Software License, Services and Support Agreement
("Agreement")

This Agreement is made effective as of the _____day of _____, 20____, by and between BatchMaster Software, Inc., a California corporation with offices at 9861 Irvine Center Drive, Irvine, California 92618 ("BSI"), and _____ with offices at _____ ("Licensee"). This Agreement is a master agreement defining the terms and conditions that govern Licensee's receipt and use of software, support and services from BSI.

1.0   DEFINITIONS.

1.1   "BSI Reseller" means an independent entity authorized by BSI to market, promote and distribute the Software and/or to provide support or consulting services related to the Software. These include, without limitation, value-added resellers, manufacturer's representatives and consulting organizations.

1.2   "Current Software Release" means the most recent major release of the Software or the last major release immediately prior to that release.

1.3   "Documentation" means documents related to the use of the Software delivered to the Licensee. Documentation excludes all advertising, marketing materials, pre-sales communications, requests for proposal, proposals, demonstration materials and other promotional information.

1.4   "Integration Code" means software code developed or created for the sole purpose of integrating separate, stand-alone applications or interfaces with the Software through the Software's APIs. For the purposes of clarification, any and all APIs to the Software are part of the Software and are not considered part of the Integration Code.

1.5   "Modification" means a change to the Software that changes the underlying source code.

1.6   "Purchase Documents" means documents related to order(s) of Software, Support or Services, regardless of the date executed, in form of written proposals, quotations, Statements of Work, order forms, work orders, change orders, invoices or other forms of written communications along with exhibits and attachments thereto. All such Purchase Documents are incorporated into this Agreement by reference.

1.7   "Proprietary Information" means with respect to BSI and its software suppliers, (i) the Software and Documentation, any other third-party software licensed with or as part of the Software, benchmark results, manuals, program listings, data structures, flow charts, logic diagrams, functional specifications; (ii) the concepts, techniques, ideas, and know-how embodied and expressed in the Software, including structure, sequence and organization; and (iii) information reasonably identifiable as the confidential and proprietary information of BSI or Licensee excluding any part of the BSI or Licensee Proprietary Information which (a) is or becomes publicly available through no act or failure of the other party; or (b) was or is rightfully acquired by the other party from a source other than the disclosing party prior to receipt from the disclosing party; or (c) becomes independently available to the other party as a matter of right.

1.8   "Services" means training, implementation, development, consulting, customizations, enhancements or other services rendered by BSI in accordance with BSI's then-current methodologies, policies and procedures for the benefit of Licensee as per applicable Purchase Documents between BSI and Licensee and/or BSI and Reseller (excluding any services actually rendered by BSI Reseller).

1.9   "Software" means (i) the software products developed, licensed or distributed by BSI and delivered to Licensee hereunder pursuant to the applicable Purchase Documents for the Software (including, without limitation, present and future orders) placed by Licensee or on its behalf by a BSI Reseller; (ii) any subsequent software Updates; (iii) any complete or partial copies of any of the foregoing; and (iv) any extensions, enhancements or other additional functionality developed as a result of Services provided.

1.10 "Statement of Work" means a description of services to be rendered by BSI for the benefit of Licensee.

1.11 "Support" means the (i) Software Updates and (ii) BSI technical help desk services provided in accordance with the Licensee's BSI Annual Software Maintenance Plan and BSI's then-current support policies and procedures (excluding any support services provided to Licensee by BSI Reseller).

1.12 "Updates" means all defect fixes and other modifications to Software and Documentation, if any, that are provided to Licensee under Support. Updates do not include separately-priced modules, and software modifications developed specifically by request for Licensee's implementation such as application enhancements, integrations, customizations or any other custom software.

1.13 "Use" means to activate the processing capabilities of the Software, load, execute, access, employ the Software, or display information resulting from such capabilities.

2.0 LICENSEE PURCHASE OF SOFTWARE, SUPPORT AND SERVICES.

2.1 Source. Licensee is purchasing a license in the Software and/or related Support and/or Services either (i) through a BSI Reseller pursuant to Purchase Documents entered into between BSI and BSI Reseller acting on behalf of Licensee or (ii) directly from BSI pursuant to Purchase Documents entered into between BSI and Licensee.

2.2 BSI Reseller Relationship. In the event that Licensee acquires the Software through a BSI Reseller, Licensee acknowledges and agrees that the BSI Reseller is not the agent of BSI. The BSI Reseller is an independent company, person or entity with no authority to bind BSI or to make representations or warranties on behalf of BSI. BSI makes no representations or warranties as to any such reseller, or any other third party, related to the performance of the products or services of such entities and fully disclaims any such warranties in accordance with Section 10.4. In addition, Licensee expressly acknowledges and agrees that BSI is entitled to rely u p on information provided to BSI by BSI Reseller, acting upon Licensee's behalf, in relation to purchase transactions. BSI shall have no liability to Licensee for any actions thereunder based on BSI's reasonable belief in the reliability of such information.

2.3 Type of License. BSI offers both perpetual and subscription licenses to its customers, and "demo" licenses to its resellers and other business partners for temporary use for business development. A perpetual license is a paid-up license, whereas a subscription license is granted for a specified period of time and may be renewed at the then-current subscription licensing fee for subsequent periods. Unless otherwise specified in the Purchase Documents, each user license is considered a license granted to a specific named user entitling that individual to use of the Software.

3.0 LICENSE GRANT.

3.1 License.

(a) Pursuant to the terms of the Purchase Documents, BSI grants a non-exclusive, perpetual license (unless terminated in accordance with Section 8 herein) or a time-based subscription license to Use the Software, Documentation and other BSI Proprietary Information to run Licensee's internal business operations and to provide internal training and testing for such internal business operations. Each user accessing the Software must limit its access to those functions for which BSI has granted the specific user license pursuant to the specifics contained in the Purchase Documents for the Software. This license does not permit Licensee to use the BSI Proprietary Information to provide services to third parties (e.g., business process outsourcing, service bureau applications or third party training). Licensee acknowledges that the Software, Documentation and other BSI Proprietary Information and all right, title and interest therein (including without limitation, all intellectual property rights), are the sole property of BSI and its suppliers and licensors, and that Licensee shall acquire no right, title or interest in the Software by virtue of this Agreement other than the non-exclusive license to use the Software expressly granted herein.

(b) Any individuals that use the Software, including employees or agents of Business Partners, must be licensed users pursuant to the terms of the Purchase Documents. Use may occur by way of an interface delivered with or as a part of the Software, a Licensee or third-party interface or another intermediary system.

3.2 Third Party Database and Applications.

(a) The Software licensed hereunder requires a third party database product which must be installed to use the Software. Unless specifically provided for in the Purchase Documents, Licensee must separately acquire appropriate

and needed licenses for the database. The third party database product is subject to its respective third party vendor license agreement.

(b) Any third party applications distributed by BSI as part of the Software are subject to their respective license agreements.

3.3 <u>Verification</u>. Upon BSI's request, no more frequently than annually, Licensee shall furnish BSI with a signed certification verifying that the Software is being used pursuant to the terms of this Agreement, including information on the number of users accessing the Software. BSI shall be permitted to conduct its own audit to verify the information contained in any such certification. In the event an audit reveals that Licensee underpaid license and/or Support fees to BSI or to BSI Reseller, Licensee shall immediately pay such underpaid fees, along with applicable penalties, to the respective party. Licensee agrees to grant BSI reasonable access to Licensee's site, upon prior written notice, during normal business hours for the purposes of such an audit.

4.0 SUPPORT.

4.1 <u>Updates</u>. Software Updates are developed or licensed by BSI and delivered to Licensee either directly or through a BSI Reseller.

4.2 <u>Technical Help Desk</u>. Technical Help Desk services may be provided to Licensee either directly by BSI or by BSI Reseller. In the event that Licensee is dealing with a BSI Reseller for technical help desk services, such services shall be subject to a separate agreement between Licensee and BSI Reseller.

4.2.1 <u>BSI Provided Technical Help Desk</u>. BSI support staff shall assist Licensee with any problems with the Software not functioning as described in the Documentation. BSI support staff shall assist with diagnosing problems and determining the best course of corrective action. BSI shall have no obligation to provide technical support for problems caused, in whole or in part, by (i) causes external to the Software; (ii) modifications, maintenance, repairs, relocation or reconfiguration performed other than by BSI; (iii) neglect or any use or maintenance that is not in accordance with the then applicable Documentation; (iv) Licensee's failure to implement recommendations in respect of, or solutions to, faults previously advised by BSI; (v) Licensee's failure to maintain a suitable environment for the Software; or (vi) Licensee's failure, inability or refusal to provide BSI personnel proper access to the Software. BSI is not responsible for the provision of any of the following services as a part of Support: on-site services, application and technical consulting, training on how to perform or accomplish tasks, or operations with the application or network platform, new report development or modifications to existing reports, custom programming and any support services related to such custom programming, installation assistance (including Updates), system administration services such as backup and restoration of data bases and support caused by Licensee's operational environment changes. If Licensee requires any of these preceding and similar services, Licensee may procure such services under one or more separate Purchase Documents.

4.3 <u>Licensee Responsibilities</u>.

4.3.1 <u>Designated Support Contacts</u>. Licensee shall designate up to two users as authorized contacts for reporting to BSI any support issues.

4.3.2 <u>Software Updates</u>. Licensee shall be informed when Updates are available for installation. Licensee is advised to promptly install any and all Updates to remain current. The Updates shall be provided for only the then Current Software Release.

4.3.3 <u>Access</u>. Licensee shall provide BSI with reasonable access to the Software (including remote access via the Internet), any computer on which the Software is installed and all work and storage space reasonably necessary to provide Support. BSI shall exercise commercially reasonable efforts in performing Support; however, BSI shall not be liable for any delays resulting from any cause beyond its control.

4.4 <u>BSI Annual Software Maintenance ("ASM") Plan</u>. Software Updates and BSI provided technical help desk services may be acquired through subscribing to an available ASM Plan with payments due prior to the beginning of the coverage period. The first year of these support services is mandatory, starting with the licensing of the Software. If Licensee elects not to purchase support for any period, but subsequently elects to purchase support at any time thereafter, then Licensee shall pay to BSI, in addition to late renewal fees, an amount equal to the support fees for the entire lapsed period along with the fees for the renewal period. Help desk services are provided on an incident basis with incidents reported by Licensee through access to a BSI Internet portal or other recommended means. BSI will respond to reported incidents using either email or telephone between the hours of 8:00 A.M. to

5:00 P.M. on weekdays except U.S. holidays. Annual software updates and support for third-party provided software components as part of the total solution will be in accordance with the terms and policies of the respective vendors.

5.0   SERVICES.

5.1   General. In the event that Licensee is dealing with a BSI Reseller for any services, Licensee shall enter into a separate agreement with the BSI Reseller for such services.

5.2   BSI Provided Services. BSI shall provide to Licensee and Licensee shall pay for those Services agreed by the parties in applicable Purchase Documents. Except to the extent otherwise agreed in applicable Purchase Documents, all Services will be on a time and materials basis at BSI's then current hourly consulting rates. Estimated implementation hours are quoted to Licensee on the bases of (a) the modules that will be deployed and (b) BSI's experience with other similar customers within the industry. Actual implementation hours expended and billed over the course of the project may be more or less than those estimated quoted hours. BSI's estimates assume that Licensee staff will be fully engaged in the implementation process, providing feedback and requested approvals in a timely manner. In addition, Licensee will be expected to perform its tasks in a diligent manner. Legacy data import is limited to master data and specifically excludes any transactional data. Licensee is responsible for the accuracy and completeness of the data provided for import purposes. Unless otherwise specifically provided for in the Purchase Documents, tasks such as application enhancements, customizations, integrations, data cleansing, data import outside of the prescribed format, any report modifications, and deployment of more than one company database, are all considered out-of-scope and are not included in the estimates of implementation hours provided. Services may be provided on-site or remotely through Internet or other means, as appropriate and cost-effective. Licensee shall reimburse BSI for travel time at half the then-current hourly consulting rate and related out-of-pocket incidental and travel expenses incurred when rendering on-site services. Licensee shall provide those resources as may be necessary in order for BSI to perform the Services hereunder.   BSI will use all commercially reasonable efforts to complete its assigned work, relying upon active participation and assistance from Licensee. BSI reserves the right to provide Services through its designated independent contractors. Services performed on

weekends or U.S. holidays will be billed at BSI's weekend hourly consulting rates. BSI will secure from Licensee approval in advance of scheduling such work.   Cancellation of agreed-upon scheduled consulting work will be subject to BSI cancellation fees and reimbursement by Licensee of any and all BSI incurred expenses.

5.3   Project Plan and Scope of Work. Licensee acknowledges the complex nature of Software and agrees that implementations must be properly planned and staffed for timely completion. It is imperative that both BSI and Licensee establish their respective project teams with adequate staffing and with the necessary influence and authority to control the project according to agreed-upon timelines. If during the performance of services Licensee changes its requirements or agreed-upon timelines, BSI reserves the right to change the schedule, charges and/or completion time for work yet to be performed. Licensee acknowledges that BSI has demonstrated during the sales process the adequacy of the Software to meet Licensee's stated business requirements using out-of-the-box functionality. BSI makes no commitments to providing Licensee with any custom software, modifications or enhancements to the out-of-the-box Software, regardless of any discussions that may have taken place during the sales process, unless such required software development items are specifically included in associated Purchase Documents.

5.4   Licensee Responsibilities.

5.4.1   Training. Licensee will ensure that its personnel are qualified to receive Software training and are available at agreed times for BSI to ensure that milestones can be achieved. Unless otherwise specified in a specific Purchase Document, BSI's estimates for implementation are based upon a "train the trainers" approach. BSI will provide training to Licensee's designated trainer(s) and Licensee shall assume the responsibility of adequately training the additional users in proper utilization of the Software.

5.4.2   IT and System Administration. Licensee is expected to provide its own IT resources for managing computer and network infrastructure related tasks, including ongoing security, data-base administration, back-ups and stability of the system. Any protracted infrastructure-related delays on Licensee's part may result in less than optimal deployment results, delayed schedules and additional costs.

5.4.3   Time Commitment. Licensee staff involved in the implementation will be charged with the

responsibility of committing sufficient time and effort, in addition to during those periods when BSI representatives are on site, to ensure agreed progress to meet the key milestones as established in the planning sessions.

5.4.4 Continuity of Personnel. Licensee will use its best efforts to maintain continuity of personnel. In the event that Licensee replaces any project personnel, duplication of effort required by such change will be additionally charged by BSI at the applicable hourly consulting rates.

5.4.5 Implementation Methodology. Licensee shall commit to following the implementation methodology approach recommended and employed by BSI.

5.4.6 Licensee Feedback. BSI's implementation methodology calls for BSI to deliver periodic status reports including progress made, open issues and billable time for the period covered. Licensee acknowledges that its review and provision of feedback to BSI on these status reports is critical to success of the project. In the absence of explicit written feedback from Licensee, BSI shall be justified in assuming that Licensee has no specific problem to report and regards project progress as satisfactory. In addition, BSI will submit certain project documents to Licensee from time to time for Licensee acknowledgment and acceptance with an authorized signature; in the event Licensee is not responsive in returning these project documents in a timely manner, BSI will be justified in assuming an implicit acknowledgment and acceptance of said project documents by Licensee.

5.4.7 Go Live Milestone. Licensee understands that the Pilot installation is, in fact, a reliable representation of the future "live" system to be put into operation. As a consequence, Licensee agrees to apply all due diligence, including thorough testing of the system and verification that users are adequately trained. At the conclusion of the pilot stage, Licensee will confirm its readiness by providing authorization to BSI to move the implementation ahead to live usage in Licensee's operations.

5.4.8 Hardware/Software Infrastructure. Successful installation of Software requires specific hardware and foundation software configurations for server and client machines. All such required items which are not provided by BSI in accordance with Purchase Documents will be outside the scope of BSI responsibilities and must be procured from and made operational by Licensee or others on its behalf.

6.0 **DELIVERY.**

So long as Licensee makes payment in accordance with Section 7, the Software in object code or executable format and the Documentation shall be delivered ("Delivery"). BSI reserves the right to deliver the Software via the Internet. The Software shall be deemed to have been accepted by Licensee following delivery which shall be made FOB point of origin or at time of Internet download.

7.0 **FEES AND PAYMENTS.**

Licensee shall pay for Software, Support and Services as follows:

7.1 Purchases made from BSI Reseller. In the event that Licensee purchases Software and related Support and Services from BSI Reseller, then all corresponding payments must be paid to BSI Reseller. BSI Reseller shall in turn submit to BSI appropriate Purchase Documents and payments after which time BSI shall deliver the Software to BSI Reseller for delivery to Licensee. Licensee is not entitled to refund of any payments made hereunder.

7.2 Purchases made directly from BSI. Licensee shall pay BSI for purchase of Software, Support and Services in accordance with the associated Purchase Documents. Licensee is not entitled to refund of any payments made hereunder.

7.2.1 Support Renewal Fees. Support renewal fees shall be payable to BSI annually in advance of the coverage period at BSI's then current Support fee schedule. All Support fees paid hereunder are nonrefundable regardless of level of use.

7.2.2 Exclusions. Unless otherwise expressly stated in the Purchase Documents, prices are exclusive of charges for freight, insurance and other shipping expenses for which Licensee shall be solely responsible.

7.2.3 Interest. Any amounts due to BSI which are not paid within thirty (30) days after they become due under this Agreement shall incur interest at the rate of one and one half percent (1½ %) per month or the highest rate permitted by applicable law, whichever is less. The interest shall be calculated from the date payment is originally due until the date payment is received in full.

7.2.4 Taxes. Licensee acknowledges and agrees that all fees and prices specified in Purchase Documents do not include taxes, inclusive of tariffs, duties or other assessments of any kind and Licensee shall, in addition to the payments required hereunder, pay any and all taxes, whether national, state or local, however designated, which are levied or

imposed at any time on Licensee or BSI by reasons of Licensee's related purchase transactions. If Licensee resides in a state or a region that imposes such taxes on business software delivered through Internet downloads or other means, then it is the responsibility of Licensee to pay such taxes directly to the appropriate government authorities unless such taxes have already been collected from Licensee as part of the purchase transaction.

7.3 No Refunds. Licensee is not entitled to any refunds from BSI of license, support or services fees upon Licensee's return of all or any portion of the Software or upon cancellation of agreed-upon support or services for any reason.

8.0 TERM.

8.1 Term. This Agreement and the licenses granted hereunder shall become effective on Delivery of Software and shall continue in effect thereafter unless terminated upon the earliest to occur of the following: (i) thirty days after Licensee gives BSI written notice of Licensee's desire to terminate this Agreement, for any reason, but only after payment of all license, support, services and other fees then due and owing, including all remaining installment payments and all remaining subscription fees for the entire contracted subscription period; (ii) thirty days after BSI gives Licensee notice of Licensee's material breach of any provision of the Agreement (other than Licensee's breach of its obligations under Sections 9 or 13 which breach shall result in immediate termination), including more than thirty days delinquency in Licensee's payment of any money due hereunder, unless Licensee has cured such breach during such thirty day period; (iii) immediately if Licensee files for bankruptcy, becomes insolvent, or makes an assignment for the benefit of creditors; (iv) thirty (30) days after BSI gives Licensee notice of Licensee's breach of any obligations under separate agreement to BSI Reseller, including non-payment of any fees there under; and (v) for subscription-based license grants, upon expiration and non-renewal of the then current subscription period.

8.2 End of Terms Duties. Upon any termination hereunder, Licensee shall immediately cease use of all BSI Proprietary Information. Within thirty (30) days after any termination, Licensee shall return to BSI or destroy all copies of the BSI Proprietary Information in every form. Licensee agrees to certify in writing to BSI that it has performed the foregoing. Sections 2.2, 7, 8.2, 9, 10.3, 11, 12, 14.4, 14.5, 14.6, 14.7, 14.8, 14.9 and 14.10 shall survive such termination. In the event

of any termination hereunder, Licensee shall not be entitled to any refund of any payments made by Licensee.

9.0 PROPRIETARY RIGHTS.

9.1 Protection of Proprietary Information. Licensee shall not copy, translate, disassemble, or decompile, nor create or attempt to create by reverse engineering or otherwise, the source code from the object code of the Software. Except for the rights set forth below, Licensee is not permitted to make derivative works of the Software and ownership of any unauthorized derivative works shall vest in BSI. BSI and Licensee agree to take all reasonable steps and the same protective precautions to protect the Proprietary Information from disclosure to third parties as with its own proprietary and confidential information. Neither party shall, without the other party's prior written consent, disclose any of the Proprietary Information of the other party to any person, except to only those individuals whose access is necessary to enable such party to exercise its rights hereunder. Each party agrees that prior to disclosing any Proprietary Information of the other party to any third party, it will obtain from that third party a written acknowledgment that such third party will be bound by the same terms as specified in this Section 9 with respect to the Proprietary Information.

9.2 Modifications. Licensee shall not make any Modifications of any kind to the Software or create any derivative works of the Software without BSI's prior written consent. Licensee expressly agrees that any Modifications of the Software developed by BSI or Licensee (unauthorized or otherwise) and all rights associated therewith shall become and will be the property of BSI and that Licensee will not grant, either expressly or by implication, any rights, title, interest or licenses to the Modifications to any third party. Licensee shall provide complete source code for all Modifications to BSI. Licensee agrees that it will not modify any third party software provided hereunder unless expressly authorized in writing by such third party vendor. Licensee agrees to execute those documents reasonably necessary to secure BSI's rights in the foregoing. BSI retains the right to independently develop enhancements to the Software and Licensee agrees not to take any action that would limit BSI's sale, assignment, licensing or use of Software or Modifications or enhancements thereto. Licensee agrees not to take any action that would limit BSI's independent

development, sale, assignment, licensing or use of Software or Modifications or Integration Code thereto.

9.3   Integration Code.

(a)   Subject to the restrictions set forth in this Agreement, Licensee or an authorized BSI Reseller acting on Licensee's behalf may make Integration Code to the Software solely for the purpose of integrating separate, stand-alone applications or interfaces with the Software through the Software's APIs. Licensee's use of the Integration Code shall be solely in support of Licensee's use of the Software under Section 3.1(a).   Licensee shall not market, distribute, license, sell, sublicense, assign or otherwise transfer any Integration Code to any third party.

(b)   The rights of Licensee or such BSI Reseller to such Integration Code are subject to the following restrictions: under no circumstances shall Licensee or BSI Reseller acting on behalf of such Licensee (i) change the source code to the Software by way of or through any Integration Code, or otherwise introduce functionality replacing the functionality of the Software; or (ii) allow the total number of users accessing, directly or indirectly, the Software, and/or any database used with the Software, to be greater than the total number of users licensed for use of the Software; or (iii) allow unlicensed users to access the Software.

(c)   BSI may, at its discretion, independently (itself or through third parties) develop Integration Code or other functionality that is the same or similar to Integration Code developed by Licensee or BSI Resellers (and in its discretion include them in the Software), with no liability to Licensee or any third parties for such activities.

10.0   PERFORMANCE WARRANTY.

10.1   Warranty. BSI warrants that the Software will substantially conform to the functional specifications contained in the Documentation for three months following delivery. The warranty shall not apply: (i) if the Software is not used in accordance with the Documentation; or (ii) if the defect is caused by a Modification, Integration Code, Licensee, third-party software, or third party database; or (iii) if Licensee does not perform in accordance with its responsibilities as stated in Sections 4.3 and 5.4.   BSI does not warrant that the Software will operate uninterrupted or that it will be free from minor defects or errors that do not materially affect such performance, or that the applications contained in the Software are designed to meet all of Licensee's business requirements.

10.2   Product Replacement. If Licensee finds physical defects in the media on which the Software is delivered or in the Documentation, BSI will promptly replace the media or Documentation after receipt of notice of the defect from Licensee.

10.3   Express Disclaimer. BSI AND ITS SUPPLIERS AND LICENSORS DISCLAIM ALL OTHER WARRANTIES EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE EXCEPT TO THE EXTENT THAT ANY WARRANTIES IMPLIED BY LAW CANNOT BE VALIDLY WAIVED.

10.4   BSI Reseller Provided Support and Services. This Agreement does not include or cover support or any other services provided by BSI Reseller or any other third party relating to the Software. Any such services shall be subject to a separate agreement between Licensee and the provider of such services and BSI shall have no liability for the provision of such services.

11.0   INDEMNIFICATION.

11.1   Indemnification of Licensee. BSI shall indemnify Licensee against all claims, liabilities, and costs, including reasonable attorneys' fees, reasonably incurred in the defense of any claim brought against Licensee by third parties alleging that Licensee's use of the Software and Documentation infringes or misappropriates any United States patent of which BSI is aware; a copyright; or trade secret rights, provided that such indemnity shall not apply if the alleged infringement results from use of the Software in conjunction with any other software, or unlicensed activities and so long as Licensee promptly notifies BSI in writing of any such claim and BSI is permitted to control fully the defense and any settlement of such claim as long as such settlement shall not include a financial obligation on Licensee. Licensee shall cooperate fully in the defense of such claim and may participate, at its own expense, through counsel reasonably acceptable to BSI. BSI may settle any claim on a basis requiring BSI to substitute for the Software and Documentation alternative substantially equivalent non-infringing programs and supporting documentation. In the event that such substitution is impractical, then BSI shall have the option of refunding the then-current depreciated value of the infringing software, based upon a 5-year straight line depreciation schedule.   Licensee shall not undertake any action in response to any infringement or alleged

infringement of the Software and Documentation.

11.2 Entire Liability. THE PROVISIONS OF THIS SECTION 11 STATE THE SOLE, EXCLUSIVE, AND ENTIRE LIABILITY OF BSI AND ITS LICENSORS TO LICENSEE, AND IS LICENSEE'S SOLE REMEDY WITH RESPECT TO THE INFRINGEMENT OF THIRD-PARTY INTELLECTUAL PROPERTY RIGHTS.

12.0 LIMITATIONS OF LIABILITY.

12.1 Licensee's Remedies. Licensee's sole and exclusive remedies for any damages or loss in any way connected with the Software, Support or Services furnished by BSI, its licensors or contractors, whether due to BSI's negligence or breach of any other duty, shall be, at BSI's option (i) to bring the performance of the Software into substantial compliance with the functional specifications; (ii) re-performance of Support or Services; or (iii) return of an appropriate portion of any payment made by Licensee with respect to the applicable portion of the Software, Support or Services.

12.2 Not Responsible. BSI will not be responsible under this Agreement (i) if the Software is not used in accordance with the Documentation; or (ii) if the Software is used by individuals with inadequate training for proper use; or (iii) if the Licensee refuses to follow recommendations of BSI or BSI Reseller during the implementation of Software; or (iv) if the defect is caused by Licensee, a Modification, third-party software, or third party database. BSI AND ITS SUPPLIERS, LICENSORS AND CONTRACTORS SHALL NOT BE LIABLE FOR ANY CLAIMS OR DAMAGES ARISING FROM INHERENTLY INCORRECT OR DANGEROUS USE OF THE SOFTWARE AND/OR THIRD-PARTY SOFTWARE LICENSED HEREUNDER.

12.3 Limitation of Liability. ANYTHING TO THE CONTRARY HEREIN NOTWITHSTANDING, EXCEPT FOR DAMAGES RESULTING FROM UNAUTHORIZED USE OR DISCLOSURE OF PROPRIETARY INFORMATION, UNDER NO CIRCUMSTANCES SHALL BSI, ITS LICENSORS OR LICENSEE BE LIABLE TO EACH OTHER OR ANY OTHER PERSON OR ENTITY FOR AN AMOUNT OF DAMAGES IN EXCESS OF THE SOFTWARE LICENSE, SUPPORT AND SERVICES FEES PAID BY LICENSEE TO BSI OR BE LIABLE IN ANY AMOUNT FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR INDIRECT DAMAGES, LOSS OF GOOD WILL OR BUSINESS PROFITS, WORK STOPPAGE, DATA LOSS, COMPUTER FAILURE OR MALFUNCTION, OR EXEMPLARY OR PUNITIVE DAMAGES.

12.4 Severability of Actions. IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT EACH AND EVERY PROVISION OF THIS AGREEMENT WHICH PROVIDES FOR A LIMITATION OF LIABILITY, DISCLAIMER OF WARRANTIES, OR EXCLUSION OF DAMAGES IS INTENDED BY THE PARTIES TO BE SEVERABLE AND INDEPENDENT OF ANY OTHER PROVISION AND TO BE ENFORCED AS SUCH.

13.0 ASSIGNMENT.

Neither this Agreement nor any of Licensee's rights or duties hereunder shall be assigned, sublicensed, sold or otherwise transferred by Licensee, either directly or by operation of law, without BSI's prior written consent. Any attempted assignment, sublicense, sale or other transfer in violation hereof shall be null and void. This Agreement shall be binding upon and inure to the benefit of successors and permitted assigns of each of the parties hereof.

14.0 GENERAL PROVISIONS.

14.1 Severability. It is the intent of the parties that in case any one or more of the provisions contained in this Agreement shall be held to be invalid or unenforceable in any respect, such invalidity or unenforceability shall not affect the other provisions of this Agreement, and this Agreement shall be construed as if such invalid or unenforceable provision had never been contained.

14.2 No Waiver. If either party should waive any breach of any provision of this Agreement, it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision hereof.

14.3 Counterparts. This Agreement may be signed in two counterparts, each of which shall be deemed an original and which shall together constitute one Agreement. Any signature(s) on a copy of this Agreement sent by facsimile or scanned email attachment(s) shall be fully binding upon the parties. This Agreement may also be executed with an electronic signature and submitted online.

14.4 Export Control. Software, Documentation and Proprietary Information to be used by Licensee are all subject to U.S. export regulations. Licensee acknowledges its obligation and responsibility to fully understand and comply with any such restrictions. The governing agencies for these matters are the U.S. Department of Commerce and the U.S. Department of State, Washington DC.

14.5 Confidential Terms and Conditions. Licensee shall not disclose the terms and conditions of this Agreement or the pricing contained in Purchase Documents to any third-party. Licensee agrees that BSI may use Licensee's name in customer listings or as part of BSI's marketing efforts.

14.6 Governing Law and Jurisdiction. This Agreement shall be governed by and construed under the State of California law without reference to its conflicts of law principles. In the event of any conflicts between foreign law, rules, and regulations and United States of America law, rules, and regulations, then United States of America law, rules, and regulations shall prevail and govern. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement. The Uniform Computer Information Transactions Act as enacted shall not apply.

14.7 Dispute Resolution. It is agreed by Licensee and BSI that any dispute(s) arising related to software, products, services or support rendered under this Agreement or any payments due, shall be first reported by following the steps described below prior to resorting to any legal remedies available under this agreement:

(i) Problem Escalation. Either party may request in writing that an authorized representative of the other party meet promptly by telephone with its own designated representative to attempt to resolve the disputes in good faith. Any such request must be submitted using the Dispute Resolution form available upon request from BSI. This form provides for the listing and description of any bases in disputes, sufficient in detail for the other party to be able to address all reported issues. The receipt of the Dispute Resolution form by the other party will be considered as the Date of Notice for the reported issues. The parties would have up to 30 days or other mutually agreed-upon period to attempt to resolve any such issues.

(ii) Mediation. In the event that Problem Escalation has not resulted in a satisfactory outcome, the parties agree to mediate any unresolved disputes. The mediation shall be performed by JAMS Mediation and Arbitration Services, a global alternative dispute resolution organization, located at 500 N. State College Blvd., 14th Floor, Orange, California 92868. The Mediation may be initiated by either party with a request to JAMS at the above address, along with a detailed brief sufficient to establish the scope of the underlining disputed issues. This brief shall be made available to the other party at the same time as provided to JAMS. Each party will be responsible for its own legal representation expenses while common mediation fees shall be divided equally between the parties.

14.8 Available Legal Remedies. In the event that any reported issues are not resolved through mediation as provided for above, the parties agree that the legal remedies available for such unresolved disputes will be through submission to arbitration as provided by California law, and not by a lawsuit or by resorting to any court process except as California law provides for judicial review of arbitration proceedings. Both parties to this Agreement forfeit any rights to have any such disputes decided in a court of law by a judge or before a jury, and instead are accepting the use of arbitration.

(i) Arbitration. A demand for arbitration must be communicated in writing. Each party shall select an arbitrator (party arbitrator) within thirty days and a third arbitrator (neutral arbitrator) shall be selected by the arbitrators appointed by the parties. Each party to the arbitration shall pay half of the total expenses and fees of the items directed by the neutral arbitrator to be shared between the parties, including all the costs associated with the neutral arbitrator. Both parties are responsible for their own counsel or witness fees, or any other expenses incurred for their own benefit. The parties agree that the arbitrators have the immunity of a judicial officer from civil liability when acting in the capacity of arbitrator under this Agreement. Arbitration proceedings shall be conducted in Orange County, California. The parties shall have the right to discovery in accordance with California Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part III of the California Code of Civil Procedure. Judgment upon the award of the arbitrators may be entered into any court of competent jurisdiction. Interpretation of this agreement to arbitrate shall be governed by the California Arbitration Act, Code of Civil Procedure, and Section 1295, et seq. With respect to any matter not herein expressly provided for, the arbitrators shall be governed by

the California Code of Civil Procedure provisions relating to arbitration.

(ii) Limitations. Any disputed matters shall be waived and forever barred from consideration if a) the aggrieved party fails to pursue in good faith the Problem Escalation, Mediation and Arbitration steps prescribed herein, or b) the aggrieved party circumvents the process and initiates Arbitration without first completing the obligatory Problem Escalation and Mediation steps listed above, or c) the Date of Notice for any issues being disputed is more than one year from the time that the aggrieved party knew or should have known of the bases of the disputes.

(iii) Parties intend that the aforementioned Dispute Resolution and Arbitration procedures in clauses 14.7 and 14.8 shall apply to all software or other products provided or support and services rendered, including those items covered under previous applicable Purchase Documents.

14.9 <u>Relationship of the Parties</u>. Nothing contained in this Agreement shall be construed as creating any agency, partnership, franchise or other form of joint enterprise between the parties. In no event shall either party have the right to bind the other party except as expressly provided herein. All Services and Support provided by BSI will be provided as an independent contractor.

14.10 <u>Non-Solicitation</u>. Licensee shall not solicit, hire or engage, directly or indirectly, in activities to induce any employees, consultants or independent contractors of BSI, its affiliates or sister companies to terminate their employment, contractual or other relationships with BSI, its affiliates or sister companies, as the case may be. In case of employees, consultants or independent contractors that have disengaged from BSI, Licensee agrees not to enter into a business relationship of any kind with such individuals within a period of at least 12 months from the date of their disengagement from BSI.

14.11 <u>Notices</u>. All notices or reports which are required or may be given pursuant to this Agreement shall be in writing and shall be deemed duly given when delivered to the respective executive offices of BSI and Licensee at the addresses first set forth above.

14.12 <u>Force Majeure</u>. Any delay or nonperformance of any provision of this Agreement (other than for the payment of amounts due hereunder) caused by conditions beyond the reasonable control of the performing party shall not constitute a breach of this Agreement, and the time for performance of such provision, if any, shall be deemed to be extended for a period equal to the duration of the conditions preventing performance.

14.13 <u>Entire Agreement</u>. This Agreement and each Schedule, Appendix and Amendment hereto constitute the complete and exclusive statement of the agreement between BSI and Licensee, and all previous representations, discussions, writings and agreements on this same subject matter are superseded by this Agreement. Licensee's continued use of Software, Support and Services from BSI received prior to the date of this Agreement shall be subject to and governed by the terms and conditions of this Agreement.

This Agreement may be modified only by a writing signed by both parties. This Agreement and each Addendum, Amendment and Appendix hereto shall prevail over any additional, conflicting, or inconsistent terms and conditions which may appear on any purchase order or other documents furnished by Licensee to BSI.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have duly executed this Agreement to become effective as of the date first above written.

Authorized Signature (Licensee)	**Authorized Signature (BatchMaster Software)**
Name	Name
Position	Position
Date	Date