



Gleason Research Associates, Inc.
5030 Bradford Drive, Building One, Suite 220
Huntsville, AL 35805
Ph (256) 883-7000 Fax (256) 883-1525
website: www.grainc.net

AUTO-SCAN TRACKING SYSTEM (ASTS) LICENSE AGREEMENT

READ THE TERMS OF THIS SOFTWARE LICENSE AGREEMENT (HEREINAFTER THE "AGREEMENT") CAREFULLY.

BY INSTALLING, DOWNLOADING, IMPLEMENTING OR USING THIS SOFTWARE PRODUCT, YOU AGREE TO THE TERMS AND CONDITIONS OF THIS AGREEMENT. YOU AGREE THAT THIS AGREEMENT IS ENFORCEABLE AS ANY WRITTEN AGREEMENT NEGOTIATED AND SIGNED BY YOU AND GLEASON RESEARCH ASSOCIATES, INC. (HEREINAFTER "GRA").

THIS AGREEMENT is entered into as of the Effective Date (as defined in Schedule B) by and between GRA, a Maryland corporation having its principal office at 5030 Bradford Drive, Building One, Suite 220, Huntsville, Alabama 35805 and:

LICENSEE NAME: Sample Customer
CLIENT NUMBER: XXXX
SITE LOCATION: Huntsville, AL

Hereinafter referred to as "Licensee"

Pursuant to the terms and conditions herein, Licensee hereby agrees to be bound by these terms and conditions, and agrees to purchase from GRA, and GRA hereby agrees to provide to Licensee, a license to use GRA's Property Accountability Software, commonly know as the Auto-Scan Tracking System (ASTS), hereinafter referred to as "ASTS" and all software modules and the third party software listed in, together with the documentation and services described in, the following schedules and addenda, each of which is incorporated fully into and is made a part of this Agreement by this reference.

SCHEDULE A-COST OF LICENSE AND SERVICES
SCHEDULE B-LICENSE TERMS AND CONDITIONS
SCHEDULE C-MAINTENANCE SUBSCRIPTION & SUPPORT SERVICES

GRA AND LICENSEE, HAVING READ THIS AGREEMENT AND THE REFERENCED SCHEDULES AND ANY ADDENDA CONSTITUTING A PART HEREOF, AGREE TO BE BOUND BY THE TERMS AND CONDITIONS CONTAINED HEREIN AND THEREIN.

SCHEDULE A **COST OF LICENSE AND SERVICES**

1. Software.

- a. Pursuant to the terms and conditions set forth below and in the Schedules and Addenda hereto, Licensee has hereby purchased from GRA a license to use the ASTS Software and Third Party Software:

LICENSE:

ASTS Edition: **Standard**



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Base Named User Licenses: **5**

Additional Named User License(s): **0**

Total Named User Licenses: **5**

Expected Ship Date: **December 31st 2010**

INCLUDED THIRD PARTY SOFTWARE:

Crystal Enterprise 9.0 by Business Objects

APEX II Manager Utility by Comsee, Inc.

2. ASTS3 Annual Maintenance Subscription.

- a. The period of free ASTS3 Annual Maintenance Subscription (e.g. free ASTS3 Annual Maintenance Subscription period) begins on the date that the Software is shipped to Licensee and ends 365 days thereafter.
- b. ASTS3 Annual Maintenance Subscription Renewal fee is calculated using the total number of Named User Licenses at time of renewal.
- c. Except for adjustments related to increases in the number of Named User Licenses, the ASTS3 Annual Maintenance Subscription fee shall remain fixed for two (2) years after the date of the initial Software shipment. Thereafter, the ASTS3 Annual Maintenance Subscription Fees will be subject to an increase. The ASTS3 Annual Maintenance Subscription Fees shall not be increased by more than ten percent (10%) in any twelve (12) month period.

PROJECTED SUBSCRIPTION FEES:

Named User Licenses: **5**

Projected Annual Fee: **\$2500.00**

3. Delivery.

- a. The Software shall be shipped upon Licensee's request to the installation site specified in Section 4 below. All future Software shipments also shall be sent to that address unless otherwise agreed by the parties hereto.

4. Installation Site.

- a. Licensee shall install the server portion of the Software and any Third Party Software on Licensee's Equipment at the following location:

5030 Bradford Drive Bldg 1 Suite 220 Huntsville, AL 35805

5. Training and Services.

- a. Training, installation, implementation and other services will be provided at GRA's standard hourly rates in effect at the time such services are rendered.



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- b. Licensee agrees to reimburse GRA for out-of-pocket travel expenses incurred in connection with services performed at Licensee's site. Travel Expenses include airfare, ground transportation, lodging, incidentals, and an applicable per diem and local travel allowance in accordance with the Joint Travel Regulations for the location in which the services are performed.

6. Licensee's Notice Address.

- a. All notices, orders, directives, requests or other written communications required or permitted to be given or sent to Licensee pursuant to this Agreement shall be addressed as follows:

Sample Customer
5030 Bradford Drive Bldg 1 Suite 220
Huntsville, AL 35805
Phone: 256-883-7000
samplecustomer@us.army.mil

SCHEDULE B **LICENSE TERMS AND CONDITIONS**

The Auto-Scan Tracking System (ASTS) software is owned by GRA, and is copyrighted and licensed, not sold.

1. Definitions.

- a. The term "Abnormal Use" means any use of the Software in disregard of (i) any known adverse consequences, (ii) warning messages, and (iii) other written instructions, including without limitation the failure to create appropriate backups.
- b. The term "Affiliate" means any entity that is controlled by Licensee.
- c. The term "Documentation" means the user and systems manuals for the Software, including all replacements, updates, additions and changes to such written materials from time to time made by GRA and delivered to Licensee pursuant to this Agreement.
- d. The term "License" is defined in Section 2(a).
- e. The term "Named User" means anyone whom Licensee has authorized to use the Software (a specific user name on the Software license server).
- f. The term "Software" means (i) the GRA software products listed in, and licensed to Licensee by GRA pursuant to, this Agreement, consisting of source code, machine-readable instructions, its components, data, audio-visual content (such as images, text, recordings, or pictures), together with the user manual and all other written materials that accompany the software (ii) any Third Party Software, and (iii) all modifications, improvements, replacements, enhancements, additions, corrections, upgrades, customizations and other changes to such software from time to time made by GRA or its licensors and delivered to Licensee pursuant to this Agreement.
- g. The term "Third Party Software" means of the third party software, if any, listed in, and sublicensed to Licensee by GRA pursuant to, this Agreement.

2. License.

- a. GRA hereby grants Licensee a perpetual, non-exclusive, non-transferable license ("License") to use the Software, in a machine-readable form, together with the Documentation in accordance with the terms of this Agreement.



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- b. Licensee shall not (i) use the Software or the Documentation in the operation of a service bureau for any third party not an Affiliate, (ii) make copies of the Software or Documentation except as otherwise permitted hereby or as necessary to use the Software and Documentation in accordance with this Agreement, (iii) reverse engineer, disassemble or reverse compile the Software, (iv) sell, let for hire, sublicense, distribute, give away or otherwise supply to a third party any of the Software or Documentation, (v) use the Software or Documentation to create any computer software program or user documentation that is substantially similar to the Software or Documentation, (vi) permit more users to use the software than the applicable number of Named Users specified in this Agreement.
- c. Licensee shall install the server portion of the Software only at the location/site specified in this Agreement.
- d. Licensee shall be responsible for and indemnify GRA for any damages resulting from any violation of the terms of this Agreement.

3. Relocation.

- a. In the event Licensee relocates its operations, Licensee may move the server portion of the Software from the location specified in this Agreement to the new location and may operate the Software concurrently at the old and new locations for a period not to exceed ninety (90) days without having to obtain an additional license, so long as GRA is provided written notification of the move.

4. Disaster Recovery.

- a. In the event that Licensee notified GRA in writing that Licensee has a bona fide disaster recovery plan with respect to some or all of the computer software programs used in its operations, Licensee may make one copy of the Software and Documentation for archival purposes and use such copy on a server at a location other than the Licensee location(s) specified in this Agreement, such other location to be owned or controlled by Licensee or Licensee's disaster recovery vendor.
- b. Such copy of the Software or Documentation shall be used only (i) for testing the plan's procedures and effectiveness or (ii) subsequent to the occurrence of an actual disaster during which Licensee cannot operate the Software on the server(s) at the Location(s) specified in this Agreement.
- c. Any copies made of the Software or Documentation pursuant to this Section shall contain GRA's proprietary and/or copyright notice(s).

5. Term and Termination.

- a. The effective date of this License shall be the date of Licensee's initial use of the Software and its term is perpetual, unless terminated as provided in this Agreement.
- b. Licensee may terminate this License at any time by destroying all copies of the Software and Documentation. GRA may terminate this License upon thirty (30) days' written notice to Licensee, if Licensee fails to comply with any of the material terms and conditions of this Agreement and if such failure to comply is not corrected within the said thirty (30) day period.
- c. Upon termination of this License for any reason, Licensee shall cease, and shall return or destroy all copies of, the Software and Documentation. Within thirty (30) days after the termination of this License, a corporate officer of Licensee shall execute a statement certifying that Licensee has fully complied with the terms of this section and acknowledging that all rights to use the Software and Documentation have been terminated and that any further use of the Software or Documentation is unauthorized and would be in violation of GRA's rights therein.
- d. Termination of this License shall not relieve Licensee of its obligations to pay any amounts then due GRA and shall not entitle Licensee to a refund of any amounts paid under this Agreement.



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5. Ownership.

- a. GRA and/or its licensors own all proprietary rights, including patent, copyright, trade secret, trademark and other proprietary rights, in and to the Software and Documentation.

6. Confidentiality.

- a. The Software and Documentation are confidential and proprietary information of GRA and/or its licensors. Licensee agrees to take adequate steps to protect Software from unauthorized use or disclosure.

7. Warranty.

- a. GRA warrants that the Software will operate in substantial accordance with the applicable Documentation, as it exists at the date of delivery, for a period of thirty (30) days from the date of delivery (“Warranty Period”), when the Software is used in accordance with that Documentation. This warranty does not apply to errors or malfunctions caused by (i) malfunction of Licensee’s equipment, (ii) software not licensed from GRA, (iii) Abnormal Use or (iv) any other cause not directly attributable to GRA.
- b. If, during the Warranty Period, the Licensee believes that the Software is not substantially performing in accordance with the Documentation, Licensee will immediately notify GRA in writing and describe with specificity any such non-performance and will provide a listing of output and such other data as may be required by GRA to reproduce the operating conditions as existed when the non-performance occurred.
- c. GRA warrants that no portion of the Software shall contain at the time of delivery any “time bomb,” “Trojan horse,” “worm,” “drop dead device,” “virus” or other routine, device or undisclosed feature designed to (i) disable, damage, or erase the Software or data, or (ii) perform any other similar actions that would preclude full use of the Software by Licensee.
- d. GRA warrants that the Software, when used in accordance with that Documentation, shall be able to accurately process date data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, including leap year calculations, provided that any other software not licensed from GRA used in combination with the Software properly exchanges date data with it.
- e. Licensee's exclusive remedy and GRA's sole liability under this warranty will be for GRA to use reasonable efforts to correct such defects and supply Licensee with a corrected version of the Software as soon as reasonably practicable after GRA has been notified of such defects.
- f. The warranties set forth herein are void if Licensee or any third party modifies or changes the Software in any way beyond the scope of the customization options contained in the Software. In order to receive and maintain this warranty, Licensee must (i) use the Software in accordance with the Documentation; (ii) use the Software on the hardware and with the operating system for which it was designed; and (iii) use only qualified personnel to operate the Software.
- g. GRA will not be required to maintain compatibility between the GRA Software and any other software (except the Third Party Software), including, but not limited to, versions of Third Party Software other than those specified in this Agreement.
- h. GRA does not warrant that the functions contained in the Software will meet Licensee’s requirements or that the operation of the Software will be uninterrupted or error-free.

EXCEPT AS SET FORTH IN SECTION 8 ABOVE, ALL EXPRESS OR IMPLIED CONDITIONS, REPRESENTATIONS AND WARRANTIES INCLUDING, BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXCLUDED TO THE EXTENT PERMITTED BY LAW.



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8. Infringement.

- a. GRA agrees to defend, indemnify and hold harmless Licensee from and against any action based on a claim alleging that the Software infringes a patent, copyright or trade secret of any third party, and GRA shall indemnify Licensee against all costs, expenses and damages arising from any such action; provided, however, that (i) Licensee shall have given GRA prompt written notice of such action, (ii) Licensee shall cooperate with GRA in the defense and settlement thereof and (iii) GRA shall have control of the defense of such action and any settlement or compromise thereof.
- b. If a temporary or a final injunction is obtained against Licensee's use of the Software by reason of an infringement of a patent, copyright or trade secret, GRA will, at its option and expense, either (i) procure for Licensee the right to continue using the Software; (ii) replace or modify the Software so that it no longer infringes such patent, copyright or trade secret, so long as the utility or performance of the Software is not adversely affected by such replacement or modification; or (iii) terminate this Agreement and all licenses granted hereunder and return the amount paid by Licensee for the Software.
- c. GRA shall have no liability to Licensee for any infringement action or claim that is based upon or arises out of the modification of the Software by Licensee or any third party or the use of the Software or any portion thereof in combination with any other equipment or software in the event that, but for such modification or use, the claim or infringement would not lie.

THIS ARTICLE STATES GRA'S ENTIRE OBLIGATION TO LICENSEE WITH RESPECT TO ANY CLAIM OF INFRINGEMENT.

9. Export Regulations.

- a. The Software, including technical data relating thereto, is subject to U.S. export control laws, including the U.S. Export Administration Act and its associated regulations, and may be subject to export or import regulations in other countries. Licensee agrees to comply strictly with all such regulations and acknowledges that it has the responsibility to obtain licenses to export, re-export or import the Software.

10. U.S. Government Rights.

- a. If Licensee is acquiring the Software and the accompanying Documentation, on behalf of the U.S. Government, the Software and accompanying materials are be deemed to be "commercial computer software" and "commercial computer software documentation" or "restricted computer software" as those terms are defined in the Federal Acquisition Regulation ("FAR"), and the Government shall have only those rights specified in this Agreement and, if applicable, the clause entitled "Commercial Computer Software – Restricted Rights (June 1987) at FAR 52.227-19. The Software is an unpublished work with all rights reserved under the copyrights laws of the United States.

SCHEDULE C

ASTS3 ANNUAL MAINTENANCE SUBSCRIPTION AND SUPPORT SERVICES

1. ASTS3 Annual Maintenance Subscription.

During any period for which Licensee has paid the required ASTS3 Annual Maintenance Subscription payment, GRA shall provide Licensee:

- a. All upgrades, modifications, improvements, enhancements, extensions, and other changes to the Software which are generally made available to other customers of GRA;



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- b. Correction of all Defects in the Software as described herein;
- c. Telephone and email support as described herein;
- d. Updated Documentation for any upgrades, modifications, improvements, enhancements, extensions, and other changes to Software provided to Licensee under support.

2. Defect Correction.

- a. When Licensee reports a suspected Defect in the Software to GRA using the GRA technical support line or email address, GRA shall attempt, based upon information provided by Licensee, to recreate the suspected Defect. If the Defect is confirmed, GRA shall use commercially reasonable efforts to provide Licensee a Correction. For the purpose hereof a "Defect" is a material failure of the Software to operate substantially in accordance with the applicable user guides and reference manuals, and a "Correction" includes, without limitation, workarounds, support releases, update disks, correction disks, component replacements, patches and/or documentation changes, as GRA deems appropriate.
- b. GRA shall not be responsible for correcting Defects in any version of the Software other than the most recent release of the Software, provided that GRA shall continue to support prior releases superseded by recent releases for a reasonable period sufficient to allow Licensee to implement the newest release.
- c. Licensee agrees to implement within a reasonable time all Corrections provided by GRA hereunder.

3. Telephone and Email Support.

- d. GRA shall provide telephone and email support so as to allow Licensee's designated support contact to report problems and to seek assistance in the use of the Software during GRA's standard technical support hours of operations as established from time to time and listed on GRA's website.
- e. GRA shall return support calls or emails within a commercially reasonable time, normally twenty four (24) hours, after receipt of Licensee's call or email. During this contact via telephone or email, GRA will either (i) resolve the problem or provide the requested assistance or (ii) provide Licensee with an estimate as to when such resolution or assistance will be available.

4. Excluded Items.

As part of its support obligations, GRA shall not be obligated to:

- a. Provide telephone assistance (beyond an initial telephone call) or consulting time relating to problems, errors or malfunctions caused by (i) malfunction of the computer system and communications network on which Licensee has installed and is using the Software, (ii) software not licensed pursuant to this Agreement, (iii) any use of the Software in disregard of any known adverse consequences, including without limitation the failure of user to make appropriate backups, warning messages, and other written instructions, or (iv) any other cause not attributable to GRA;
- b. Provide extensive training that would normally be provided in formal training classes; or
- c. Perform consulting services that would normally be provided at Licensee's business location.
- d. If, after GRA notifies Licensee that a problem, error or malfunction, for which Licensee has requested telephone or other support, is not covered by quarterly support, Licensee requests GRA to provide telephone assistance or consulting services to correct the problem, error or malfunction, time relating to such assistance and services, and any other consulting services that Licensee may request, will be charged to Licensee at GRA's standard hourly rates.



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5. Payment and Termination of Support.

- a. Licensee agrees to subscribe to the ASTS3 Annual Maintenance Subscription but may terminate subscription (without terminating the License to the use the Software) by providing GRA with 30 days written notice prior to the commencement of the next scheduled year of support.
- b. GRA shall submit an invoice thirty 30 days prior to the ASTS3 Annual Maintenance Subscription renewal date, which is 365 days after effective date.
- c. GRA may suspend providing support upon thirty (30) days written notice to Licensee, if Licensee fails to pay the required ASTS3 Annual Maintenance Subscription fee or any other amount owed under this Agreement and if such failure is not corrected within the said thirty (30) day period.
- d. Services outlined in Section 1 will be null and void if ASTS3 Annual Maintenance Subscription is terminated. If services are terminated, Licensee will no longer be eligible for ASTS3 Annual Maintenance Subscription pricing.

6. Services.

- a. In the event Licensee procures installation & training services, GRA and its technical staff shall provide such services to assist Licensee in the installation, implementation and successful utilization of the Software in accordance with the terms of this Agreement. GRA makes no guarantees as to the total cost or completion date of any implementation. Licensee acknowledges that the ultimate responsibility for successful implementation rests with the Licensee and that GRA's role is to assist Licensee in that endeavor.

7. Conduct of Services.

- a. All installation/implementation services shall be performed by qualified personnel in accordance with good practices prevalent in the information technology industry. If Licensee determines that any GRA technician is not appropriate for the work based on such GRA technician's skills or background and experience, GRA shall make a commercially reasonable effort to assign another qualified GRA technician.

8. Project Management.

- a. Licensee shall advise GRA of the individual that Licensee has appointed to authorize Work Orders, receive progress reports and address problems that may arise in connection with GRA's installation/implementation services (the "Project Manager"). The Project Manager and GRA technicians shall develop appropriate administrative procedures for review of performance of work at Licensee's site.

9. Work on Licensee's Premises.

- a. GRA shall require its GRA technicians at all times to observe security, safety and other policies of the Licensee while such GRA technicians are on Licensee's premises and to comply with the confidentiality requirements of this Agreement.

10. Cost Estimates.

- a. A Cost Estimate will be provided to the Licensee for all work (installation, training etc.) to be performed by GRA. Each Cost Estimate shall establish, at a minimum, the starting date and duration of the services, the approximate number of hours, the applicable hourly rate or fee, and the general nature of the work to be performed and all estimated travel costs. If Licensee wishes to document in greater detail the specific work to be performed, Licensee agrees to provide such written documentation for GRA's review and approval.



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- b. An official funding document (i.e. purchase order) must be submitted to GRA before commencement of work outlined in Cost Estimate.

11. Scheduling.

- a. GRA will try to accommodate work schedule requests of Licensee to the extent commercially practicable. GRA reserves the right to change such schedule for any Work Order if the assigned GRA Technicians are unable to perform scheduled services because of illness, resignation, weather, or other causes beyond GRA's reasonable control. GRA will make commercially reasonable efforts to replace any such GRA Technician within a reasonable time in order to minimize any adverse impact on the schedule.

12. Rates.

- a. Unless otherwise provided in this Agreement, Licensee shall pay GRA its then current standard hourly rates or fees for implementation and training services performed hereunder, which rates or fees shall be set forth in the applicable Work Order. The minimum charge for labor any single day is eight (8) hours. Billable amounts incurred in excess of eight (8) hours per day will be billed at the standard, straight-time hourly rate. Licensee agrees to reimburse and will be invoiced for all out-of-pocket travel expenses, which include airfare, ground transportation, lodging, incidentals, and an applicable per diem and local travel allowance in accordance with the Joint Travel Regulations for the location in which the services are performed.

13. Training Support.

- a. If requested by GRA, Licensee agrees to make available any required projection equipment for use in on-site training classes. Alternatively, GRA will, upon prior written request, provide such projection equipment.

14. Ownership of Developments.

- a. GRA shall have full and exclusive rights and ownership in any software and documentation, or any other developments, developed hereunder, and in any and all related patent, trademarks, copyrights, trade secrets, confidential information and any other proprietary rights. Such developed software and documentation shall be considered "Software" and "Documentation" as defined in the License Terms and Conditions. Except for a license to the Software and Documentation as provided in the License Terms and Conditions, Licensee shall have no right, ownership or title in the Software or Documentation developed hereunder or in any related patents, trademarks, copyrights, trade secrets, confidential information or any other proprietary rights.

15. Agreement-Not-to-Hire Certain GRA Employees.

- a. Licensee agrees that so long as it is using the Software, Licensee shall not, without GRA's prior written consent, enter into a contract or other agreement with any party other than GRA to obtain the services of any current or former GRA employee relating to the Software and Licensee's use thereof if such current or former GRA employee has provided consulting, training or other services to Licensee on behalf of GRA at any time within three (3) years prior to the date of such contract or agreement. Notwithstanding the foregoing, nothing herein shall restrict Licensee from hiring any such former GRA employee.