

BIOMETRIC ASSOCIATES, LP EMBEDDED SOFTWARE LICENSE AGREEMENT

This Embedded Software License Agreement (the "**Agreement**") is entered into as of the last date of execution on the signature page hereto (the "**Effective Date**") by and between Biometric Associates, LP ("**BAL**") and _____ ("**Licensee**"). BAL and Licensee may each be referred to as a "**Party**" and together as the "**Parties**."

The Parties agree as follows:

1. Software Terms

a. Definitions.

"**Delivery**" with respect to Software, means that BAL has either made the Software available to Licensee via electronic means or has provided the Software to a carrier on physical media for delivery to Licensee. Delivery may be in the form of a Software Developer's Kit (SDK).

"**Documentation**" means all printed or electronic materials published or otherwise that are provided to Licensee and that describe or relate to the functional, operational or performance capabilities of the Software.

"**EULA**" or "**End User License Agreement**" software products or services that are not classified as Middleware. End-User applications also include middleware, which is developed solely for in-house use in Licensee's End-User Applications and Web Services.

"**Licensee**" - a company or individual who is given the right to use and/or distribute the Software according to this license.

"**Middleware**" means software products or services which are developed by BAL for use by the Licensee for creation of the Licensee's software products and which are embedded as a part of the Licensee's software products or services.

"**Object Code**" or "Static Library" means the binary, machine-readable version of the Software.

"**Production Environment**" means a single instance of the Software used in an environment other than a Test Environment.

"**Software**" means software identified on Attachment A that is owned by BAL and any modifications, corrections, improvements or enhancements thereto provided by BAL.

"**Source Code**" means human-readable computer programming code, associated procedural code and related documentation.

"**Specifications**" means the applicable published BAL functional specifications for an item of Software.

"**Test Environment**" means a single instance of the Software used solely for test purposes. Such installation can only be used to verify the correct installation, operation, and integration of the Software and/or components.

"**Third Party Software**" means software that is not owned by BAL but is identified on Attachment A as being provided by BAL.

"**Use**" means the ability to run, execute, display and, subject to the restrictions described below, duplicate and distribute internally.

"**Warranty Period**," with respect to a particular item of Software, means the warranty term beginning on the warranty start date, as set forth on Attachment A. If no such period is identified on Attachment A, then no Warranty is provided.

b. License Grant.

Subject to the terms of this Agreement and for the license fee set forth on Attachment A, if any, BAL grants to Licensee a nonexclusive, nontransferable, Object Code license to Use the Software and Documentation for its internal business purposes only in the development and distribution of End-User Software Applications set forth in Attachment A. Distribution of the Object Code of the software is allowed when the Software is embedded into End-User Applications of the Licensee as part of the software package.

c. Restrictions.

As a condition to the foregoing license grant, Licensee shall not (i) violate any restriction set forth on Attachment A, (ii) modify or create any derivative work from the Software, include the Software in any other software or (iii) reverse assemble, decompile, reverse engineer or otherwise attempt to derive Source Code (of the underlying ideas, algorithms, structure or organization) from Software. Except as expressly permitted in this Agreement, (iv) the Software may not be installed on a computer that is not part of the Licensee's computer network, (v) Licensee may not copy the Software other than to make one machine readable copy for disaster recovery or archival purposes, and (vi) installation of the Software shall be limited to the Licensee's Internal Development and one Production Environment. Licensee may only make copies of Documentation as reasonably necessary for the use contemplated herein. The Software and Documentation shall be considered the confidential information of BAL and, as such, shall be subject to the confidentiality provisions of this Agreement.

(vii) Distribution of the Software Source Code is prohibited.

(viii) Licensee must include in its EULA the license information found in Attachment B.

(ix) "Open Source" software is software available without charge for use, modification and distribution is often licensed under terms that require the user to make the user's modifications to the Open Source software or any software that the user "combines" with the Open Source software freely available in source code form. If you use Open Source software in conjunction with BAL software, you must ensure that your use does not: (a) create, or purport to create, obligations of BAL with respect to your application program; or (b) grant, or purport to grant, to any third party any rights to or immunities under BAL's intellectual property or proprietary rights to BAL software. For example, you may not develop an application program using BAL software and an Open Source program where such use results in an application program file(s) that contains code

from both BAL software and the Open Source program (including without limitation libraries) if the Open Source program is licensed under a license that requires any "modifications" be made freely available. You also may not combine the programs with programs licensed under the GNU General Public License ("GPL") in any manner that could cause, or could be interpreted or asserted to cause, BAL software or any modifications to BAL software to become subject to the terms of the GPL.

d. Invoicing.

To the extent that there are license fees identified on Attachment A in connection with the Software and any Third Party Software, BAL will invoice Licensee for the same upon Delivery.

e. Limited Software Warranty

i. Warranty and Remedy.

For the Warranty Period, BAL warrants to Licensee that the Software will perform substantially in accordance with the Specifications. BAL does not warrant that the Software will operate uninterrupted or error-free. BAL's sole obligation and Licensee's exclusive remedy in connection with the breach of a warranty provided under this Section shall be for BAL to repair or replace the non-conforming Software in a schedule version release of the SDK. BAL may, in its sole discretion, determine that it is unable to repair or replace non-conforming Software.

f. Audit.

Licensee will maintain accurate and detailed records as necessary to verify compliance with this Agreement. BAL may audit these records to verify compliance at any time during Licensee's regular business hours after giving notice 5 business days in advance of the audit. Except as described below, BAL will bear all costs and expenses associated with the exercise of its audit rights.

g. Obligations Upon Termination for Cause.

Upon a termination by BAL for cause, Licensee's license to any Software and right to receive maintenance and support for such Software shall immediately terminate and Licensee shall (i) delete any Software from all of its computers, (ii) immediately deliver to BAL or destroy all copies of such Software and any related Documentation and (iii) certify in writing to BAL within 10 days of any such termination that Licensee has complied with this Section.

h. Other Provisions.

Licensee shall not, directly or indirectly, export or transmit the Software to any country to which such export or transmission is prohibited by any applicable regulation or statute. The Parties agree that Software provided under this Agreement shall be deemed to be "goods" within the meaning of Article 2 of the Uniform Commercial Code, except when such a practice would cause an unreasonable result. The Parties agree that the Uniform Computer Information Transaction Act (or a version thereof or substantially similar law) shall not govern this Agreement.

2. Payment Terms and Taxes.

Licensee will be responsible for and pay all applicable sales, use, excise, value-added and other taxes associated with the provision of products or services by BAL. If Licensee is a tax exempt entity, or pays taxes directly to the state, Licensee will provide BAL with a copy of its Tax Exemption Certificate or Direct Pay Permit, as applicable, upon execution of this Agreement.

3. Confidentiality.

With respect to any information supplied in connection with this Agreement and designated by either Party as confidential, or which the recipient should reasonably believe to be confidential based on its subject matter or the circumstances, the recipient agrees to protect the confidential information in a reasonable and appropriate manner, and to use and reproduce the confidential information only as necessary to realize the benefits of or perform its obligations under this Agreement and for no other purpose. The obligations in this Section will not apply to information that is: (i) publicly known; (ii) already known to the recipient; (iii) lawfully disclosed by a third party; (iv) independently developed; or (v) disclosed pursuant to a legal requirement or order. The recipient may disclose the confidential information on a need-to-know basis to its contractors, agents and affiliates who agree to confidentiality and non-use terms that are substantially similar to these terms.

4. IP Ownership.

Between BAL and Licensee, all patents, copyrights, mask works, trade secrets, trademarks and other proprietary rights in or related to any product, software or deliverable provided by BAL pursuant to this Agreement are and will remain the exclusive property of BAL. Any modification or improvement to a BAL product or deliverable that is based on Licensee's feedback shall be the exclusive property of BAL. Licensee will not take any action that jeopardizes BAL's proprietary rights nor will it acquire any right in any such product, software or deliverable or BAL's confidential information other than rights granted in this Agreement.

5. Indemnification

a. General Indemnity.

BAL will defend Licensee from any claim for (i) death of or bodily injury to a Licensee employee or third party that is caused by BAL's gross negligence or intentional torts, or (ii) physical damage to tangible personal property owned by Licensee or a third party that is caused by BAL's gross negligence or intentional torts and will pay costs and damages awarded against Licensee (or settled) in any such action that are specifically attributable to BAL's gross negligence or intentional torts.

b. Infringement Indemnity.

BAL will, at its own expense, defend any claim or action brought against Licensee by an unaffiliated third party to the extent that the action is based upon a claim that any product manufactured, software licensed or service provided by BAL hereunder directly infringes any U.S. patent (issued as of the Effective Date) or any copyright or trademark and BAL will pay those costs and damages awarded against Licensee (or settled) in any such action that are specifically attributable to such claim. The foregoing indemnity does not apply to products not manufactured by BAL or software licensed by third parties.

c. Conditions to Infringement Indemnity.

BAL's infringement indemnity obligations under this Section are conditioned on Licensee's agreement that if the applicable product or service becomes, or in BAL's opinion is likely to become, the subject of such a claim, Licensee will permit BAL, at BAL's option and expense, either to procure the right for Licensee to continue using the affected product or service or to replace or modify the same so that it becomes non-infringing. Such replacements or modifications will be functionally equivalent to the replaced product or service. If the foregoing alternatives are not available on terms that are reasonable in BAL's judgment, BAL shall have the right to require Licensee to cease using the affected product or service in which case BAL will refund to Licensee the depreciated value of the affected product or service.

d. Exclusions.

BAL shall have no obligation under this Agreement to the extent any claim of infringement or misappropriation results from: (i) use of a product or service, other than as permitted under this Agreement or as intended by BAL, if the infringement would not have occurred but for such use; (ii) use of any product or service in combination with any other product, equipment, software or data, if the infringement would not have occurred but for such combination; (iii) any use of any release of a software or any firmware other than the most current release made available to Licensee, (iv) any claim based on Licensee's use of a product after BAL has informed Licensee of modifications or changes to the product required to avoid such claims and offered to implement those modification or changes, if such claim would have been avoided or mitigated by the implementation of BAL's suggestions, (v) any modification to a product made by a person other than BAL or an authorized representative of BAL, or (vi) compliance by BAL with specifications or instructions supplied by Licensee. BAL shall not be liable hereunder for enhanced or punitive damages that could have been avoided or reduced by actions within the control of Licensee.

e. Right to Defend.

As a condition to BAL's indemnity obligations under this Agreement, Licensee will provide BAL with prompt written notice of the claim, permit BAL to control the defense, settlement, adjustment or compromise of the claim and provide BAL with reasonable assistance in connection with such defense. Licensee may employ counsel at its own expense to assist it with respect to any such claim.

f. Indemnity Disclaimer

THIS SECTION CONSTITUTES BAL'S SOLE AND EXCLUSIVE OBLIGATION WITH RESPECT TO THIRD PARTY CLAIMS BROUGHT AGAINST LICENSEE.

6. Warranty Disclaimer.

EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BAL DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES, CONDITIONS OR REPRESENTATIONS INCLUDING, WITHOUT LIMITATION, (I) IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, (II) WARRANTIES OF TITLE AND AGAINST INFRINGEMENT AND (III) WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE. TO THE EXTENT ANY IMPLIED WARRANTY CANNOT BE EXCLUDED, SUCH WARRANTY IS LIMITED IN DURATION TO THE EXPRESS WARRANTY PERIOD.

7. WAIVER OF CONSEQUENTIAL DAMAGES.

IN NO EVENT WILL BAL BE LIABLE UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR COVER OR FOR INCIDENTAL, SPECIAL, CONSEQUENTIAL (INCLUDING LOSS OR CORRUPTION OF DATA OR LOSS OF REVENUE, SAVINGS OR PROFITS) OR EXEMPLARY DAMAGES, EVEN IF BAL HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. BAL'S PRICING REFLECTS THIS ALLOCATION OF RISKS AND LIMITATION OF LIABILITY.

8. CAP ON LIABILITY.

THE AGGREGATE LIABILITY OF BAL AND ITS AFFILIATES AND ITS AND THEIR OFFICERS, DIRECTORS, EMPLOYEES OR OTHER REPRESENTATIVES, ARISING IN ANY WAY IN CONNECTION WITH THIS AGREEMENT—WHETHER UNDER CONTRACT LAW, TORT LAW, WARRANTY OR OTHERWISE—SHALL NOT EXCEED THE TOTAL AMOUNT PAID

BY LICENSEE UNDER THIS AGREEMENT. BAL SHALL NOT BE LIABLE FOR ANY CLAIM MADE THE SUBJECT OF A LEGAL PROCEEDING MORE THAN TWO (2) YEARS AFTER THE CAUSE OF ACTION ASSERTED IN SUCH CLAIM AROSE. BAL'S PRICING REFLECTS THIS ALLOCATION OF RISKS AND LIMITATION OF LIABILITY.

9. Term and Termination

a. Term of Agreement.

Unless terminated earlier as provided herein, the term of this Agreement shall be from the Effective Date through December 31, 2012. The term of this Agreement shall thereafter automatically renew for successive one year periods unless either Party provides the other with written notice of its intent not to renew at least 90 days prior to such termination;. Notwithstanding the foregoing, the term of any license provided by BAL hereunder shall be as set forth in the provision granting such license.

b. Termination for Cause.

Either Party may terminate this Agreement by providing the other Party with written notice if the other Party (i) becomes insolvent, executes a general assignment for the benefit of creditors or becomes subject to bankruptcy or receivership proceedings; (ii) breaches its obligations related to the other Party's confidential information; or (iii) commits a material breach of this Agreement that remains uncured for 30 days following delivery of written notice of such breach (including, but not necessarily limited to, a statement of the facts relating to the breach or default, the provisions of this Agreement that are in breach or default and the action required to cure the breach or default).

c. Survival.

Any provision of this Agreement that contemplates performance or observance subsequent to termination or expiration of this Agreement shall survive termination or expiration and continue in full force and effect for the period so contemplated including, but not limited to, provisions relating to warranties and warranty disclaimers, intellectual property ownership, payment terms, confidentiality, waiver of consequential damages, and cap on liability.

10. Miscellaneous

a. Entire Agreement.

This Agreement and any attachments hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements pertaining to such subject matter. All prior agreements, representations, warranties, statements, negotiations, understandings, and undertakings are superseded hereby and Licensee represents and acknowledges that it has not relied on any representation or warranty other than those explicitly set forth in this Agreement in connection with its execution of this Agreement. Neither Party shall be bound by terms and conditions imprinted on or embedded in purchase orders, order acknowledgments, statements of work not attached hereto or other communications between the Parties subsequent to the execution of this Agreement.

b. Amendments and Waivers.

Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only by a writing signed by an authorized representative of each Party and declared to be an amendment hereto. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision. No waiver granted under this Agreement as to any one provision herein shall constitute a subsequent waiver of such provision or of any other provision herein, nor shall it constitute the waiver of any performance other than the actual performance specifically waived.

c. Governing Law; Jury Trial.

This Agreement and performance hereunder will be governed by and construed in accordance with the laws of the State of Maine without reference to reference to its choice of law rules or conflicts of law principles or the United Nations Convention on Contracts for the Sale of Goods. THE PARTIES HEREBY UNCONDITIONALLY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM ARISING IN ANY WAY IN CONNECTION WITH THIS AGREEMENT.

d. No Solicitation.

For eighteen months following the termination of this Agreement, Licensee will not encourage or solicit any employee or consultant to leave the employ of BAL, provided that the foregoing shall not be construed to prohibit mass media advertising not specifically directed towards employees or consultants of BAL.

e. Assignment.

Licensee may not assign or transfer its interests, rights or obligations under this Agreement by written agreement, merger, consolidation, operation of law or otherwise without the prior written consent of an authorized executive officer of BAL. Any attempt to assign this Agreement by Licensee shall be null and void. For purposes of this Agreement, the acquisition of an equity interest in Licensee of greater than 25 percent by any third party shall be considered an assignment.

f. Force Majeure.

Neither Party will be responsible for any failure or delay in performing any obligation hereunder if such failure or delay is due to a cause beyond the Party's reasonable control, including, but not limited to acts of God, flood, fire, tsumani, volcano, war, third-party suppliers, labor disputes or governmental acts. Notwithstanding the foregoing, BAL shall have no obligation to

deliver Software or Equipment or provide Services to the extent that Licensee is unable to pay as a result of a force majeure event.

g. Notices.

Any notice required or permitted under this Agreement or required by law must be in writing and must be delivered in person, by facsimile, by certified mail (return receipt requested), or by a nationally recognized overnight service with all freight charges prepaid, to the address set forth below. Notices will be deemed to have been given at the time of actual delivery, if in person, or upon receipt (as evidenced by facsimile confirmation, return receipt or overnight delivery verification). Either Party may change its address for notices by written notice to the other Party in accordance with this Section.

BAL: Attn: Scott T. Johnson
Biometrics Associates, LP
9475 Deereco Road – Suite 304
Timonium, MD 21093

Licensee:

h. Miscellaneous.

Headings used in this Agreement are intended for convenience or reference only and will not control or affect the meaning or construction of any provision of this Agreement. If any provision in this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will in no way be affected or impaired thereby and such provision shall be interpreted so as to best accomplish the intent of the Parties within the limits of applicable law. Any principle of construction or rule of law that provides that an agreement shall be construed against the drafter of the agreement shall not apply to the terms and conditions of this Agreement. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together shall constitute one and the same agreement. If available, maintenance and support for products will be provided pursuant to a separate maintenance agreement. BAL shall perform all work to be performed in connection with this Agreement as an independent contractor and not as the agent or employee of Licensee. All persons furnished by BAL shall be for all purposes solely BAL's employees or agents and shall not be deemed to be employees of Licensee for any purpose whatsoever. This Agreement is entered into only for the benefit of Licensee and BAL. No other person or entity shall have the right to make any claim or assert any right hereunder, and no other person or entity shall be deemed a beneficiary of this Agreement.

Agreed to and accepted:

Biometric Associates, LP

Licensee

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Tax Exempt: Yes / No (if yes, attach copy of Tax Exemption Certificate)

Attachment A

1. **Licensed Software**

BAL baiMobile Smart Card Middleware software provided in the form of a Software Developer's Kit and periodic upgrades to BAL software. Licensed Software may include one or more of the following:

1. Libraries (binary, machine-readable version of BAL software which represents our intellectual property)
2. Application level source code samples to demonstrate how to exercise the libraries
3. Sample project that includes the sample source code and the libraries.
 - a. The project is represented by a set of files and directories that are created and used by the IDE (Integrated Development Environment) appropriate for the platform (Xcode for iOS, Eclipse for Android, etc.).
4. Firmware binaries to update the baiMobile 3000MP Reader firmware.

2. **Limitations**

BAL baiMobile SmartCard Middleware may only be used with smart card readers and other devices specifically approved by BAL. Use of BAL baiMobile Smart Card Middleware with other, non-approved smart card readers is prohibited.

3. **License Fees and Royalties**

During the term of this Agreement, there are no license fees or royalty fees for that are payable by the Licensee to BAL for the use of BAL Smart Card Middleware.

4. **Technical Support and Software Upgrades**

During the term of this Agreement, there are no technical support or upgrade fees for that are payable by the Licensee to BAL for the use of BAL Smart Card Middleware.

Attachment B

End User License Agreement (EULA)

Licensee Products that contain BAL Middleware must contain an EULA that the End User must accept that contains the following provisions:

1. The Application cannot be copied or distributed without the express authorization by the Licensee and BAL other than for backup purposes.
2. The Application contains Middleware that is owned by BAL, provided to the Licensee under License, and is protected by copyright law, international copyright treaties, patents, and other proprietary notices.