PARCHMENT SERVICES AGREEMENT

This Parchment Services Agreement ("Agreement") is entered into by and between Parchment Inc., a Delaware corporation having a principal place of business at 7001 N. Scottsdale Road, Suite 1050, Scottsdale, AZ 85253 ("Parchment") and the University of North Carolina System Office, (UNCSO) on behalf of itself and it constituent institutions, with its principal place of business at 910 Raleigh Road, P.O. Box 2688, Chapel Hill, NC 27514. Parchment and UNCGA may be referred to herein as the “Parties” and each, a “Party.”

1. **Definitions.** Other capitalized terms used herein shall have the meanings set forth in the terms and conditions attached hereto as Exhibit A.
   a. "Confidential Information" means any non-public material or information relating to a Party which it discloses or makes available to the other Party under this Agreement, including, by way of example, research, strategies, inventions, processes, formulas, technologies, designs, drawings, finances, or other non-public information or trade secrets that such disclosing Party treats as proprietary or confidential.
   b. "Eligible Schools" refer to the 17 University of North Carolina campuses listed on Exhibit B and any future UNC campuses.
   c. "Parchment Services" refers to the Parchment digital credential exchange services as described in the services description attached to the School Order Form.
   d. "School Order Form" means an order form substantially in the form attached as Exhibit A, signed between an Eligible School and Parchment.

2. **Fees and Expenses.** The Credential Owner (e.g. student) will pay a request fee of $2.50 per Credential request, which includes electronic delivery and fulfillment of the Credential (as defined in the School Order Form). Parchment offers print and paper delivery services for additional fees in excess of the Credential request fee, which may be selected on the School Order Form. Each party shall bear all expenses incurred in performance of its rights and obligations hereunder.

3. **Contact.** UNCSO shall designate a management level individual ("Contact") with full authority to administer UNCSO responsibilities hereunder and the Parchment Services. Parchment may rely on the actions of the Contact.

4. **Parchment Services.** Upon execution of a School Order Form by an eligible listed on Exhibit B hereto, Parchment shall implement and provide access to the Parchment Services to such Eligible School pursuant to such School Order Form, and the terms and conditions attached thereto, in accordance with the pricing set forth in Section 2 of this Agreement. Any work performed outside this Agreement shall be performed pursuant to a separate amendment, and Parchment will have no obligations to perform any such work.
   a. Parchment and UNCSO agree and acknowledge that this Agreement is intended to serve as an enabling agreement for Eligible Schools to order Parchment Services pursuant to this Agreement. In the event an Eligible School has a pre-existing agreement with Parchment, that agreement will continue in effect in accordance with its terms, including without limitation all pricing terms, until amended or terminated.
   b. The Parties will work together to raise awareness of the Parchment Services and its potential benefits to Eligible Schools.
   c. UNCSO shall not make any representations, warranties or guarantees with respect to the Parchment Services, Parchment, or any of Parchment’s obligations to any third party that are not consistent with the terms of this Agreement.
5. **Term.** Unless earlier terminated as provided herein, the term of this Agreement shall commence upon the date last signed below ("Effective Date") date of signature for a one (1) year period (the "Initial Term"), at which point it may be renewed by written agreement for successive one (1) year terms unless either party provides notice of its intent not to renew at least thirty (30) days prior to the end of the then-current term. Sections 7, 8, 9, 10, 11 and 12 will survive termination or expiration of this Agreement.
   a. **Termination Upon Breach.** This Agreement may be terminated by either UNCSO or Parchment, upon a material breach of any provision of this Agreement by the other party, which breach remains uncured for more than thirty (30) days after the non-breaching party provides written notice thereof.
   b. **Termination by UNCSO.** In the event UNCSO makes a good faith determination that it must terminate the Agreement due to a lack of authority of the governing body of UNCSO to continue the Agreement or otherwise based on the reasonable determination of UNCSO, then UNCSO may terminate this Agreement upon ninety (90) days advance written notice to Parchment.
   c. **Termination For Bankruptcy.** Either Party may, at its option, terminate this Agreement immediately upon written notice to the other Party in the event (a) that the other Party becomes insolvent or unable to pay its debts when due; (b) the other Party files a petition in bankruptcy, reorganization, or similar proceeding, or, if filed against, such petition is not removed within ninety (90) days after such filing; (c) the other Party discontinues its business; or (d) a receiver is appointed or there is an assignment for the benefit of such other Party’s creditors.
   d. **Effect of Termination.** Termination of this Agreement shall not cause the termination of any School Order Form. Upon termination of this Agreement, any School Order Forms then in effect shall continue in effect for the duration of the term of such School Order Form.

6. **Agreement by Eligible Schools.** Upon execution of a School Order Form between Parchment and an Eligible School, the Eligible School shall be solely responsible to abide by all the terms and conditions set forth in the School Order Form. No Eligible School is bound or required to enter into a School Order Form and Parchment is not obligated to provide Services to any Eligible School unless and until such Eligible School has entered into a School Order Form.

7. **Ownership Rights.** Parchment retains all ownership and intellectual property rights as defined in the School Order Form. No rights in any Parchment intellectual property or the Parchment Services are granted to UNCSO under this Agreement, and all such rights are reserved to Parchment. All suggestions, ideas and feedback proposed by UNCSO in connection with this Agreement belong to and are retained solely by Parchment. UNCSO hereby grants to Parchment a royalty-free, transferable, irrevocable, worldwide, fully paid-up license (with rights to sublicense through multiple tiers of sublicensees) to fully use, practice and exploit those non-assignable rights, title and interest.

8. **Warranty**
   a. **Mutual Representations and Warranties.** Each Party represents and warrants to the other that the execution and performance of this Agreement does not and will not violate any other contract, obligation, or instrument to which it is a party, or which is binding upon it, including terms relating to covenants not to compete and confidentiality obligations.
   b. **Parchment Warranties.** Parchment represents and warrants that it will provide the Parchment Services in a professional and workmanlike manner substantially consistent with general industry standards.
   c. **No Other Warranties.** EXCEPT AS EXPRESSLY SET FORTH ABOVE, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY DISCLAIMS ANY AND ALL OTHER PROMISES, REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR
IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANDABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT, QUIET ENJOYMENT, NON-INTERFERENCE, SYSTEM INTEGRATION OR ACCURACY OF ANY INFORMATION PROVIDED HEREUNDER.

9. Indemnification. Parchment will indemnify UNCSO in any suit brought against UNCSO by a third party, and will pay any settlement Parchment makes or approves, or any damages finally awarded in such suit, insofar as such suit is based on a claim by any third party alleging: (a) that the Parchment Services misappropriate any Intellectual Property Rights of a third party, or (b) Parchment’s gross negligence or willful misconduct in handling UNCSO academic records or Confidential Information. Parchment’s obligations as set forth above are expressly conditioned upon each of the following: (A) UNCSO promptly notifying Parchment in writing of any threatened or actual claim or suit; and (B) Parchment controlling the defense or settlement of any claim or suit, in cooperation with UNCSO to facilitate the settlement or defense of any claim or suit. For purposes of this Section 9, Eligible Schools are not third parties.

10. Confidential Information

a. Ownership of Confidential Information. The Parties acknowledge that during the performance of this Agreement, each Party will have access to certain of the other Party’s Confidential Information or Confidential Information of third parties that the disclosing Party is required to maintain as confidential. Both Parties agree that all items of Confidential Information are proprietary to the disclosing Party or such third party, as applicable, and will remain the sole property of the disclosing Party or such third party.

b. Mutual Confidentiality Obligations. Subject to applicable state law, each Party agrees as follows: (a) to use the Confidential Information only for the purposes described herein; (b) that such Party will not reproduce the Confidential Information and will hold in confidence and protect the Confidential Information from dissemination to, and use by, any third party; (c) that, except as permitted under this Agreement, neither Party will create any derivative work from Confidential Information disclosed to such Party by the other Party; (d) to restrict access to the Confidential Information to such of its personnel, agents, and/or consultants, if any, who have a need to have access and who have been advised of and have agreed in writing or are otherwise bound to treat such information in accordance with the terms of this Agreement; and (e) to return or destroy all Confidential Information of the other Party in its possession upon the disclosing Party’s request or upon termination or expiration of this Agreement.

c. Confidentiality Exceptions. Notwithstanding the foregoing, the prior sections will not apply to Confidential Information that (a) is publicly available or in the public domain at the time disclosed; (b) is or becomes publicly available or enters the public domain through no fault of the recipient; (c) is rightfully communicated to the recipient by persons not bound by confidentiality obligations with respect thereto; (d) is already in the recipient’s possession free of any confidentiality obligations with respect thereto at the time of disclosure; (e) is independently developed by the recipient; or (f) is approved for release or disclosure by the disclosing Party without restriction. Notwithstanding the foregoing, each Party may disclose Confidential Information to the limited extent required (1) in order to comply with the order of a court or other governmental body, or as otherwise necessary to comply with applicable law, provided that the Party making the disclosure pursuant to the order will first have given written notice to the other Party and made a reasonable effort to obtain a protective order; or (2) to establish a Party’s rights under this Agreement, including to make such court filings as it may be required to do.
11. **Limitation of Liability.** TO THE EXTENT PERMITTED BY APPLICABLE LAW, 
   a. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY 
      THIRD PARTY FOR ANY INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR 
      PUNITIVE DAMAGES, REGARDLESS OF THE NATURE OF THE CLAIM, INCLUDING, 
      WITHOUT LIMITATION, LOST PROFITS, COSTS OF DELAY, ANY FAILURE OF 
      DELIVERY, BUSINESS INTERRUPTION, COSTS OF LOST OR DAMAGED DATA OR 
      DOCUMENTATION OR LIABILITIES TO THIRD PARTIES ARISING FROM ANY SOURCE, 
      EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. 
      THIS LIMITATION UPON DAMAGES AND CLAIMS IS INTENDED TO APPLY WITHOUT 
      REGARD TO WHETHER OTHER PROVISIONS OF THIS AGREEMENT HAVE BEEN 
      BREACHED OR HAVE PROVEN INEFFECTIVE. 
   b. THE CUMULATIVE LIABILITY OF PARCHMENT TO UNCSO FOR ALL CLAIMS ARISING 
      FROM OR RELATING TO THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, 
      ANY CAUSE OF ACTION SOUNDING IN CONTRACT, TORT, OR STRICT LIABILITY, 
      SHALL NOT EXCEED THE TOTAL AMOUNT OF ALL FEES PAID TO PARCHMENT ON 
      BEHALF OF THE ELIGIBLE SCHOOLS IN THE TWELVE (12) MONTHS PRECEDING THE 
      DATE ON WHICH THE APPLICABLE CLAIM AROSE. THIS LIMITATION OF LIABILITY 
      IS INTENDED TO APPLY WITHOUT REGARD TO WHETHER OTHER PROVISIONS OF 
      THIS AGREEMENT HAVE BEEN BREACHED OR PROVEN INEFFECTIVE. 
      NOTWITHSTANDING THE ABOVE, THESE LIMITATIONS DO NOT APPLY TO 
      PARCHMENT'S INDEMNIFICATION OBLIGATIONS IN SECTION 9. 

12. **Applicable Law.** This Agreement and the rights and obligations of the Parties hereunder shall be construed 
   in accordance with, and shall be governed by, the laws of the state of North Carolina, without giving effect 
   to its rules regarding conflicts of laws. 

13. **Force Majeure.** Parchment will be excused from performance of its obligations under this Agreement if 
   such a failure to perform results from compliance with any requirement of applicable law, acts of God, fire, 
   strike, embargo, terrorist attack, war, insurrection or riot or other causes beyond the reasonable control of 
   Parchment. Any delay resulting from any of such causes will extend performance accordingly or excuse 
   performance, in whole or in part, as may be reasonable under the circumstances. 

14. **Notices.** All notices required by or relating to this Agreement will be in writing and will be sent by means 
   of certified mail, postage prepaid, to the Parties to the Agreement and addressed, if to UNCSO, 910 Raleigh 
   Road, P.O. Box 2688, Chapel Hill, NC 27514, or if to Parchment, as follows: Parchment, Inc., 7001 N. 
   Scottsdale Road, Suite 1050, Scottsdale, AZ 85253, Attention: Legal, or addressed to such other address as 
   that Party may have given by written notice in accordance with this provision. All notices required by or 
   relating to this Agreement may also be communicated by email, provided that the sender receives and 
   retains confirmation of successful transmittal to the recipient. Such notices will be effective on the date 
   indicated in such confirmation. 

15. **Assignment.** Neither Party will assign its rights or delegate its obligations under this Agreement without 
   the other party’s prior written consent, and, absent such consent, which shall not be unreasonably withheld, 
   any purported assignment or delegation by such Party will be null, void and of no effect. This Agreement 
   will be binding upon and inure to the benefit of Parchment and UNCSO and their successors and permitted 
   assigns. 

16. **Independent Contractors.** UNCSO and Parchment acknowledge and agree that the relationship arising 
   from this Agreement does not constitute or create any joint venture, partnership, employment relationship
or franchise between them, and the Parties are acting as independent contractors in making and performing this Agreement.

17. Amendment. No amendment to this Agreement will be valid unless such amendment is made in writing and is signed by the authorized representatives of the Parties.

18. Waiver. No waiver under this Agreement will be valid or binding unless set forth in writing and duly executed by the Party against whom enforcement of such waiver is sought. Any such waiver will constitute a waiver only with respect to the specific matter described therein and will in no way impair the rights of the Party granting such waiver in any other respect or at any other time. Any delay or forbearance by either Party in exercising any right hereunder will not be deemed a waiver of that right.

19. Severability. If any provision of this Agreement is invalid or unenforceable for any reason in any jurisdiction, such provision will be construed to have been adjusted to the minimum extent necessary to cure such invalidity or unenforceability. The invalidity or unenforceability of one or more of the provisions contained in this Agreement will not have the effect of rendering any such provision invalid or unenforceable in any other case, circumstance or jurisdiction, or of rendering any other provisions of this Agreement invalid or unenforceable whatsoever.

20. No Third Party Beneficiaries. The Parties acknowledge that the covenants set forth in this Agreement are intended solely for the benefit of the Parties, their successors and permitted assigns. Nothing herein, whether express or implied, will confer upon any person or entity, other than the Parties, their successors and permitted assigns, any legal or equitable right whatsoever to enforce any provision of this Agreement.

21. Counterparts; Headings. This Agreement may be executed in any number of counterparts, each of which when so executed will be deemed to be an original and all of which when taken together will constitute one Agreement. The headings in this Agreement are inserted merely for the purpose of convenience and will not affect the meaning or interpretation of this Agreement.

22. Trademark License. UNCSO hereby grants Parchment a limited, worldwide, non-exclusive license to use the trademarks and logos of UNCSO and the Eligible Schools, in conformance with the relevant party’s usage guidelines and solely for purposes of providing the Services and fulfilling its obligations as set forth herein.

23. Entire Agreement. This Agreement, as amended, sets forth the entire agreement and understanding between the Parties hereto with respect to the subject matter hereof and, except as specifically provided herein, supersedes and merges all prior oral and written agreements, discussions and understandings between the Parties with respect to the subject matter hereof, and neither of the Parties will be bound by any conditions, inducements or representations other than as expressly provided for herein.
The Parties hereto have executed this Agreement as of the date last signed below.

Parchment Inc.  
By: Robert J. Colletti  
Name: Robert J. Colletti  
Title: President, Parchment Exchange and CFO  
Date: 3/22/2018

University of North Carolina System Office  
By:  
Name:  
Title:  
Date: 04/04/2018

Amendment to Parchment Services Agreement

To Comply with State of North Carolina and University Requirements

Notwithstanding anything to the contrary in the Agreement(s), the Parties understand and agree that:

1. The University of North Carolina (UNC) will be responsible for the conduct of its officers and employees arising out of the performance of this Agreement only to the extent permitted and limited by the laws of North Carolina, including the North Carolina Tort Claims Act, the Defense of State Employees Act, and the Excess Liability Policy administered through the North Carolina Department of Insurance, subject to the availability of appropriations and in proportion to and to the extent that such liability for damages is caused by or results from the acts of UNC, its officers, or employees.

2. The protection and disclosure of information is governed by the requirements of the North Carolina Public Records Act and the North Carolina Trade Secrets Protection Act, and the parties will comply with those requirements to protect their confidential information. See, NCGS §132-1.2 and NCGS §66-152.

3. This Agreement and related agreements are subject to the availability, appropriation, or grant of State, Federal, or other funds to pay amounts due, or to perform under this Agreement.
4. Nothing shall act to limit the statutory rights, responsibilities, or obligations of the Governor or the Attorney General of the State of North Carolina, including exclusive rights regarding representation and settlement of claims, and nothing shall act to impose obligations on UNC for jurisdiction or venue outside North Carolina, waiver of jury trial, acceptance of injunctive relief provisions, or obligations for costs and attorney fees unless ordered by a court of competent jurisdiction.

5. Nothing shall act to limit the applicable contractual and tort obligations of Parchment, when contracting with a State of North Carolina entity, or be construed as a waiver of any statutory, contractual, or tort defense, remedy, exclusion, or limitation on liability, including a defense of sovereign immunity, to which UNC would otherwise be entitled.

6. Any limitation on Parchment's liability in this Agreement will not act to limit liability for physical damage to tangible property or for bodily harm, to the extent caused by Parchment.

7. Nothing shall act to limit statutory or common law exclusions or exceptions, or expand statutory or common law liabilities, which would otherwise apply to a North Carolina State entity or UNC.

8. In the event an intellectual property right or other claim is brought against UNC for use of the software, products, or services in accordance with this Agreement, Parchment agrees to indemnify and hold UNC harmless from and against any lawsuit, claim, damage, liability, or expense (including reasonable attorneys' fees) incurred by UNC as a result of the claim.

9. In the event a claim is brought against UNC for data or identity loss or appropriation caused by the negligence or willful acts of Parchment, or loss or use of the data for purposes other than as specified in this Agreement, Parchment agrees to indemnify and hold UNC harmless from and against any lawsuit, claim, damage, liability, or expense (including reasonable attorneys' fees) incurred by UNC as a result of the claim. UNC agrees that indemnification is conditioned on the requirement that it (1) give Parchment prompt written notice of such claim, (2) permit Parchment, with prior approval of the Office of the Attorney General of North Carolina, to defend and/or settle the claim, and (3) provide all reasonable assistance to Parchment in defending and/or settling the claim.

10. Nothing in this Agreement is intended to prohibit the exercise of fair use, educational and research use, or experimental use by UNC and its students, employees and agents, as permitted by the statutes and common law applicable to copyrights, patents, and trademarks.

11. UNC is a tax-exempt State entity, and nothing in this Agreement imposes any UNC liability for taxes, regardless of provisions for imposing tax liability on UNC or for passing liability for tax payments on to UNC separate from the agreed-to price for products or services.

12. Parchment may not use this contract or any marks or names of UNC for advertising purposes without the prior written approval of UNC.

13. FERPA Acknowledgement. If the Agreement involves the hosting or accessing of student education records by Parchment, Parchment acknowledges and agrees that (i) the University has outsourced to Parchment the performance of institutional services or functions for which the University would otherwise use its own employees, (ii) Parchment is considered to be a "school official" with "legitimate educational interests" in "personally identifiable information" from "education records" of University students, as those terms have been defined under FERPA (34 CFR 99), (iii) is under the direct control of the University with respect to Vendor's use and maintenance of data in the education records, and (iv) Parchment will abide by the limitations and requirements imposed by 34 CFR 99.33(a) on school officials. Parchment will use such data only for the purpose of fulfilling its duties under this Agreement, and will not
monitor or share such data with or disclose it to any third party except as required by law or authorized in writing by the University.

To the extent that any terms and conditions of the Agreement(s) [and/or Schedule(s)] conflict with or are inconsistent with this Amendment, the terms and conditions of the Amendment shall prevail.

Parchment, Inc.

Robert J. Colletti

By: Robert J. Colletti

Date: 3/22/2018

University of North Carolina System Office

[Signature]

By: Rick N. Whitfield

Date: 4/3/2018

(Rev. April, 2015)

REVIEWED AS TO FORM:

[Signature]

UNCG SA LEGAL AFFAIRS
Exhibit A

School Order Form

(Attached)
Exhibit B

ELIGIBLE SCHOOLS

1. Appalachian State University
2. East Carolina University
3. Elizabeth City State University
4. Fayetteville State University
5. North Carolina A&T State University
6. North Carolina Central University
7. North Carolina State University
8. UNC Asheville
9. UNC Chapel Hill
10. UNC Charlotte
11. UNC Greensboro
12. UNC Pembroke
13. UNC Wilmington
14. UNC School of the Arts
15. Western Carolina University
16. Winston-Salem State University
17. NC School of Science and Mathematics