

SOFTWARE LICENSE AND DISTRIBUTION
GENERAL TERMS AND CONDITIONS

In order to use and/or distribute Anchor ID's Products, you must first agree to the terms and conditions of Anchor ID's Software License and Distribution program, by clicking to accept where this option is available to you below. You may not use or distribute Anchor ID's Products if you do not accept these terms and conditions and also separately execute the Anchor ID Distribution Agreement.

1. DEFINITIONS.

- 1.1 Anchor ID Distribution Agreement. "Anchor ID Distribution Agreement" means the cover page of the document entitled Anchor ID Distribution Agreement which includes the Parties' signatures evidencing acceptance of the Agreement, the Product, Pricing and Support Schedule ("PPS Schedule") appended thereto, and this online Software License and Distribution General Terms and Conditions, together with any schedules, exhibits or other addenda incorporated by reference.
- 1.2 Customer and Licensee. "Customer" and "Licensee" are used interchangeably and mean any entity that enters into Software Owner's End User License Agreement as a result of Client's efforts.
- 1.3 Designated Market. "Designated Market" shall mean enterprise Customers which Software Owner has approved for sale by Client.
- 1.4 Developments. "Developments" has the meaning set forth in Section 5.6.
- 1.5 Documentation. "Documentation" shall mean program documentation, user manuals, handbooks and other materials describing the use, design, installation, operation and maintenance of the Products.
- 1.6 Minimum Revenue Quota. "Minimum Revenue Quota" or "Quota" means all licensing revenue paid to Client attributable to Customer/ Licensees obtained by Client's efforts.
- 1.7 Products. "Products" mean the object code copies of the AnchorID software and associated written and electronic data furnished pursuant to Schedule A, and any subsequent updates, upgrades, and accompanying and associated Documentation.
- 1.8 Pricing, Product and Support Schedule. "Pricing, Product and Support Schedule" ("PPS Schedule") means the schedule of terms executed in hard copy form by the Parties coincident with the appointment of Client as Company's authorized distributor, which terms are fully incorporated herein.
- 1.9 Software Owner. "Software Owner" refers to Anchor ID, Inc., and any of its assignees or successors-in-interests.
- 1.10 Trademarks. "Trademarks" shall mean the trademarks, service marks, trade names and logotypes owned by Software Owner and authorized for Client's use from time to time.

2. APPOINTMENT

Software Owner hereby appoints Client, and Client hereby accepts appointment, as Software Owner's non-exclusive Client of the Products in the Territory subject to the terms and conditions of this Agreement.

3. LICENSES, TITLES AND MARKETING

3.1 License Grant. Software Owner grants to Client a personal, non-exclusive and non-transferable right and license during the term of this Agreement in the United States: (i) To market, promote, advertise, sell and distribute Products over the Internet directly to Customers; (ii) to market, promote, advertise, sell and perform support and maintenance services related to the Products only under Client's own name and not as a subcontractor of Software Owner; (iii) to use one copy of the Product to provide demonstrations to prospective Customers, so long as such copy is at all times under the control of Client and not left with the prospective Customer; (iv) to use the Product to develop applications, connectors and other code compatible with the Product under additional terms set forth in Section 9 below and (v) distribute evaluation copies of the Products free of charge to prospective customers. Client shall not (a) modify the Products or create derivative works thereof; (b) merge the Products with other software; (c) reverse engineer, decompile, disassemble, or otherwise attempt to derive the source code for the Products; (d) disclose to third parties the results of any bench tests performed on the Products without Software Owner's prior written consent; or (e) otherwise use, copy or distribute the Products except as expressly allowed hereunder.

3.2 Trademark License. In connection with Client's activities authorized pursuant to this Agreement, Client is granted a personal, non-transferable and non-exclusive right to use the Trademarks in accordance with instructions given from time to time by Software Owner. Client shall not attach any additional trademarks, service marks, or trade names to any Products and shall not use Software Owner's trademarks as part of Client's trademarks, service marks or trade names or in any other manner that would tend to imply that Client has an affiliation with Software Owner other than as set forth in this Agreement.

3.3 Title. Software Owner and its suppliers retain the ownership of all right, title and interest in and to the Products, Documentation, Trademarks, and all patents, copyrights and other proprietary rights therein, and Client shall acquire no rights therein except as expressly set forth in this Agreement. Software Owner shall own all rights, title and interest in all developments of and enhancements to the Products. Client shall take no action, which may adversely affect or impair Software Owner's ownership of such materials and rights.

3.4 Marketing. Client is authorized to promote and market the Products within the Territory, and shall keep Software Owner generally informed of Client's activities as well as market conditions.

4. CLIENT'S GENERAL OBLIGATIONS.

4.1 Rights and Participation. In exchange for Client's promise to pay the per Active User participation fee for a minimum of ten (10) Active Users, as defined and set forth in the PPS Schedule, Client is authorized to distribute and deliver Products as an "AnchorID Authorized Distributor".

4.2 End User License Agreement. Client will be responsible for securing an End User License Agreement ("EULA") in the form attached here [<http://anchorid.com/images/anchorid-eula-agreement-v1.pdf>] signed by an authorized representative of each Customer. Client shall maintain a copy of the EULA for each Customer, and promptly following execution of the EULA, provide Software Owner with a copy. If Client wishes to provide a prospective Customer with a copy of a Product for the sole purposes of evaluation, Client may do so only under the terms of a binding agreement with the prospective Customer that (i) disclaims all performance warranties; (ii) is for a term of no more than 30 days, (iii) limits use to evaluation only, and (iv) is free of charge.

4.3 Delivery of Software. Upon confirmation by Software Owner that a EULA has been received and accepted by Software Owner, Client shall deliver to Licensee the Product(s) identified in such

EULA. Client agrees not to allow any prospective Licensee or other person or entity to have a copy of any Product until such party has entered into a EULA with Software Owner.

- 4.4 Support and Maintenance. Client and Software Owner shall allocate support and maintenance responsibilities as described in the PPS Schedule separately executed and incorporate herein.
- 4.5 Reports. Within ten (10) days after March 31, June 30, September 30 and December 31 of each year, Client will provide Software Owner the following activity reports:
- i. a Marketing Report that describes Client's promotional activities during the prior period and a revenue forecast with names and addresses of prospective Customers, for the upcoming quarter.
 - ii. a Customer Report that identifies each Customer who submitted a purchase order, entered into a EULA or canceled a EULA.
 - iii. a Statement of all sums paid by each Customer.
 - iv. a Report identifying any severe problems believed by Client to be caused by errors in the Product(s) that were otherwise unreported to Software Owner.

In addition, both parties will report to each other all sums due prior to invoicing.

- 4.6 Enforcement of End User License Agreement and Evaluation Agreement. If Client learns of any breach of a EULA or Evaluation Agreement that could damage Software Owner (or its third party licensors), Client shall notify Software Owner in writing of the breach and shall provide commercially reasonable assistance with Software Owner's enforcement of the relevant agreement.
- 4.7 Compliance with Laws. Client shall comply in all material respects with all laws, rules, ordinances, decrees and regulations applicable to its activities under this Agreement.
- 4.8 Competing Products. Unless otherwise agreed in writing, during the term hereof, Client shall not adapt, manufacture, sell, rent, distribute, market, promote or solicit the sale of any product which is competitive with the Products without prior written consent from Software Owner.
- 4.9 Customer Satisfaction. Client agrees that high Customer satisfaction is a condition of its continued authorization by Software Owner. To promote high Customer satisfaction, Client agrees:
- To provide appropriate service and support to Customers, including prompt response to all orders, inquiries, requests for assistance, complaints or other matters related to the Products;
 - To promptly respond to all inquiries from prospective Customers, and to keep Software Owner fully informed in writing on a weekly basis of all inquiries and orders received by Client from prospective Customers.
 - To report to Software Owner promptly and in writing all suspected and actual problems with any Product;
 - To maintain a shipment report identifying the Customer, the Product sold, the date of sale, and the quantities of the Products sold;
 - To retain all shipment reports for three (3) years after the date of sale, and assist Software Owner, upon request, in tracing a product to a Customer, in distributing critical product information, or in discovering unauthorized marketing or infringing acts;

- To conduct business in a manner that reflects favorably on the Products and the goodwill and reputation of Software Owner;
- To avoid deceptive, misleading or unethical practices that are or might be detrimental to Software Owner or the Products;
- To refrain from making any false or misleading representations with regard to Software Owner or the Products; and
- To refrain from making any representations, warranties or guarantees to customers with respect to the specifications, features or capabilities of the Products that are inconsistent with the literature distributed by Software Owner.

5. SOFTWARE OWNER'S GENERAL OBLIGATIONS.

- 5.1 Delivery. Software Owner shall deliver one copy of the Product to Client, including software keys to enable use of the Product.
- 5.2 Documentation. Software Owner shall provide Documentation in the English language in the form of document files, and shall promptly provide any updates to such Documentation. Client acknowledges that the Documentation is protected by copyright and may be reproduced or translated only as permitted in this Agreement. Any translations of Documentation are derivative works and are owned by Software Owner.
- 5.3 Marketing Materials. Software Owner agrees to provide, upon request, internally developed Product marketing communications materials via electronic media in the English language for translation and duplication, as appropriate, to Client. Software Owner hereby grants to Client the non-exclusive, non-transferable right to reproduce and use any such materials during the term of this Agreement, but not to modify such materials without prior written permission from Software Owner.
- 5.4 Software Developer's Kit. Software Owner shall provide Client with a software development kit (the "SDK"), containing all APIs related to the Products as well as relevant development tools and examples of code and applications. Software Owner shall provide Client with support with respect to the SDK while this Agreement is in effect, in accordance with Schedule B-1 attached hereto.
- 5.5 Training. Software Owner will offer two days of training to Client staff at the Software Owner headquarters in Kingston, NY. Client shall bear all expenses incurred by or on behalf of its own staff in connection with the initial two-day training and any additional training on the Products.
- 5.6 Updates and Upgrades. Software Owner will keep Client informed as to Software Owner's schedule for new versions and releases of the Products. Software Owner will make Updates and Upgrades (as defined in Schedule C hereto) available to Client when they become commercially available. Client is responsible for distributing such Updates and Upgrades to Customers as a part of maintenance and support. At such time as an Update or Upgrade is made available, Client will cease marketing and distributing the previous version of the Product. Notwithstanding the foregoing, if Client has developed any applications, connectors or other code under Section 3.2(iv) (hereinafter referred to as "Developments") that are not compatible with updated or upgraded versions of the Product, then Client may continue to distribute the previous version of the Product until such time as it has updated its Developments. Software Owner may cease support of any version of the Product one year after a new version is made available, and Client is advised to update, in a timely manner, any Development to the extent necessary for such code to be compatible with new versions of the Product. This section is only applicable to Software Owner's enterprise solutions.
- 5.7 Support and Maintenance. Client and Software Owner shall allocate support and maintenance responsibilities as described in Schedule B hereto.

5.8 Compliance with Laws. Software Owner shall comply in all material respects with all laws, rules, ordinances, decrees and regulations applicable to its activities under this Agreement.

6. CHARGES AND BILLING

6.1 Customer Orders. Client will offer Products and invoice Customer in accordance with the prices set forth in the PPS Schedule. Client will order Products and associated maintenance and support services from Software Owner on a customer-by-customer basis by means of a standard product order form via telefax or electronic communications in accordance with the standard Software Owner ordering procedures. All orders shall be subject to Software Owner's acceptance, which shall not be unreasonably withheld.

6.2 Charges. All charges will be quoted in U.S. dollars and will be stated exclusive of any applicable taxes, which shall remain the responsibility of Customer except for any withholding taxes on amounts due Software Owner or taxes based on Software Owner's net income, or to the extent a valid tax exemption certificate is provided by Client to Software Owner before billing occurs.

6.2.1. Monthly Per Active User Fees. Client shall invoice Customer the per Active User licensing fees within thirty (30) days of the date of Software Owner's invoice and shall promptly remit such amounts collected, less any applicable Client discount as set forth in the PPS Schedule.

6.2.2. Maintenance and Support Fees. Client will pay Software Owner the rates and charges specified in the PPS Schedule for maintenance and support. Basic support, as described in the PPS Schedule, is included in Software Owner's monthly per Active User fee. Any additional support that may be requested by Client or that may be required to be expended by Software Owner with respect to development and/or implementation by Client will be billed on an hourly basis to be quoted. Client's obligation to pay maintenance, support and Development fees is independent of Customer's payment to Client for service. Charging and billing for maintenance and support beyond that specified in the PPS Schedule will be billed separately in accordance with the terms of the PPS Schedule.

6.2.3 Minimum Revenue Quota. Client agrees that during each successive twelve (12) month period after the Effective Date, it will satisfy any Minimum Revenue Quota for licensing the Products to Customers as set forth in the PPS Schedule. If Client fails to achieve the Quota for the preceding twelve (12) month period, Client agrees to pay to Software Owner an amount equal to the difference between the Minimum Revenue Quota and the Product charges paid by Client during that twelve month period. Payment of the shortfall charge is due within thirty (30) days of the date of invoice.

6.3 Invoicing. Invoicing for per Active User fees will be rendered quarterly. Invoices for maintenance support and other Product charges will be rendered monthly. Payment in U.S. currency is due within thirty (30) days of the date of invoice, without deduction, setoff or delay. Late payments shall accrue interest at the rate of 1% per month (12% per annum).

6.4 AUDIT RIGHTS

Client agrees to allow an authorized representative of Software Owner to examine its records to determine compliance or noncompliance with this Agreement, provided that such examinations may not occur more frequently than once per calendar year. Any examination will be conducted only by an authorized representative of Software Owner, such representative to be a qualified

third party and will occur during regular business hours at Client's offices and will not interfere unreasonably with Client's business activities. Any audit conducted pursuant to this Agreement shall not be conducted during the first or last week of an audited party's fiscal quarter and shall cover a period of at least twelve (12) months.

An audit conducted pursuant to this Agreement will be conducted at Software Owner's expense unless the results of such audit establish that inaccuracies in the quarterly reports have resulted in underpayment to Software Owner of more than ten percent (10%) of the amount due in any quarter, in which case Client shall pay within 30 days all amounts due and bear the expenses of the audit. In the event a second instance of a more than a 10% underpayment is discovered, Software Owner, at its option, will have the right to terminate the Agreement for cause with 15 days notice, in addition to any other rights Software Owner may have hereunder or at law. In the event a 10% underreporting is found, the examiner will give Software Owner an examination report containing the type of error(s), number of customers affected and the dollar amount. If it is discovered that the Client has distributed the product through unauthorized agents or other third parties, the names of such agents, or third parties may be revealed to Software Owner.

7. DEVELOPMENT RIGHTS AND OBLIGATIONS.

7.1 Prior to distributing any Development, Client shall provide such Development to Software Owner solely for purposes of testing and evaluation to determine compatibility between the Development and the Product. Client must obtain Software Owner's approval of compatibility prior to distributing a Development, which approval shall not be unreasonably delayed, conditioned or withheld.

7.2 Client shall modify Developments to the extent necessary and practicable for them to work with updated versions of the Product, within sixty days of updated versions being made available to Client.

8. WARRANTIES AND INDEMNIFICATION.

8.1 Limited Warranty. Software Owner hereby warrants as follows:

(a) Software Owner is, and shall remain, the owner or licensee of all intellectual property rights in and to the Products and there is no pending litigation against Software Owner which could materially impact its ability to perform its obligations under this Agreement;

(b) Software Owner has full power and right to license the Products and perform all other terms of this Agreement, and the use of Products, or the exercise of the licenses granted hereunder, will not violate or interfere with the intellectual property or contractual rights of any third party, including without limitation, those rights arising under copyright, trademark, trade secret or patent law, provided, however that Software Owner shall not be liable for breach of representation and warranty if a violation or interference occurs by reason of content supplied by Client or on its behalf by third parties associated with Client;

(c) The Products shall conform to the material elements of Software Owner's current written specifications as they have been provided to Client; and

(d) For a period of ninety (90) days from the delivery, the CD or other media on which the Products are furnished ("Media") shall be free from defects in materials and workmanship under normal use and service.

8.2 Remedy. In the event of any breach of the warranties set forth in 7.1(a) and (b) above, Software Owner shall, as Client's sole and exclusive remedy, undertake reasonable commercial efforts to remedy such breach, including repair or replacement of non-conforming Products. In the event of a breach of the warranty set forth in 7.1(c) above, Software Owner's entire liability and Client's

sole and exclusive remedy shall be replacement of the media or such part of the media not meeting Software Owner's limited warranty, or at Software Owner's option, refund of any amount prepaid for the time periods following return of such failed or defective Products, provided that Client returns the media or such part of the media to Software Owner. If failure of the media or any part of the media has resulted from accident, abuse, or misapplication of the Products, then Software Owner shall have no obligation to replace the media or any such part of the media under this limited warranty.

8.3 DISCLAIMER. EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 8, SOFTWARE OWNER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIMS ANY REPRESENTATION OR WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE OR NON-INFRINGEMENT OR ANY REPRESENTATION OR WARRANTY ARISING BY USAGE OF TRADE, COURSE OF DEALING OR COURSE OF PERFORMANCE.

8.4 Indemnification.

8.4.1 Software Owner. Software Owner agrees to defend, indemnify and hold harmless Client and its successors and assigns and their respective officers, directors and employees (the "Client Indemnified Parties") from all third party claims brought against the Client Indemnified Parties (including reasonable out-of-pocket attorneys' fees, court costs, damages awarded by a court of competent jurisdiction or agreed to in settlement, and other liabilities) alleging that a Product infringes any patent, trademark, copyright or trade secret. In the event the use of a Product is enjoined or Software Owner believes that such an injunction is reasonably likely, Software Owner shall, at Software Owner's option, (i) procure for Client the right to continue to use such Product as licensed hereunder, (ii) replace or modify the same to make it non-infringing or (iii) terminate this Agreement and refund to Client all prepaid fees paid to Software Owner for the unexpired portion of the remaining Term. This Section 8.4 states the exclusive remedy of Client and the entire liability of Software Owner with respect to infringement, misappropriation or other violation of any patent, trademark, copyright or trade secret or other proprietary rights of third parties by Software Owner.

8.4.2 Software Owner Exclusions. Software Owner shall not be obligated to defend or to be liable under this Section 8.4 to the extent that the pertinent claim or demand asserted arises out of (i) use of a Product with software or content not supplied by Software Owner, to the extent that such infringement would not have occurred but for such use; (ii) modifications to the Product or combination of the Product with non-Software Owner services or products by Client, a Customer or other third parties (including Developments by Client), to the extent that such infringement would not have occurred but for such combination; or (iii) use of the Product in violation of this Agreement.

8.4.3 Client. Client shall indemnify, defend and hold harmless Software Owner and its successors and assigns and their respective officers, directors and employees (the "Software Owner Indemnified Parties") from and against any and all third party claims brought against the Software Owner Indemnified Parties (including reasonable out-of-pocket attorneys' fees, court costs, damages awarded by a court of competent jurisdiction or agreed to in settlement, and other liabilities), arising as a result of or in connection with Client's breach of its obligations under this Agreement, including without limitation any failure to comply with any applicable law, rule or regulation.

8.4.4 Process. Any indemnification obligations set forth in this Agreement shall be subject to the following conditions: (i) the indemnified party under this Section 8.4 must promptly give the other party written notice of any claim for which indemnification may be sought, provided that failure to do so shall have no effect except to the extent the other party is prejudiced; (ii) the indemnifying party shall have control of the defense or settlement, provided that the indemnified party shall have the right to participate in such defense or settlement with counsel at its selection

and at its sole expense; and (iii) the indemnified party shall reasonably cooperate with the defense, at the indemnifying party's expense. An indemnifying party may not enter into any settlement agreement that will materially and adversely affect the rights or interests of any party being indemnified without such party's approval, which approval shall not be unreasonably withheld.

9. LIMITATION OF LIABILITY.

9.1 Limitation on Direct Damages. EXCEPT FOR THE PARTIES' OBLIGATIONS PURSUANT TO SECTION 10 HEREOF, WITH RESPECT TO ALL OTHER CLAIMS, NEITHER PARTY'S LIABILITY SHALL EXCEED THE AMOUNT OF THE AGGREGATE NET CHARGES PAID TO SOFTWARE OWNER BY CLIENT (INCLUDING AMOUNTS PAID BY CUSTOMERS TO CLIENT AND REMITTED BY CLIENT TO SOFTWARE OWNER) FOR THE AFFECTED PRODUCT OR SERVICE DURING THE PRECEDING TWELVE (12) MONTH PERIOD. THIS SHALL NOT LIMIT CLIENT'S RESPONSIBILITY FOR THE PAYMENT OF ALL PROPERLY DUE CHARGES UNDER THIS AGREEMENT.

9.2 Disclaimer of Consequential Damages. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES OF ANY KIND, (INCLUDING LIABILITIES FOR LOST PROFITS, LOSS OF USE, COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, INCREASED COST OF OPERATIONS, OR LOSS OR DESTRUCTION OF CONTENT OR DATA), WHETHER FORESEEABLE OR UNFORESEEABLE, WHICH MAY ARISE OUT OF OR IN CONNECTION WITH THIS AGREEMENT, REGARDLESS OF WHETHER EITHER PARTY HAS BEEN APPRISED OF THE POSSIBILITY OR LIKELIHOOD OF SUCH LOSS OCCURRING.

9.3 Applicability and Survival. THE LIMITATIONS OF LIABILITY SET FORTH IN THIS AGREEMENT SHALL APPLY REGARDLESS OF FORM OF ACTION, WHETHER IN CONTRACT OR TORT, STRICT LIABILITY OR OTHERWISE, AND SHALL SURVIVE FAILURE OF ANY EXCLUSIVE REMEDIES PROVIDED IN THIS AGREEMENT.

9.4 Injunctive Relief. THE LIMITATIONS IN THIS SECTION 9 ARE NOT INTENDED TO PRECLUDE A PARTY FROM SEEKING INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION IN THE EVENT OF A VIOLATION BY THE OTHER PARTY OF SECTIONS 3, 4, 5 OR 10 HEREOF.

9.5 Personal Liability Exclusion. Each party acknowledges that this Agreement is an obligation of such party, and agrees that no personal liability shall extend to any officer, director, member, agent or employee or such party and that the other party will look solely to the assets of such party for satisfaction of the obligations under this Agreement.

10. CONFIDENTIALITY.

10.1 Definition. "Confidential Information" means (i) the information and materials noticed or marked by Software Owner or Client as confidential or proprietary, and (ii) information and materials which should reasonably be understood as confidential or proprietary given the nature of the information or materials and the circumstances under which it is disclosed. "Confidential Information" shall also include any disclosed information of third parties that a disclosing party is obligated to protect as trade secret or confidential. "Confidential Information" does not include information that (i) is already known to the receiving party at the time it is disclosed and has not been obtained wrongfully, (ii) is or becomes publicly known or available without fault of the receiving party, (iii) is independently developed by the receiving party without use of or reference to the disclosing party's Confidential Information, (iv) is approved for release in writing by the disclosing party or (v) is lawfully obtained from a third party who has the right to make such disclosure and without breach of any obligation owed to the disclosing party.

10.2 Obligations. The parties agree that any Confidential Information provided under this Agreement shall be held and maintained in strict confidence and shall not be disclosed to any person or entity other than to the employees and contractors of such party having a need to know in order for the party to perform properly its obligations and/or exercise its rights under this Agreement and who are subject to confidentiality obligations similar to those hereunder or as otherwise permitted under this Agreement. Each party agrees to protect the confidentiality of the Confidential Information of the other party in the same manner that it protects the confidentiality of its own proprietary and confidential information of like kind, but in no event shall either party exercise less than reasonable care in protecting such information. Neither party shall make any other use of any nature whatsoever of the other party's Confidential Information except as expressly permitted under this Agreement. No right of ownership or title to any Confidential Information is transferred by either party to the other under this Agreement.

10.3 Disclosure Required by Law. Notwithstanding the foregoing, the parties may disclose Confidential Information if required by law as part of a judicial or regulatory proceeding or other governmental investigation so long as the party required to make the disclosure takes reasonable steps available to contest such disclosure or to obtain protective treatment and notifies the other party prior to disclosure in sufficient time (if available) to enable such party to take such steps as well (or instead). The disclosing party shall provide the other party with reasonable assistance, at the other party's expense, in contesting such disclosure and seeking protective treatment.

10.4 Specific Performance. The parties acknowledge that in the event of any breach or threatened breach of this Section 10 by either party, the other party will suffer irreparable harm and will not possess an adequate remedy at law. Accordingly, each party shall have the right to seek injunctive or other equitable relief to restrain such breach and threatened breach and without any requirement to post any bond or surety.

11. TERM AND TERMINATION.

11.1 Term. This Agreement shall take effect on the Effective Date and shall continue in force for two years (the "Initial Term"). Thereafter, this Agreement will be automatically renewed for one (1) year renewal terms unless terminated by either party with sixty (60) -days' notice prior to the end of the Initial Term or any renewal term, and provided Client has paid Software Owner all amounts then due and is not otherwise in breach of this Agreement in any respect.

11.2 Termination. Notwithstanding any other provision, this Agreement may be terminated in accordance with the following:

11.2.1 If a party materially breaches this Agreement and the breach continues unremedied for thirty (30) days after receipt of written notice of the breach by the other party, the non-breaching party may terminate this Agreement immediately and in its entirety upon notice to the breaching party;

11.2.2 If a party files a petition of any type as to its bankruptcy, has an involuntary petition for bankruptcy filed against it which remains undismissed for at least ninety (90) days, is declared bankrupt, makes an assignment for the benefit of creditors, is liquidated or dissolves, or has a receiver appointed for all or a substantial portion of its property, the other party may terminate this Agreement immediately upon notice;

11.2.3 After the expiration of the Initial Term, either party may terminate this Agreement for any reason upon ninety (90) days' written notice to the other party; and

11.2.4 Client may terminate this Agreement within 30 days of delivery of the POC.

11.3 Rights and Obligations on Termination or Expiration.

11.3.1 Termination or expiration of this Agreement shall not release either party from the obligation to make payment of all amounts then or thereafter due and payable, nor does it waive any other rights or remedies either party may have under this Agreement.

11.3.2 Upon termination or expiration of this Agreement, Client shall: (1) immediately return to Software Owner or destroy (i) all media containing the Products; (ii) all originals and copies of the Products, manuals, Documentation, product literature, fee schedules, and other written materials provided by Software Owner; and (iii) all Confidential Information and other property of Software Owner, provided that such materials or information are in Client's possession or under its control; (2) immediately discontinue holding itself out as a Client of the Products, shall destroy all advertising and promotional materials in its possession or control bearing any Trademarks, and shall remove all signs bearing Trademarks or otherwise identifying Client as a representative of Software Owner; (3) deliver to Software Owner a document executed on behalf of Client certifying Client's compliance with this Section; and (4) deliver to Software Owner a Customer List, which shall include, (i) List of all current Customers (ii) All contact information for each Customer (iii) the amount of end users for each Customer, and (iv) the current per-Active User fee charged to each Customer. In addition, upon termination or expiration of this Agreement, Software Owner shall immediately return to Software Owner or destroy all Confidential Information and other property of Client, provided that such materials or information are in Software Owner's possession or under its control.

11.3.3 Termination or expiration of this Agreement does not affect any licenses granted to Customers in accordance with this Agreement. In the event of such termination or expiration, Software Owner shall have the option of assuming Level 1 and Level 2 Support (as defined in Schedule B) for all then-current Customers, and Client shall in such event refund to Software Owner a pro rata share of all maintenance and support fees collected from such Customers, based on the time remaining in such Customers' respective then-current maintenance and support terms.

12. GOVERNING LAW

This Agreement shall be governed by, and interpreted and construed in accordance with, the substantive laws of the state of New York, conflicts of law excluded. Both parties hereby irrevocably submit any disputes under this Agreement shall be settled by arbitration to be held in New York County, New York, in accordance with the commercial dispute resolution rules then in effect of the American Arbitration Association. The Arbitrator may grant injunctions or other relief in such dispute or controversy. The decision of the arbitrator will be final, conclusive and binding on the parties to the arbitration. Judgment may be entered on the arbitrator's decision in any court having jurisdiction. The losing party shall be responsible for the costs and expenses of such arbitration, except that each party shall separately pay its counsel fees and expenses.

13. MISCELLANEOUS.

13.1 Relationship. This Agreement does not make either party the employee, franchisee, agent or legal representative of the other for any purpose whatsoever. Neither party is granted any right or authority to assume or to create any obligation or responsibility, express or implied, on behalf of or in the name of the other party. In fulfilling its obligations pursuant to this Agreement each party shall be acting as an independent contractor.

13.2 Assignment. Neither party shall assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party. Any prohibited assignment shall be null and void. Notwithstanding the immediately preceding sentence, a party may assign its interest in this Agreement to a person or entity acquiring (by sale, merger, reorganization or

otherwise) substantially all of the transferor's assets or business, provided that (1) the transferee assumes all obligations of the transferor following the transfer, and (2) the transferee is not engaged in business that directly competes with the non-transferring party's business. Additionally, either party may transfer its rights and obligations hereunder to any successor company or to any company or other legal entity that is controlled by, controls or is under common control with Software Owner, provided that (1) the transferring party unconditionally guarantees the performance of the transferee and (2) the transferee is not engaged in business that directly competes with the non-transferring party's business. This Agreement shall inure to the benefit of and shall be binding on the successors and permitted assigns of the parties.

- 13.3 **Notices.** All required notices under this Agreement shall be in writing and deemed given upon (i) confirmation of receipt of an email or facsimile transmission; (ii) confirmed delivery by a standard overnight carrier or when delivered by hand; or (iii) the expiration of three (3) business days after the day when mailed by registered or certified or registered mail, postage paid, to the party's address set forth on the signature page of this Agreement.
- 13.4 **Entire Agreement.** This Anchor ID Sales and Distribution Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof, and supersedes all previous agreements by and between the parties as well as all proposals, oral or written and all negotiations, conversations or discussions heretofore had between the parties related to the subject matter of this agreement. The parties acknowledge that they have not been induced to enter into this agreement by any representations or statements, oral or written, not expressly contained herein.
- 13.5 **Amendment.** This Agreement shall not be deemed or construed to be modified, amended, rescinded, cancelled or waived, in whole or in part, except by written amendment signed by the parties hereto.
- 13.6 **Severability.** In the event that any of the terms of this Agreement are in conflict with any applicable rule of law or statutory provision or otherwise unenforceable under applicable laws or regulations of any government or subdivision thereof, such terms shall be deemed stricken from this Agreement, but such invalidity or unenforceability shall not invalidate any of the other terms of this Agreement and this Agreement shall continue in force, unless the invalidity or unenforceability of any such provisions hereof does substantial violence to, or where the invalid or unenforceable provisions comprise an integral part of, or are otherwise inseparable from, the remainder of this Agreement.
- 13.7 **Counterparts.** This Agreement shall be executed in two or more counterparts, and each such counterpart shall be deemed an original hereof. Any translation of this Agreement into any other language shall be for convenience purposes only and shall not be binding on any party.
- 13.8 **Delay or Omission Not Waiver.** No delay or failure by either party to take any action or assert any right hereunder shall be deemed to be a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right.
- 13.9 **Export.** Client may not download or otherwise export or re-export any underlying software, technology or other information from the Product except in full compliance with all U.S. and other applicable laws and regulations. In particular, but without limitation, none of the underlying information or technology may be downloaded or otherwise exported or re-exported (i) into (or to a national or resident of) any country to which the U.S. has embargoed goods or (ii) to anyone on the U.S. Treasury Department's list of Specially Designated Nationals or the U.S. Commerce Department's or State Department's Table of Denial Orders.
- 13.10 **No Third Party Beneficiaries.** Except for the rights afforded Software Owner Indemnified Parties and Client Indemnified Parties set forth in Section 8.4 (Indemnification), no entities not a party to this Agreement shall be deemed third party beneficiaries hereunder.

DISTRIBUTOR/CLIENT HAS READ, UNDERSTOOD AND AGREES TO COMPLY WITH THE TERMS AND CONDITIONS ABOVE. I REPRESENT THAT I AM AN AUTHORIZED REPRESENTATIVE OF DISTRIBUTOR/CLIENT WITH THE AUTHORITY AND CAPABILITY TO BIND THE DISTRIBUTOR AND I AGREE TO DO SO BY CLICKING BELOW TO ACCEPT THE TERMS:

END USER LICENSE AGREEMENT

AnchorID's End User Licensing Agreement

<http://anchorid.com/images/anchorid-eula-agreement-v1.pdf>