

With the release of version 10.5, Esri's Master License Agreement (MLA) was converted to a License and Services Agreement (LASA). Esri's objective in this overhaul of its agreements was to (i) simplify contract language, (ii) adopt more balanced terms and conditions, (iii) reduce the use of URLs and hyperlinks to external documents, (iv) develop a universal glossary of terms across Esri software, data, online services and services agreements, and (v) eliminate duplicate and repetitive language found within multiple agreements. Below is a summary of the changes and a table showing where particular Articles of the MLA moved to the LASA.

### **Summary of changes in scope**

The new LASA changes the predecessor agreements in several ways.

Scope: While the standard LASA that ships with Esri products and is accepted through the click-through process covers just software, online services, data and maintenance services, the LASA enables us to add terms under which a customer may acquire training, professional services, Esri Managed Cloud Services (EMCS) and Esri Enterprise Advantage Program (EEAP).

Single Glossary: An essential prerequisite to building a combined agreement for all things that Esri sells is a common vocabulary. Previously, simple changes such as the addition of training to an MLA required substantial contract drafting because the services agreement used different terminology than the MLA. The LASA includes a common set of terms that results from the simplification and standardization of terms used across all the Esri sales agreements.

General Terms and Conditions: Provide a common set of legal terms to cover Esri offerings and services. The General Terms & Conditions erase drafting and scope differences previously found in the multiple sales agreements.

Mutual Limitation of liability: The new LASA includes a mutual limitation of liability. This results in a clause that reads more fairly while preserving sufficient limitations of liability and exclusions.

Choice of law: This agreement specifies California as the jurisdiction whose laws govern the interpretation of the agreement for all customer other than government customers. Government customers will be subject to the law of their local jurisdiction. Prior versions have remained silent as to the choice of law, which enable Esri and the customer to each claim that their jurisdiction's law prevails.

Infringement Indemnification extends to all Esri Offerings and Services, meaning everything that Esri provides to a customer. Previously the MLA only provided Infringement indemnification for software and online services.

Warranty for training materials and maintenance services: Esri's prior agreement for training services included a media warranty only. There was no warranty regarding the quality of the delivered training. Similarly, Esri provided maintenance under the MLA with no functional warranty. The LASA provides a warranty for all Esri deliverables including training and maintenance.

Standard insurance clause: Previously, the MLA did not obligate Esri to carry liability insurance or worker's compensation coverage. The new agreement establishes minimum insurance requirements that Esri agrees to maintain, at all times, while providing services such as maintenance services.

Standard security compliance clause: The LASA contains a first-ever standard security clause that explains Esri's security terms.



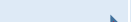


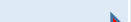

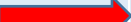
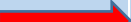


Compliance monitoring rights: For the first time, Esri and its distributors have a right to audit customer records to verify compliance with the LASA.

Reduction of the E300: Much of the content of the former E300 has moved into the body of the LASA. The remaining E300 comprises product-specific scope of use descriptions.

Removal of auto-update language. While the new agreement still mentions that Esri may in the future update the E300, the language compelling the customer to accept any changes to the MLA that Esri publishes has been removed.

### **Mapping Legacy agreements to the LASA**

The following disposition table summarizes the disposition of the legacy

Legacy E204/300			LASA	
Template	Section(s)	Description		
<b>E204</b>	Article 1	Definitions		Glossary
	Article 2, 3	License grant and reservations		Section 1
	Article 4.1	Scope of Use – Permitted Uses		Section 1, Section 2
	Article 4.2	Scope of Use – Use Restrictions		Attachment B
	Article 5 – 9	(various)		Attachment B
<b>E300</b>	Addendum 1 Section 1	License type definitions		Section 2 & Glossary
	Addendum 1 Section 2	Footnotes for software		Addendum 1, Table 1
	Addendum 2 Section 1 & 2	Data terms of use		Section 4 <i>Esri Product Attributions</i>
	Addendum 3 Section 1	Definitions		Section 3 & Glossary
		General Terms of use of Online Services		Section 3
	Addendum 3 Section 2	Footnotes for Online Services Subscriptions		Addendum 1, Table 2
	Addendum 4	Special Programs		Section 1