



Services Agreement

This Services Agreement (the “**Agreement**”) is entered into as of the last date of signature (the “**Effective Date**”) by and between Craft Digital Ai LLC, a Colorado limited liability company (hereinafter referred to as “**Craft**”), and the entity agreeing to these terms via an SOW (hereinafter referred to as the “**Client**”). Craft and Client are collectively referred to as the “**parties**” and individually as a “**party**.” This Agreement sets forth the terms and conditions under which Craft agrees to provide services to Client as further described herein.

1. SCOPE OF SERVICES

Craft shall provide the services to Client (the “**Services**”) only as set forth in a mutually executed statement of work (“**SOW**”). Craft shall perform the Services in accordance with this Agreement and subject to the conditions set forth in the applicable SOW.

2. CLIENT RESPONSIBILITIES

Unless as otherwise set forth in an SOW, Client shall be responsible for the maintenance of all third-party platforms necessary for the execution of the Services. It is Client's duty to ensure that Craft is granted timely and appropriate access to these platforms to perform the Services effectively. Failure to maintain such platforms or to provide necessary access may result in delays or the inability of Craft to fulfill its obligations under this Agreement, and Client acknowledges that such failures shall not constitute a breach by Craft and may affect the overall timeline and success of the Services.

3. PAYMENT

Payment shall be due upon Client's receipt of the invoice issued by Craft or as otherwise set forth in an SOW. Invoices shall be sent to Client upon completion of the Services or as otherwise set forth in an SOW.

In the event that any invoice is not paid by Client within the specified thirty (30) day period, interest on the overdue amount shall accrue at the rate of 1% per month (12% per annum), or the maximum rate permitted by law, whichever is less, from the due date until the date of payment. Additionally, Craft may suspend Services until all outstanding amounts are paid in full.

All payments made under this Agreement shall be subject to all applicable taxes, duties, levies, charges, and assessments by any governmental authority, and Client shall be responsible for the payment of all such taxes, except for taxes on Craft's income.

4. THIRD-PARTY TOOLS AND PLATFORMS

This Agreement acknowledges that Craft may utilize third-party tools and platforms in the provision of Services to Client. Craft commits to using commercially reasonable efforts to maintain service level agreements (SLAs) for any tools or platforms it directly maintains. However, Craft makes no guarantees regarding uptime and shall not be held responsible for any downtime, including but not limited to downtime caused by scheduled maintenance, force majeure events, DNS outages, third-party service failures, or any other circumstances beyond the reasonable control of Craft. Craft will endeavor to notify Client of any significant changes to the tools or platforms used that may be detrimental to the Services.

5. ARTIFICIAL INTELLIGENCE TECHNOLOGY

5.1. **Use of AI Technologies.** Craft may utilize AI, including Large Language Models (“**AI Tools**”), in the performance of its Services. For purposes of this Agreement, “**Artificial Intelligence**” or “**AI**” means computer systems and software designed to perform tasks that typically require human intelligence, including but not limited to learning, reasoning, problem-solving, and content generation. “**Large Language Model**” or “**LLM**” means a type of AI system trained on vast amounts of text data to understand and generate human-like text.

5.2. **AI Disclaimer and Client Responsibilities.** Craft hereby disclaims all warranties, express or implied, in relation to outputs generated by AI Tools and the availability of third-party technologies used in providing the Services, including but not limited to warranties of accuracy, completeness, reliability, merchantability, or fitness for a particular purpose. Client acknowledges and agrees that: (a) AI-generated outputs may contain errors, inaccuracies, biases, or other defects; (b) AI Tools may produce results that are inconsistent, unpredictable, or inappropriate for Client's intended use; (c) Client bears sole responsibility for reviewing, validating, and verifying all AI-generated outputs before use or reliance thereon; and (d) Client's use of any AI-generated outputs is at Client's own risk. Craft makes no representations or warranties regarding the accuracy, completeness, reliability, suitability, or quality of AI-generated outputs or third-party services, and Client waives any claims against Craft arising from or related to the use of AI Tools or AI-generated content.

6. INTELLECTUAL PROPERTY

6.1. **Craft IP.** Craft retains all rights, title, and interest in and to any intellectual property ("**Craft IP**") created, developed, or otherwise coming into existence as a result of or in connection with the Services, including without limitation all processes, methodologies, tools, templates, and know-how developed by Craft, as well as all pre-existing Craft IP. Craft grants Client a non-exclusive, non-transferable, non-sublicensable, revocable, limited license to use Craft IP solely to the extent necessary for Client to utilize the deliverables provided under this Agreement and for the term set forth in this Agreement or the applicable Statement of Work. This license does not include the right to sublicense, sell, modify, create derivative works, reverse engineer, or otherwise transfer the Craft IP to any third party without the prior written consent of Craft. Upon the expiration or termination of this Agreement, the license granted herein shall automatically terminate, and Client shall immediately cease all use of Craft IP and return or destroy all copies of Craft IP in its possession or control, at Craft's sole discretion, and provide written certification of such destruction within ten (10) days. Notwithstanding the foregoing, Craft has no intellectual property rights to Client IP (defined below) or output generated from Client IP.

6.2. **Client IP.** Client retains all rights, title, and interest in and to any intellectual property owned by Client prior to this Agreement or developed independently of the Services, including without limitation all Client data, materials, and pre-existing IP provided to Craft ("**Client IP**"). Client grants Craft a non-exclusive, non-transferable, non-sublicensable, revocable, limited license to use Client IP solely to the extent necessary for Craft to perform the Services and for the term set forth in this Agreement or the applicable SOW. This license does not include the right to sublicense, sell, modify, create derivative works, or otherwise transfer the Client IP to any third party without the prior written consent of Client. Upon the expiration or termination of this Agreement, the license granted herein shall automatically terminate, and Craft shall immediately cease all use of the Client IP and return or destroy all copies of the Client IP in its possession or control, at Client's sole discretion, and provide written certification of such destruction within ten (10) days.

6.3. **Feedback.** Client hereby grants Craft a perpetual, irrevocable, worldwide, royalty-free, fully paid-up, non-exclusive license to use, reproduce, modify, distribute, and fully exploit any feedback provided by Client ("**Feedback**") for any purpose, including but not limited to, improving services and developing new features or products. Craft's use of such Feedback shall not include any Client Confidential Information or Client IP.

7. CONFIDENTIALITY

"**Confidential Information**" shall mean all information disclosed by one party to the other, whether orally or in writing, that is designated as confidential or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure. This includes, but is not limited to, business and marketing plans, technology and technical information, product plans and designs, and business processes disclosed by either party.

Both parties agree to: (a) maintain the confidentiality of the Confidential Information using at least the same degree of care as it uses to protect its own confidential information, but in no event less than reasonable care; (b) not use the Confidential Information for any purpose outside the scope of this Agreement; and (c) not disclose the Confidential Information to any third party, except to employees, contractors, and professional advisors who have a legitimate need to know and who are bound by confidentiality obligations at least as protective as those contained herein, or as may be necessary for the performance of this Agreement with the prior written consent of the disclosing party.

The obligations of confidentiality shall not apply to information that: (a) was in the public domain at the time it was disclosed or has entered the public domain through no fault of the recipient; (b) was known to the recipient, without restriction, at the time of disclosure, as demonstrated by files in existence at the time of disclosure; (c) is disclosed with the prior written approval of the disclosing party; or (d) is required to be disclosed by law or by the order of a court of competent jurisdiction or regulatory authority, provided that the disclosing party is given reasonable notice of such requirement and an opportunity to contest such disclosure.

8. DATA PRIVACY AND SECURITY

For systems Craft hosts, if any, Craft shall implement and maintain commercially reasonable security measures designed to protect against unauthorized access to or unauthorized alteration, disclosure, or destruction of data.

Notwithstanding the foregoing, Craft does not guarantee that unauthorized third parties will never be able to defeat those measures or use personal information for improper purposes. Therefore, Client acknowledges that data may be subject to third-party breaches of security and hereby releases Craft from any liability for any claim arising from such security breaches, provided that Craft has complied with its data and confidentiality obligations under this Agreement.

9. WARRANTY & DISCLAIMER

Craft warrants that the Services shall be performed in a professional and competent manner, consistent with generally accepted industry standards.

Except as expressly set forth in this Section, Craft disclaims all warranties, whether express, implied, statutory, or otherwise, including, but not limited to, any implied warranties of merchantability, fitness for a particular purpose, title, non-infringement, or any warranties arising from course of dealing, course of performance, or usage in trade. Craft does not warrant that the Services will be secure, uninterrupted, or error-free, nor does Craft make any warranty as to the results that may be obtained from the use of the Services.

10. INDEMNITY

10.1. Craft Indemnity. Craft shall indemnify, defend, and hold harmless Client and its affiliates, officers, directors, employees, agents, and representatives from and against any and all claims, damages, liabilities, losses, costs, and expenses (including reasonable attorneys' fees) arising out of or related to any third-party claim alleging that the deliverables provided by Craft developed under, and used in accordance with, this Agreement infringe or misappropriate any intellectual property rights of a third party, including but not limited to copyrights, trademarks, trade secrets, or patents. Craft's obligations under this indemnity are contingent upon: (i) Client promptly notifying Craft in writing of any such claim; (ii) Client granting Craft sole control over the defense and settlement of such claim, provided that Craft shall not settle any claim that requires Client's admission of fault or wrongdoing without Client's prior written consent, which shall not be unreasonably withheld; and (iii) Client providing reasonable assistance and cooperation to Craft, at Craft's expense, in the defense of such claim.

10.2. Client Indemnity. Client shall indemnify, defend, and hold harmless Craft and its affiliates, officers, directors, employees, agents, and representatives from and against any and all claims, damages, liabilities, losses, costs, and expenses (including reasonable attorneys' fees) arising out of or related to any third-party claim alleging that (i) the Client IP infringes or misappropriates any intellectual property rights of a third party, or (ii) the use of Craft IP by Client, in violation of this Agreement or applicable law, infringes or misappropriates any intellectual property rights, including but not limited to copyrights, trademarks, trade secrets, or patents. Client's obligations under this indemnity are contingent upon: (i) Craft promptly notifying Client in writing of any such claim; (ii) Craft granting Client sole control over the defense and settlement of such claim, provided that Client shall not settle any claim that requires Craft's admission of fault or wrongdoing without Craft's prior written consent, which shall not be unreasonably withheld; and (iii) Craft providing reasonable assistance and cooperation to Client, at Client's expense, in the defense of such claim.

11. LIMITATION OF LIABILITY

NOTWITHSTANDING ANY PROVISION TO THE CONTRARY WITHIN THIS AGREEMENT OR ANY OTHER APPLICABLE AGREEMENT, AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, EXCEPT FOR PAYMENT OBLIGATIONS UNDER THIS AGREEMENT, EACH PARTY'S TOTAL AGGREGATE LIABILITY TO THE OTHER PARTY FOR ANY AND ALL CLAIMS WHATSOEVER ARISING OUT OF OR RELATED TO THIS AGREEMENT, INCLUDING ANY CLAIM BASED ON BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER LEGAL OR EQUITABLE THEORY, SHALL BE LIMITED TO DIRECT DAMAGES ONLY AND SHALL NOT EXCEED THE TOTAL AMOUNT ACTUALLY PAID OR PAYABLE BY CLIENT TO CRAFT UNDER THIS AGREEMENT DURING THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE DATE OF THE EVENT GIVING RISE TO SUCH CLAIM.

NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS, LOSS OF REVENUE, LOSS OF DATA, LOSS OF USE, BUSINESS INTERRUPTION, LOSS OF BUSINESS OPPORTUNITY, COST OF SUBSTITUTE SERVICES, OR LOSS OF GOODWILL, WHETHER BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR ANY OTHER LEGAL THEORY, AND REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE OR SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

NOTHING IN THIS CLAUSE SHALL LIMIT OR EXCLUDE EITHER PARTY'S LIABILITY ARISING FROM ITS (I) INDEMNITY OBLIGATIONS, (II) GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, OR (III) PAYMENT OBLIGATIONS.

12. TERM AND TERMINATION

12.1. Term. This Agreement is effective as of the Effective Date and shall continue in full force and effect until the end of any applicable SOW. Additional SOWs may revive this Agreement by reference to it for the duration of such SOW.

12.2. **Termination.** Either party may terminate this Agreement immediately upon written notice if the other party breaches any material provision of this Agreement and fails to cure such breach within thirty (30) days after receiving written notice of such breach.

12.3. **Effects of Termination.** Upon termination, Client shall pay to Craft all outstanding fees for Services rendered up to the date of termination, in accordance with the payment terms previously agreed upon. In the event of termination, both parties agree to return or destroy all Confidential Information received from the other party during the term of this Agreement, except as required by law or for audit purposes. This obligations in this Section 12.3 shall survive the termination of this Agreement.

13. GENERAL

13.1. **Governing Law and Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, United States of America, without regard to its conflict of law provisions.

13.2. **Dispute Resolution.** This Dispute Resolution clause is designed to facilitate the amicable resolution of any disputes, controversies, or claims (collectively, "**Disputes**") arising out of or in connection with this Services Agreement, including any questions regarding its existence, validity, interpretation, breach or termination. The parties agree to the following steps:

The parties agree that any Dispute shall be resolved by binding JAMS arbitration in accordance with the JAMS Comprehensive Arbitration Rules & Procedures. The arbitration shall take place in California, and the decision of the arbitrator(s) shall be final and binding upon the parties. Each party shall bear its own legal fees, and the costs of arbitration shall be shared equally between the parties.

Notwithstanding the foregoing, either party may seek injunctive relief or other equitable remedies from a court of competent jurisdiction in California in the event of a breach of this Agreement that could cause irreparable harm.

This clause shall not preclude the parties from seeking remedies in small claims court for disputes or claims within the scope of its jurisdiction.

13.3. **Force Majeure.** Except for payment obligations for Services performed, neither party shall be liable for any failure or delay in the performance of its obligations under this Agreement if such failure or delay is caused by events beyond the reasonable control of such party, including but not limited to acts of God, natural disasters, pandemics, war, terrorism, civil unrest, governmental actions, labor strikes, or shortages of materials or supplies (each a "**Force Majeure Event**"). The party affected by a Force Majeure Event shall promptly notify the other party of the occurrence of such event and shall use commercially reasonable efforts to resume performance as soon as practicable. If the Force Majeure Event continues for a period of thirty (30) consecutive days, either party may terminate this Agreement upon written notice to the other party, without further liability, except for payment obligations incurred prior to the Force Majeure Event.

13.4. **Waiver.** The failure of either party to enforce any right or provision of this Agreement will not be considered a waiver of those rights. If any provision of this Agreement is held to be invalid or unenforceable by a court, the remaining provisions of this Agreement will remain in effect. This Agreement constitutes the entire agreement between the parties regarding its subject matter and supersedes and replaces any prior agreements, oral or written, between the parties regarding such subject matter.

13.5. **Notices.** Notices required or permitted to be given under this Agreement shall be in writing and delivered to the parties at the addresses set forth in this Agreement or at such other address as may be specified by either party in written notice to the other. Notices shall be deemed given when received, if personally delivered; when receipt is electronically confirmed, if transmitted by email; or upon receipt, if sent by certified or registered mail, return receipt requested.

13.6. **Assignment.** This Agreement may not be assigned by either party without the prior written consent of the other party, except that either party may assign this Agreement without consent in connection with a merger, acquisition, reorganization, or sale of all or substantially all of its assets or business to which this Agreement relates. Any attempted assignment in violation of this section shall be null and void.

13.7. **Survival.** In addition to those provisions explicitly referencing survival post-termination of this Agreement, any provisions of this Agreement that the parties intend to, or by their nature must, survive termination or expiration of this Agreement shall so survive.

13.8. **Amendments.** Any amendment to or waiver of this Agreement must be in writing and signed by the parties. No waiver of any provision of this Agreement, or any rights or obligations of either party under this Agreement, will be effective, except pursuant to a written statement signed by the party waiving compliance.

13.9. **Entire Agreement.** This Agreement, including any exhibits, schedules, and statements of work attached hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations, and discussions, whether oral or written, between the parties. No amendment or modification of this Agreement shall be effective unless in writing and signed by both parties. The parties acknowledge that they have not relied upon any representations, warranties, or agreements, other than those expressly set forth in this Agreement.