

Purchase Agreement

THIS AGREEMENT is made this 27th day of December, 2013, BETWEEN:

Transform, Inc. of 5008 Gordon Ave, Monona, WI, 53716 (which company and its successors and assigns is hereinafter called "the Supplier" or "Dealer") and Arrowhead Golf Club, 26W151 Butterfield Rd, Wheaton, IL 60189, hereinafter called "the Purchaser".

IT IS HEREBY AGREED as follows:

1. The Supplier shall sell, install, and provide for warranty service and the Purchaser shall purchase the Computer products and/or System described in the "Total System Configuration" on the special conditions set out hereunder and subject to the terms and conditions that follow. The final quoted configuration and pricing are presented on Page 9 below. The hardware and software included in the Total System Configuration are described above, and the services included in the installation are described in Appendix A below.
2. The contract price is \$27,000.00 and shall be payable as follows:
 - a) Deposit of \$13,500.00 shall be paid at the time Purchaser signs this Agreement.
 - b) Final Payment of \$13,500.00 shall be made upon equipment installation, which is anticipated to be on or about 2/3/14.

In the event Purchaser utilizes third party financing to purchase the system the following terms shall apply.

- a) Deposit of \$1,000.00 pending financing approval from a third party shall be paid at the time Purchaser signs this Agreement. This deposit will be returned to the customer upon receipt of the final payment from the financing company.
 - b) Third party financing option: 50% deposit of the contract price (\$13,500.00) shall be payable by the leasing company upon approval of the financing. Final payment (\$13,500.00) shall be due from Purchaser's lender upon delivery of equipment to first customer's site. The delivery date of the System is anticipated to be on or about 2/3/14.
3. Title to the System shall remain the property of Transform, Inc. until payment in full for the contract is received. As such, Transform, Inc. has the right to remove or disable the System if payment is not made for the contract price based on the agreed upon terms.
4. Training & Warranties
 - a) Supplier will provide up to 3 days of program operation/training commencing upon delivery of the system on site and/or at Supplier's premises as determined by the supplier
 - b) Hardware: Transform will provide warranty support services for the hardware purchased from Transform per the manufacturer's warranty. This includes 3 years support for back office servers, 5 years for POS terminals and 2 years for printers.

- c) Software: Supplier does not warrant the software, which carries a one-year warranty by the manufacturer contained in the separate software licensing agreement delivered to Purchaser with the System. Purchaser also agrees not to copy or change or relinquish possession to any third party of the software program/s at any time after installation except as provided in the separate license Agreement/s pertaining thereto.
- d) The warranties provided above shall only be valid if Purchaser utilizes Supplier or an authorized representative of the manufacturers to repair or address any malfunction or problems with either the hardware or software.
- e) The Warranty service under this Agreement does not include, Malfunction, Repair of damage or increase in service time caused by:
 - i. Accident
 - ii. Fire, flood, water, wind, lightning and any other natural disaster.
 - iii. Transportation of the System or any part thereof
 - iv. Neglect, misuse or improper use of the System
 - v. Improper operation of the System or software alteration or modification by Purchaser
 - vi. The Purchaser's failure to continually provide a suitable installation environment with all the facilities prescribed by the Supplier's specifications including but not limited to the failure to provide or failure of adequate electrical power, and temperature or humidity control.
 - vii. Failure of floppy diskette or removable magnetic media howsoever caused.
- f) The Warranty service under this Agreement does not include: Repair of damage, replacement of parts, due to other than normal use and wear.
- g) THE FOREGOING WARRANTIES ARE IN LIEU OF ANY OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ANY OTHER OBLIGATION ON THE PART OF SUPPLIER, ARISING BY LAW OR OTHERWISE (INCLUDING WITHOUT LIMITATION ANY OBLIGATION OR LIABILITY OF SUPPLIER ARISING FROM STRICT TORT LIABILITY, OR FROM THE PURCHASER'S LOSS OF USE, REVENUE OR PROFIT OR OTHER CONSEQUENTIAL DAMAGES). THIS WARRANTY SHALL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY SUPPLIER AND PURCHASER.

5. As used in this Agreement, "the System" shall mean hardware and software.

6. The System shall be at the Purchaser's risk during the period the System or any part thereof is on Purchaser's premises. The responsibility for all risks of loss or damage to the system shall be the Purchasers except loss or damage caused by the legal fault of Supplier. Purchaser shall carry such insurance, as Purchaser deems necessary to protect Purchaser from any such risk.

7.

- a. The Purchaser agrees to provide the Supplier with a suitable installation environment for the System hardware including but not limited to adequate electrical power (dedicated circuit or power conditioning equipment installed), and temperature and humidity control as may be required for the operation of the System. The System purchased under this Agreement shall be installed as determined in Supplier's reasonable judgment.

- b. Wiring specification, power requirements and telephone line requirements are not the responsibility of Supplier. Purchaser must have made suitable arrangements according to specifications provided by Supplier. Failure of Purchaser to satisfy the specifications and requirements will prevent Supplier from installing a properly functioning the System. Supplier can provide wiring, and power conditioning at additional cost, upon request.
- c. The suitability of the System described herein for a specific application must be determined by the Purchaser and is not warranted by Supplier.

8. In the event that the Purchaser or any agent or employee of Purchaser requests the Supplier to perform any service or work under this Agreement which in the opinion of the Supplier is caused by any event described in clause 4e of this Agreement then Purchaser agrees to pay Supplier for the said service or work at the Suppliers then current rates for such work immediately upon receipt of Supplier's invoice.

9. In the event that the Purchaser elects to pay for the System through a Bank or Financial institution then the deposit paid shall be refunded to the Purchaser on receipt of the total contract price by the Supplier from the said Bank or Financial institution and the Purchaser agrees to do all things necessary to ensure prompt payment for the System by the Bank or Financial Institution on the date such monies are due.

10. ~~In the event~~ ^{will} Purchaser ~~fails to~~ ^{due 30} pay the Supplier any monies within ~~30~~ ^{invoice.} days of becoming due, the outstanding balance shall accrue interest at the rate of one (1.5) percent every 30 days (or the highest legal rate, whichever is less) calculated on a daily basis, until paid. ^{However, the initial deposit payment will be made within 10 days of acceptance of this agreement.}

11. The Purchaser will be solely responsible for ensuring the proper use management and supervision of the equipment and programs, audit controls, operating methods and office procedures and for establishing all proper check points and procedures necessary for the intended use of the machines and the security of the data stored therein or on removable magnetic media and the Purchaser expressly agrees that the Supplier will not be liable for any damages suffered or incurred by the Purchasers failure to fulfill these responsibilities.

12. This Agreement can only be modified by a written Agreement signed by the Purchaser and Supplier.

13. No waiver by the Supplier of any breach of this Agreement shall be construed as a waiver of any further or subsequent or continuing or recurring breach.

14. Any notice or demand to be given pursuant to this Agreement shall be deemed to be duly given or made if it is in writing and sent by prepaid certified or registered post addressed to the Purchaser at Purchaser's address set forth in this Agreement unless another address is provided to Supplier in writing. In the case of the Supplier, such notice shall be sent to Supplier at Supplier's address set for the in this Agreement unless another address is provided to Supplier in writing. Any notice or demand sent by post shall be deemed to have been received by the party to whom it was addressed at the time of delivery of the second notice of certified or registered mail from the post office.

15. ~~If from any cause whatsoever, beyond the control of the Supplier, the Supplier is prevented from making delivery or completing installation as specified in this Agreement or within a reasonable time thereafter, Supplier may, at its option, in writing, either extend the time for delivery and installation for~~

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a reasonable period of terminate this contract and return any deposits to Purchaser provided the delay was not caused by the legal fault of Purchaser. In such event, the Purchaser shall not have any claim for damages. Notwithstanding the previous provision, but the Supplier may recover all sums owing to it in respect of delivery and installation made or services performed prior to the date of such termination and may recover all expenses reasonably incurred by the Supplier in connection with this contract.

16. Prompt payment by the Purchaser to the Supplier of any monies owing under this Agreement shall be a condition precedent to the continued performance by the Supplier of its obligations under this Agreement.

17. This Agreement is the entire Agreement between the parties hereto and supercedes all proposals or prior Agreements oral or written and all other communications between the parties relating to the subject matter of this Agreement.

18. This Agreement is not assignable without the prior written consent of the Supplier. Purchaser acknowledges that the System has been set up to address Purchaser's specific needs. Sale of the System to a third party or change in ownership of Purchaser's business will likely require adjustments to the System in order for it to operate properly and to maximize use of the software.

19. This Agreement shall be interpreted under the laws of the State of ^{Illinois} ~~Wisconsin~~ and Purchaser agrees that any suit relating to enforcement of the provision of this agreement shall be brought in the ~~Dane~~ County Circuit Court. ~~Purchaser agrees to submit his/her/itself to said Court's jurisdiction to adjudicate any claims hereunder.~~

Acknowledgement

I have read this purchase agreement and agree to purchase this system based upon the terms and conditions described herein. I am signing as a representative of the purchasing company, ~~as well as personally, guaranteeing this agreement.~~

Purchaser

Michael J. Bernard
Executive Director

Date

12/27/13

Transform, Inc. Representative

Date

1/9/14

Appendix A: Services Included in Contract

The following services are included in a Digital Dining project:

Procurement

Transform, Inc. will procure all hardware and software, as quoted, for the completion of the system installation. This ~~may~~ include Point-of-Sale stations, printers, cash drawers, patch cables, wireless infrastructure, routers, switches, software, etc. Occasionally, items may have been overlooked, or there may be changes to the equipment required for completion of the project. Any additional equipment required will be outside the scope of the quote, and will be billed separately. Transform, Inc. will always offer competitive pricing on hardware and software for our customers, and will provide a list of all hardware and software included on the project, along with serial numbers, license keys, etc.

Programming

Transform, Inc. will provide programming of the Digital Dining system to meet the needs of the customer. This will include the following:

- Basic programming of menu items with up to 3 price levels
- Setup of menu screens for breakfast, lunch, dinner, bar, modifiers, as applicable
- Setup of receipt and prep printers, as included in original quote
- Setup of standard check, receipt, credit card slip, prep tickets, server and cashier reports
- Demonstration and walk-through of programming with customer
- One revision of menus, screens, etc. based on the input received from the customer after the walk-through
- Tweaking of the system to ensure proper functionality.

Additional changes requested after the initial programming (ex: additional menus, changes in menus, price changes, etc.), as described above, are considered outside the scope of the project, and will be billed separately.

Installation

Transform, Inc. will install the Digital Dining system at the customer location and will ensure proper functionality. The first step in installation will be a walk-through of the facility with the customer, during which the locations for POS stations, printers, switches, back-office PCs, etc. will be noted. Proper cabling to these locations will be the responsibility of the customer, and is available through Transform, Inc. (this may have been quoted in the original proposal). In addition, power conditioning is extremely important in POS installations. It is the responsibility of the customer to provide clean power to the POS system, as equipment failures and system problems due to bad power are not covered under warranties. Proper power conditioning can be provided through a dedicated circuit for POS equipment with an isolated ground, separate from all other electrical systems, or it can be achieved through the use of power conditioning equipment designed for POS systems. This power conditioning equipment is available through Transform, Inc., and is generally quoted in Digital Dining proposals. It will be the responsibility of the customer to ensure that other equipment is not plugged into the clean circuits once they are installed properly.

Installation will take place on a date and time agreed upon by Transform, Inc. and the customer. The customer will have access available to all areas necessary for timely installation, including offices, electrical rooms, point of sale locations, etc. In addition, any pre-installation requirements that the customer is responsible for will be completed by the agreed upon date. Pre-installation requirements may include carpentry, power installation, cabling, Internet access, any other computing equipment that will be connected to the Digital Dining system, etc.

If there is remodeling or new construction involved in the project, this must be completed before the installation of POS equipment. If Transform, Inc. is required to install POS equipment before construction work is completed, the customer is accepting responsibility for any damage or premature failure of equipment due to construction (this includes dust and dirt inside equipment, power issues, etc.) Changes to the installation, once agreed upon, may result in additional costs.

Training

Transform Technologies employs a "train the trainer" methodology for Digital Dining installations. This means that we will train the management on the use of the system, as well as the use of the back office applications, and we will train a few of the staff on the use of the POS system. From there, the customer will be responsible for training additional staff upon installation, and for training future staff hired after the system is in use. Customer management will be trained on adding and changing menu items, using the Accounts Receivable functions, using the Frequent Diner module, using the Staff Management functions, and running reports from the system. The customer will be responsible for adding the staff to the system, as well as populating the Accounts Receivable (House Accounts) and/or Frequent Diner databases.

Additional training sessions can be scheduled with Transform, Inc. staff at additional cost.

Ongoing Support

Transform, Inc. will provide additional support for the customer to ensure that the system is working properly, and to ensure that the customer understands how to use the system. We will provide free system support for **1 year** after the installation of the system to answer any questions about the system and make any necessary changes to the system to meet the original requirements. We will have technical support available on-site during the first day of system use ("go live" day), and should be able to address any remaining issues at that time.

Additional support is available through Transform, Inc. for reprogramming, system support, training, custom programming or reporting, menu changes, upgrades, adding modules, etc. at additional cost. Transform, Inc. offers hourly, monthly and annual support contracts designed to offer the customer preferred response times and reduced costs. ***After the initial free support period is ended, Purchaser will transition into a standard support contract offering 24/7/365 support. This annual support agreement will be offered to Arrowhead Golf Club at the rate of \$2,400 per year for years 2-5.***

Purchaser System Maintenance Responsibilities

The Purchaser is accepting responsibility for the every-day maintenance and health of the System. This includes providing adequate power and ventilation for all systems, protection from electrical surges and noise, clean work space appropriate for computer equipment, etc. The Purchaser is also responsible for regular system maintenance, including performing regular restarts of the system. Digital Dining is a Windows-based system, and in a hospitality environment it gets heavy usage, and as such requires regular system restarts. These should be performed at least once per week, and it should be done after business hours.

This procedure is very simple:

1. Make sure that no one is in the POS systems
2. Shut down the Point of Sale stations
3. Shut down the Digital Dining server and Restart the Digital Dining Server
4. Restart the Point of Sale stations

Also, the database requires regular maintenance as well. During off hours, the system administrator should run the Repair Daily Files utility from the Office program to restore the database. This should be performed at least once per month as well. Failing to perform regular maintenance of the system can result in poor performance and downtime.

Finally, a database Repair All should be performed at least once per quarter. The Repair All rebuilds the entire database and will improve system performance.

The Purchaser is responsible for system integrity and data management, including backing up data for recovery in the case of a system/storage failure.

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Description	Qty	Unit Cost	Ext Cost
Software			
Digital Dining Professional Software for 9 stations	1	\$9,000	\$9,000
Digital Dining Credit Card Module for 4+ Stations	1	\$1,750	\$1,750
Digital Dining Optional Modules (Table Mgmt, Reservtns)	2	\$1,000	\$2,000
Hardware			
Main Database Server PC	1	\$800	\$800
POSBank 15" LCD All-in-One POS Terminal w/ MSR	9	\$1,500	\$13,500
Thermal Receipt Printer	9	\$350	\$3,150
Impact Kitchen Printer	3	\$400	\$1,200
Cash Drawer	4	\$150	\$600
Services			
Installation, Programming, Training, First Year Support	1	\$4,000	\$4,000
System Cost:			\$36,000.00
Software Discount:			-\$900.00
Trade-In Value for Radiant POS Terminals			-\$3,600.00
Competitive Discount:			-\$4,500.00
Subtotal:			\$27,000.00
Sales Tax:			\$0.00
Total Cost:			\$27,000.00