translations or other derivative works or changes thereto, including any Supplemental Display Materials and/or Supplemental Handouts made by Licensee pursuant to this Agreement. Licensee will, at Licensee's own cost and expense, protect and defend CSI's (and/or its licensors and co-authors, if any) ownership of the Workshop Materials and KCS Verified Trademarks against all claims, liens and legal processes of Licensee's creditors and will keep the Workshop Materials

and KCS Verified Trademarks free and clear of all such claims, liens and processes. ALL RIGHTS NOT EXPRESSLY GRANTED HEREIN ARE RESERVED TO CSI.

10.2 In connection with the use of the Workshop Materials and KCS Verified Trademarks, Licensee will not in any manner represent that it has any ownership in the Workshop Materials and KCS Verified Trademarks or any registration or applications therefor. Licensee acknowledges that all uses of the KCS Verified Trademarks by Licensee will inure to the benefit of CSI.

10.3 Licensee acknowledges that, from time to time and without prior notice to Licensee, it may be necessary or desirable for CSI to modify certain elements of the KCS Verified Trademarks, to add additional elements to the KCS Verified Trademarks, or to discontinue use of some or all of the elements thereof. Accordingly, CSI does not represent or warrant that the KCS Verified Trademarks or any elements thereof will be maintained or used in any particular fashion. Any new elements or modifications to existing elements used by CSI following the execution of this Agreement will be included as the KCS Verified Trademarks. In the event that CSI alters any KCS Verified Trademarks, or portion thereof, Licensee will, after written notice from CSI, Licensee will implement such modifications within 30 days.

10.4 Licensee shall hold in confidence the Instruction Manuals and any other nonpublic information provided by CSI pursuant to this Agreement (collectively "Confidential Information"), shall not use or disclose to any third party, and shall take all necessary precautions to secure the Confidential Information. In accordance with this provision, Licensee shall maintain at least the same precautions as it takes in regard to its own confidential information. Licensee's disclosure of such information shall be restricted to its employees who have a need to know for Licensee's performance under this Agreement and who have been advised of their obligation with respect to Confidential Information. If Licensee has any questions as to what comprises such Confidential Information, Licensee shall consult with CSI.

10.5 Because of the unique nature of the Workshop Materials, KCS Verified Trademarks and Confidential Information, Licensee understands and agrees that CSI will suffer irreparable injury in the event Licensee fails to comply with any of the terms of this Agreement and that monetary damages may be inadequate to compensate CSI for such breach. Accordingly, Licensee agrees that CSI will, in addition to any other remedies available to it at law or in equity, be entitled to injunctive relief, without posting a bond, to enforce the terms of this Agreement.

11. Publicity. Licensee may, with CSI's prior written consent, issue a press release indicating that it has successfully completed the KCS Verification Process and is certified by CSI as meeting the KCS Verification Standards for conducting Workshops. Licensee shall not, without the prior written consent of CSI, refer to CSI or use the CSI name in press releases, advertising or other public or promotional statements. CSI may use Licensee's name to publicly disclose and identify Licensee has having achieved certification of compliance with KCS Verified Standards for conducting Workshops, including without limitation on its website and in promotional and other materials.

12. General.

12.1 Licensee may not assign its rights or delegate its obligations under this Agreement, in whole or in part, without the prior written consent of CSI. CSI's rights and duties under this Agreement are freely assignable. Any attempted assignment, transfer, or delegation in contravention of this Section of the Agreement will be null and void. The Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

12.2 The parties have read this Agreement, including Exhibit A which is incorporated herein by reference, and agree to be bound by its terms, and further agree that it constitutes the complete and entire agreement of the parties and supersedes all previous communications, oral or written, and all other

communications between them relating to the subject hereof. No supplement, modification, or amendment of this Agreement will be binding, unless agreed upon in writing by the parties.

12.3 This Agreement will be governed in all respects by the law and statutes of the State of Washington without regard to its conflicts of laws principles. The exclusive jurisdiction and venue of any action under this Agreement will be in the state and federal courts of King County, Washington. Licensee hereby accepts the personal jurisdiction of such courts.

12.4 All notices and requests in connection with this Agreement will be in writing and sent via facsimile, recognized commercial messenger or delivery service. Notices will be deemed received upon written confirmation of delivery if sent by facsimile or signing for receipt of delivery if sent by messenger or delivery service. Notices will be sent to the parties at the addresses at the beginning of this Agreement. A party may change its address by giving the other party written notice in the manner set forth above.

12.5 Nothing in this Agreement will be construed to create a partnership or an employer-employee relationship for any reason whatsoever. Each party is acting as an independent contractor and not as an agent, partner, or joint venture with the other party for any purpose. Except as provided in this Agreement, neither party will have the right, power, or authority to act or to create any obligation, express or implied, on behalf of the other.

12.6 If any provision of this Agreement, or portion thereof, is found unenforceable, that provision of the Agreement will be enforced to the maximum extent permissible so as to effect the intent of the parties, and the remainder of this Agreement will continue in full force and effect. Failure by either party to enforce any provisions of this Agreement will not be deemed a waiver of future enforcement of that or any other provision.

12.7 The terms, conditions and warranties contained in this Agreement that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Agreement, including without limitation, Sections 5, 6, 7, 8.5, 9 and 11.

12.8 No waiver of any breach of any provision of this Agreement will constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provisions hereof, and no waiver will be effective unless made in writing and signed by an authorized representative of the waiving party.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

The Consortium for Service Innovation

Licensee

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A

Workshops

The following are the current Workshops covered by this license agreement, their corresponding Workshop Materials and their corresponding Royalties for Workshop registrants and attendees. The specific Workshops and their corresponding Workshop Materials may be updated by CSI from time to time. CSI will notify Licensee of any such updates or other changes and will provide copies of the updated Workshop Materials. Licensee will promptly discontinue use of any superceded or replaced Workshop Materials.

1. “KCS Foundations Workshop” (3 days) and/or “KCS Design Session” (3-4 days)
 - a. Instructor Reference Materials:
 - i. “Instructor’s Guide KCS Foundation Workshop” (Word)
 - b. Display Materials:
 - i. “KCS Foundations Workshop slide deck” (PowerPoint)
 - c. Handouts:
 - i. “KCS Foundations Workshop Handout” (PowerPoint)
 - ii. “KCS Foundations Exercise Worksheets” (PowerPoint)
 - iii. “KCS Performance Measurement Scenarios” (Excel)
 - iv. “Communications Exercise” (Word)
 - d. Royalty: \$100 (USD) for each individual registered or attending this Workshop

2. “Introduction to KCS” (1/2 – 1 day)
 - a. Instructor Reference Materials:
 - i. “Instructor’s Guide Introduction to KCS” (Word)
 - b. Display Materials:
 - i. “Introduction to KCS slide deck” (PowerPoint)
 - c. Handouts:
 - i. “Introduction to KCS Handout” (PowerPoint)
 - d. Royalty: \$35 (USD) for each individual registered or attending this Workshop

3. KCS Leadership Workshop (2 days)
 - a. Instructor Reference Materials:
 - i. “Instructor’s Guide: Management Workshop for KCS” (Word)
 - b. Display Materials:
 - i. “Management Workshop for KCS slide deck” (PowerPoint)
 - c. Handouts:
 - i. “Management Workshop Handout” (PowerPoint)
 - ii. “Management Workshop Exercise Worksheets” (PowerPoint)
 - iii. “KCS Measurement Scenarios” (Excel)
 - d. Royalty: \$150 (USD) for each individual registered or attending this Workshop
4. KCS Coach Development Workshop (2-3 days)
 - a. Instructor Reference Materials:
 - i. Exercise set up and debrief notes (Word)
 - b. Handouts:
 - i. KCS Coach Workbook (Word)
 - c. Royalty: \$150 (USD) for each individual registered or attending this Workshop
5. Knowledge Domain Expert Workshop (2 days)
 - a. Instructor Reference Materials:
 - i. Exercise set up and debrief notes (word)
 - b. Handouts:
 - i. Knowledge Domain Expert Workbook (Word)
 - c. Royalty: \$70 (USD) for each individual registered or attending this Workshop