



SecureAuth Corporation Software License Agreement

This Software License Agreement (the "Agreement") is entered as of the final date set forth next to signatures on the signature page hereto (the "Effective Date"), by and between SecureAuth Corporation, a Delaware corporation ("SecureAuth Corporation", "SA" or "Licensor"), having its principal place of business at 8965 Research Drive, Irvine, CA 92618 and City Of Glendale AZ ("Licensee"), having its principal place of business at 5850 West Glendale Avenue, Glendale, AZ 85301.

**IMPORTANT NOTICE READ THIS LICENSE AGREEMENT
CAREFULLY BEFORE USING THIS PROGRAM.**

TERMS

By accepting the contract and by using this program in any way you acknowledge that you have read, understood and agreed to the terms of this Software License Agreement (the "Agreement") and that it shall form a valid agreement between you and SecureAuth Corporation ("SecureAuth"). If you do not fully understand and/or agree, do not use this program in any context. This license is effective while you use and continue to make use of this program. You agree that this agreement is enforceable like any written negotiated agreement signed by you and or your company. This license will also terminate if you fail to comply with any term or condition of this agreement. Upon such termination, you agree to destroy the program, together with all copies thereof.

In the event that you did not acquire a license to use this copy of the SecureAuth Software, (i) you are not authorized to install, use, transfer or sell the SecureAuth Software, (ii) you do not have a license to use the SecureAuth Software and (iii) you are committing a willful infringement and violation of U.S. and international copyright laws if you use or install this Software. In such event you should immediately cease installing this Software and should contact SecureAuth. The Software is protected by U.S. copyright laws and international copyright treaties, as well as other intellectual property rights and laws.

**SECUREAUTH SOFTWARE IS COPYRIGHTED AND LICENSED (NOT SOLD).
SECUREAUTH DOES NOT SELL OR TRANSFER TITLE TO SOFTWARE TO YOU.**

1.0 DEFINITIONS

Terms used in this Agreement which are capitalized shall have the definitions set forth below or elsewhere in this Agreement.

1.1 "Affiliates" means any owner or subsidiary of Licensee; any person or entity controlled by, under common control with or controlling Licensee or Licensee's owner; any joint venture, partnership, limited liability company, or other entity in which Licensee or its owners are a joint venturer, partner, member or controlling shareholder; any owned, managed, or licensed property of any person or entity set forth in the immediately foregoing clauses.

1.2 "Agreement" shall mean this Software License Agreement, and any attached Exhibits, as may be amended from time to time in a writing signed by an authorized representative of Licensor and Licensee.

1.3 "Business" shall mean the business activities of Licensee.

1.4 "Documentation" shall mean all on-line help files, written instruction manuals and other documents regarding the characteristics, functionality and use of the Software

1.5 "Intellectual Property Rights" shall mean all existing and future patents and other patent rights, utility models, mask works, designs, algorithms, and other industrial property rights, copyrights, and moral rights and trade secrets, trademarks, trade names and similar rights, including all applications and registrations with respect thereto. All rights not specifically granted herein to Licensee are exclusively reserved to SecureAuth Corporation.

1.6 "Platform Appliance" shall mean the computer server, either in the form of hardware or a virtual server as more particularly described in Exhibit B and consisting of a computer server with a pre-installed standalone operating system that incorporates web components, authentication components and data connector components to facilitate the functionality of the Software. The Platform Appliance is purchased by Licensee upon payment of the initial annual platform fee as described in Exhibit A hereto. The Platform Appliance requires a separate user access license for which an annual platform fee applies as described in Exhibit A hereto. The user access license for year one is included with the purchase of the Platform Appliance.

1.7 "Software" shall mean each of the (a) object/binary code versions of SA software listed in one or more order forms; (b) Software updates, enhancements, tools, utilities, test suites, bug-fixes, work arounds, corrections and new releases and versions; (c) Documentation; and (d) any Platform Appliance provided under this Agreement to implement the Software applications.

2.0 OBLIGATIONS/LICENSE

2.1 Obligation to Perform Services. SecureAuth Corporation shall deliver the Software to Licensee, and perform the services described on Exhibits A, B and C, all in a timely, professional and workman-like manner.

2.2 Grant of License. Subject to Section 3.0 below, and the other terms and conditions of this Agreement, SecureAuth Corporation hereby grants to Licensee and Licensee's Affiliates, under Licensor's Intellectual Property Rights, the following non-exclusive license:

a. to install, copy, reproduce, distribute among Affiliates, use, execute and operate the Software for Licensee's and Licensee's Affiliates' internal authentication, registration and user validation needs; and

b. to use, reproduce, copy and distribute the Documentation in conjunction with the installation and use of the Software.

3.0 LICENSE RESTRICTIONS

3.1 Licensee agrees that it will not itself, or through any parent, subsidiary, Affiliate, agent or other third party, during the term of this Agreement as set forth in Section 9 below:

a. sell, lease, license, sublicense, encumber or otherwise deal with any portion of the Software or Documentation except as provided for in this Agreement;

b. decompile, disassemble, or reverse engineer any portion of the Software;

c. write or develop any derivative software or any other software program based on the Software or any Intellectual Property Rights of SecureAuth Corporation except as otherwise agreed to by SecureAuth Corporation;

d. except as provided for in this Agreement, provide, disclose, divulge or make available to, or permit use of the Software by persons other than the employees or authorized contractors of Licensee, without the advance written consent of SecureAuth Corporation; and

e. exceed the number of licensed users specified for each type of Software in Exhibit A.

4.0 LICENSE FEE

In consideration of the rights granted herein, and subject to the terms and conditions of this Agreement, Licensee shall pay to SecureAuth Corporation the license and platform fees as set forth in Exhibit A.

5.0 MAINTENANCE AND SUPPORT

During the term of this Agreement, Licensee shall receive maintenance and support in accordance with Exhibit C - Standard Maintenance and Support Policy.

6.0 INDEMNIFICATION

6.1 SA represents, warrants and covenants that (i) the Software is of original development by SA, that SA is the owner of the Software or that SA has the absolute right to license the Software to Licensee for the uses contemplated under this Agreement free and clear of any liens, claims and encumbrances, and (ii) there is no claim or proceeding pending or threatened with respect to the Software. SA will indemnify, defend and hold Licensee harmless, at SA's expense, from any claims, demands, actions, suits, damages, losses, liabilities, costs or expenses of any nature, including, without limitation, attorney's fees, incurred by Licensee as a result of any breach of this Agreement by SA or any of the representations or warranties contained in this section or Section 7. In the event of an infringement claim, SecureAuth Corporation shall have no obligation pursuant to this Section 6 to the extent the claim is caused by the modification of the Software by Licensee or its agents without SecureAuth Corporation's prior written consent that cause it to deviate from the Documentation, or to the extent the infringement is caused by the use of other than the most current version of the Software if the current version would be non-infringing, has been made available in a timely manner to Licensee at no additional charge, and Licensee has had sufficient time to install, execute and operate such current version without impacting its business operations. If the unmodified Software becomes, or in SecureAuth Corporation's opinion is likely to become, the subject of a claim of infringement or misappropriation, SecureAuth Corporation shall, at its option and expense, promptly either: (i) modify or replace the Software to be non-infringing while giving equivalent performance and functionality, or (ii) obtain for Licensee the right to continue using the Software under terms substantially similar to those then in effect under this Agreement. If, in Licensee's sole discretion, it is not reasonably practicable to accept either of the above options, then Licensee may terminate this Agreement with respect to the Software and receive a refund of the License fees paid by Licensee under this Agreement.

6.2 Licensee will defend, at its own expense, any action against SecureAuth Corporation brought by a third party to the extent that the action is based upon a breach of the obligations of Licensee under Sections 3.1 or 10.5 and Licensee will pay those costs (including reasonable attorney's fees) and damages finally awarded against SecureAuth Corporation in any such action that are specifically attributable to such claim or those costs and damages agreed to in a settlement of such action.

6.3 Conditions. In the event a party seeks indemnity as provided in this Section 6, such indemnified party should: (i) notify the indemnifying party in writing promptly of a claim; and, (ii) grant the indemnifying party the sole control of the settlement, compromise, negotiation, and defense of any such action, except that the indemnifying party shall not enter into any settlement that affects the indemnified party's rights or interests without the indemnified party's prior written consent; and (iii) provide the indemnifying party with all reasonably available information relating to the action that is reasonably requested by the indemnifying party. The parties agree to cooperate in good faith in the defense of any legal action or suit that causes one party to invoke its indemnification rights under this Section 6.

7.0 WARRANTIES

7.1 General Warranty. Each party represents and warrants that it has the right to enter into this Agreement and any other Software specifications published by Licensor.

7.2 SecureAuth Corporation Warranties and Covenants. SecureAuth Corporation represents, warrants and covenants to Licensee that, at all times during the term of this Agreement:

a. The Software and Platform Appliance will perform in substantial accordance with the Documentation.

b. The Software and its performance hereunder does not and will not violate any third party's Intellectual Property Rights or other property rights, and will not violate any law, regulation or statute in the applicable jurisdiction.

c. The Software, and any updates or upgrades thereto provided by SA, will not, at the time SA delivers it to Licensee, contain any viruses, worms, spyware, time bombs or other malware, and will not contain any code that allows SA to automatically or remotely disable the Software or limit the Software's functionality in any manner. SA shall not be responsible for any infections to the Software by viruses, worms, spyware, time bombs or other malware that occur after the Software has been delivered to Licensee

d. SA will monitor data security industry information to identify any systemic threats to the authentication architecture used by SA, will immediately notify Licensee of any such threats, and will use commercially reasonable efforts to modify the Software as required to obviate such threats.

e. SA shall have and implement disaster recovery procedures to ensure that all Software-related services provided to Licensee under this Agreement will resume within 48 hours following any disaster.

f. If the Software does not perform as warranted, SecureAuth Corporation shall promptly use commercially reasonable efforts to correct the Software, or if the correction of the Software is not reasonably possible, replace such Software, free of charge, with replacement software that contains at least the equivalent performance and functionality of the Software. If neither of the foregoing is commercially practicable, either party may, in its sole discretion, terminate this Agreement with respect to the non-conforming program or programs, and in such event SA shall refund the monies paid by Licensee attributable to such non-conforming program or programs. The foregoing are the sole and exclusive remedies of Licensee for breach of the warranty set forth in paragraph 7.2.a above. The warranties set forth above are made to and for the benefit of Licensee and will be enforceable against SecureAuth Corporation only if: the Software has been used at all times in substantial accordance with the instructions for such use; and, except as authorized by SecureAuth Corporation, Licensee has not made or caused to be made modifications, alterations or additions to the Software that cause it to deviate from the Documentation.

7.3 Disclaimer of Warranties. EXCEPT AS OTHERWISE EXPRESSLY WARRANTED IN THIS AGREEMENT, SA DISCLAIMS ALL WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE (EVEN IF SECUREAUTH CORPORATION HAD BEEN INFORMED OF SUCH PURPOSE), OR ANY WARRANTIES ARISING FROM COURSE OF DEALING, COURSE OF PERFORMANCE, OR USAGE OF TRADE. LICENSEE HEREBY ACKNOWLEDGES AND AGREES THAT IN EACH JURISDICTION IN WHICH ANY SUCH DISCLAIMER IS UNENFORCEABLE, THE DURATION OF ANY SUCH IMPLIED SOFTWARE PERFORMANCE WARRANTIES IS LIMITED TO NINETY (90) DAYS FROM THE DELIVERY DATE; PROVIDED, HOWEVER, THAT THE SOLE REMEDY OF LICENSEE FOR BREACH OF ANY SUCH IMPLIED SOFTWARE PERFORMANCE WARRANTY SHALL BE THAT SECUREAUTH CORPORATION WILL, AT ITS OPTION, REPAIR OR REPLACE THE COPY OF THE SOFTWARE HELD BY LICENSEE, OR TERMINATE THIS AGREEMENT AND REFUND AMOUNTS ALREADY PAID THEREFOR BY LICENSEE.

8.0 LIMITATION OF LIABILITY

EXCEPT FOR ANY CLAIMS ARISING UNDER SECTIONS 6 (INDEMNIFICATION), 7 (WARRANTIES), OR 10.5 (CONFIDENTIAL INFORMATION), OR WHICH ARE BASED UPON GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT, REGARDLESS OF WHETHER ANY REMEDY SET FORTH HEREIN FAILS OF ITS ESSENTIAL PURPOSE OR OTHERWISE, TO THE EXTENT PERMITTED BY THE LAW OF THE JURSDICTION IN WHICH LICENSEE OBTAINED THIS LICENSE: (A) SECUREAUTH CORPORATION AND LICENSEE WILL NOT BE LIABLE FOR

ANY INDIRECT, EXEMPLARY, SPECIAL, CONSEQUENTIAL, OR INCIDENTAL DAMAGES OF ANY CHARACTER, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR COMPUTER MALFUNCTION, LOSS OF INFORMATION, LOST PROFITS AND BUSINESS INTERRUPTION, AND THE COST TO OBTAIN SUBSTITUTE SOFTWARE, ARISING IN ANY WAY OUT OF THIS AGREEMENT OR THE USE OF (OR INABILITY TO USE) THE SOFTWARE, HOWEVER CAUSED, AND WHETHER ARISING UNDER A THEORY OF CONTRACT, TORT OR ANY OTHER LEGAL THEORY, EVEN IF SECUREAUTH CORPORATION WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; AND (B) IN NO EVENT WILL SECUREAUTH CORPORATION'S TOTAL LIABILITY TO LICENSEE RELATING TO THIS AGREEMENT OR THE USE (OR INABILITY TO USE) THE SOFTWARE EXCEED THE LARGER OF THE SUM OF ONE MILLION DOLLARS (\$1,000,000.00) OR THE AMOUNT PAID BY LICENSEE TO SECUREAUTH CORPORATION FOR THIS LICENSE. SOME STATES OR JURISDICTIONS DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES, SO THE ABOVE LIMITATIONS MAY NOT APPLY TO LICENSEE; PROVIDED, HOWEVER, SECUREAUTH CORPORATION IS LICENSING THE SOFTWARE TO LICENSEE ON THE EXPRESS CONDITION THAT LICENSEE AGREES TO THE "DISCLAIMER OF WARRANTIES" AND "LIMITATION OF LIABILITY" PROVISIONS IN THIS AGREEMENT.

NO EMPLOYEE, AGENT, REPRESENTATIVE OR AFFILIATE OF SECUREAUTH CORPORATION HAS THE AUTHORITY TO BIND SECUREAUTH CORPORATION TO ANY ORAL REPRESENTATIONS OR WARRANTY CONCERNING THE SOFTWARE ANY WRITTEN REPRESENTATIONS OR WARRANTY NOT EXPRESSLY CONTAINED IN THIS AGREEMENT ARE UNENFORCEABLE.

9.0 TERM AND TERMINATION OF AGREEMENT

9.1 Term. This Agreement shall commence upon the Effective Date and shall continue for a period of three (3) years ("Initial Term"). The Agreement will renew for successive one (1) year terms (each, a "Successive Term") upon the mutual agreement and ninety (90) days prior notice of extension to the conclusion of the Initial Term or Successive Term. Except as otherwise provided in this Agreement, in the event Licensee terminates this Agreement for cause, SA shall immediately refund Licensee, on a pro rata basis, any fees Licensee paid in advance.

9.2 Termination for Breach. Either party may immediately terminate this Agreement upon a material breach by the other party of any representation, covenant, warranty or term of this Agreement that is not cured within thirty (30) days after the non-breaching party delivers written notice of such breach to the breaching party.

9.3 Termination for Bankruptcy. Either party may terminate this Agreement in the event that: (a) the other party files a petition for bankruptcy or is adjudicated a bankrupt, (b) a petition in bankruptcy is filed against the other party and such action is not dismissed within ninety (90) days after the date upon which it was instituted, (c) the other party becomes insolvent or makes an assignment for the benefit of its creditors or an arrangement for its creditors pursuant to any bankruptcy law, (d) an action is instituted by or against the other party seeking its dissolution or liquidation of such party's assets or seeking the appointment of a trustee, interim trustee, receiver or other custodian for such party's property or business and such action is not dismissed within ninety (90) days after the date upon which it was instituted, or (e) a receiver is appointed for the other party or its business; and such action is not dismissed within ninety (90) days after the date upon which it was instituted. All rights and licenses granted under or pursuant to any section of this Agreement are, and shall be deemed to be, for purposes of Section 365(n) of the Bankruptcy Code, 11 U.S.C. § 101 et seq., licenses of rights to "intellectual property" as defined under Section 101(35A) of the Bankruptcy Code, and the Software is, and shall be deemed to be, "embodiment[s]" of "intellectual property" for purposes of same. Licensee shall retain and may fully exercise all of its rights and elections under the Bankruptcy Code or equivalent legislation in any other jurisdiction. Without limiting the generality of the foregoing, SA acknowledges that the rights and license granted to Licensee pursuant to this Agreement shall not be affected by SA's rejection of this Agreement in bankruptcy, and shall continue subject to the terms and conditions of this Agreement.

9.4 Effects of Termination. Within fourteen (14) days after the date of termination of this Agreement pursuant to this Section 9, each party shall return or destroy all Confidential Information of the other party in each party's possession and Licensee shall destroy all copies of the Software in its possession or control. Upon the written request of SecureAuth Corporation, Licensee shall furnish SecureAuth Corporation with a certificate signed by an authorized representative of Licensee verifying that the same has been done.

Except for termination under Section 9.2, all unpaid payment obligations due and payable by Licensee shall survive termination. The provisions of Sections 1 (Definitions), 4 (License Fees), 6 (Indemnification), 8 (Limitation of Liability), and 10 (General Provisions) shall survive any termination of this Agreement.

10.0 GENERAL PROVISIONS

10.1 Assignment. Neither party may assign this Agreement, in whole or in part, without prior written notice to the other, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, either party may assign this Agreement in the event of a merger, sale of substantially all of the stock, assets or business, or other reorganization involving the assigning party in which the assigning party is not the surviving entity, and the other party's prior written consent shall not be required in such instance. Without limiting the foregoing, this Agreement will bind and inure to the benefit of each party's permitted successors and assigns.

10.2 Audit Rights. Licensee shall keep in accordance with its record retention schedule accurate records relating to use of the Software as described in this Agreement and shall permit examination of those records by authorized representatives of SecureAuth Corporation at all reasonable times during the term of the Agreement. Any such audit must be scheduled no less than three (3) weeks in advance and will be subject to the security and compliance department policies and procedures of Licensee. In no event shall this audit take place more frequently than once per year. In the event that such audit reveals an underpayment of fees, Licensee shall promptly pay SecureAuth Corporation the fees due. SecureAuth Corporation shall bear the cost and expense of any such audit unless it reveals an underpayment by Licensee in excess of 5% of the total fees paid or payable under this Agreement. All information disclosed to SA during an audit shall be deemed Licensee's Confidential Information, as defined in Section 10.5 below.

10.3 Waiver, Amendment, Modification. No waiver, amendment or modification, including by custom, usage of trade, or course of dealing, of any provision of this Agreement will be effective unless it is in writing and signed by the party against whom such waiver, amendment or modification is sought to be enforced. No waiver by any party of any default in performance on the part of the other party under this Agreement or of any breach or series of breaches by the other party of any of the terms or conditions of this Agreement will constitute a waiver of any subsequent default in performance under this Agreement or any subsequent breach of any terms or conditions within. Performance of any obligation required of a party under this Agreement may be waived only by a written waiver signed by a duly authorized officer of the other party; such waiver will be effective only with respect to the specific obligation described therein.

10.4 Force Majeure. Neither party will be deemed in default of this Agreement to the extent that performance of its obligations, or attempts to cure any breach, are delayed or prevented by reason of circumstance beyond its reasonable control, including without limitation fire, natural disaster, earthquake, accidents or other acts of God and which renders their performance impossible ("Force Majeure"), provided that the party seeking to delay its performance gives the other written notice of any such Force Majeure within fifteen (15) days after the discovery, and further provided that such party uses its good faith efforts to cure the Force Majeure. This Section 10.4 will not be applicable to any payment obligations of either party.

10.5 Confidential Information. Each party acknowledges that it may be furnished with or may otherwise receive or have access to information or material of the other party that the disclosing party has specifically marked as: "confidential," including, without limitation, information that relates to past, present or future products, software (including Source Code and Object Code), research development, inventions, processes, techniques, designs or technical information and data, employee information, and marketing plans (collectively, the "Confidential Information"). Each party agrees to preserve and protect the confidentiality of the other party's Confidential Information and all physical forms, whether disclosed to the other party before this Agreement is signed or afterward, to the extent permitted by law. In addition, neither party will

use or disclose the Confidential information of the other party except as specifically required to perform its obligations under this Agreement. The foregoing obligations do not apply to any information that: (1) is publicly known at the time of disclosure or becomes publicly known thereafter through no act or fault of the receiving party; (2) is given to a party by a third party who is not obligated to maintain confidentiality; (3) is already known by the receiving party prior to the date on which this Agreement is signed, as evidenced by written documentation, or (4) is independently developed by the receiving party without reference to Confidential Information of the disclosing party. Neither party will take, nor cause to be taken, any physical forms of Confidential Information (nor make copies of same) without the other party's prior written permission. Notwithstanding any other provisions of this Agreement, the requirements of this Section 10.5 will survive termination of this Agreement. Should Licensee receive a public records request for Confidential Information, it shall inform SecureAuth Corporation as soon as possible. If SecureAuth desires that the information not be disclosed, Licensee will deny the request at which time SecureAuth shall fully indemnify and defend Licensee (including to the extent of all fee, costs, or penalties incurred) and from that point handle all communications pertaining to the request.

10.6 Independent Contractor. Nothing contained in this Agreement will be deemed to place the parties in the relationship of an employer/employee, partners, or joint ventures. Neither party will have any right to obligate or bind the other in any manner except as specifically provided for in this Agreement. Each party agrees and acknowledges that it will not hold itself out as an authorized agent with the power to bind the other party in any manner. Each party will be responsible for any withholding taxes, payroll taxes, disability insurance payments, unemployment taxes, and other similar taxes or charges with respect to its activities in relation to performance of its obligations under this Agreement.

10.7 Usage. Upon the execution of this Agreement, SecureAuth Corporation may develop a case study describing: (a) how Licensee uses the Software and (b) the benefits that were derived from the use of the Software (the "Case Study"), and any public dissemination of such case study will be subject to the prior written approval of Licensee, in its sole discretion. SecureAuth Corporation may not use Licensee's name, product names, trademarks or logos in any manner without obtaining the prior written consent of Licensee.

10.8 Cumulative Rights. Any specific right or remedy provided in this Agreement will not be exclusive, but will be cumulative upon all other rights and remedies set forth in this Agreement and allowed under applicable law.

10.9 Governing Law. This Agreement will be governed by the laws of the State of Arizona.

10.10 Export Laws. The Software and Documentation are subject to U.S. export control laws and may be subject to export or import regulations in other countries. Licensee agrees to strictly comply with all such laws and regulations and acknowledges that Licensee is responsible for obtaining such licenses to export, re-export, or import as may be required. Licensee will indemnify and hold SecureAuth Corporation harmless from any and all claims, losses, liabilities, damages, fines, penalties, costs and expenses (including reasonable attorney's fees) arising from or relating to any breach by Licensee of its obligations under this Section. Licensee's obligations under this paragraph will survive the expiration or termination of this Agreement.

10.11 Entire Agreement. The parties acknowledge that this Agreement and its attached Exhibits express their entire understanding and agreement, and that there have been no warranties, representations, covenants or understandings made by either party to the other except such as are expressly set forth in this Agreement. The parties further acknowledge that this Agreement supersedes any and all prior agreements, written or oral, between the parties with respect to the matters set forth herein.

10.12 Standard Terms of Licensee. No terms, provisions or conditions of any purchase order, acknowledgement or other business form that either party may use in connection with the licensing of the Software will have any effect on the rights, duties or obligations of the parties hereunder, or otherwise modify this Agreement, regardless of any failure of either party to object to such terms, provisions or conditions.

10.13 Counterparts. This Agreement may be executed in multiple counterparts, any of which will be deemed an original, but all of which will constitute one and the same instrument.

10.14 Attorney Fees. In the event that either party is required to retain the services of any attorney to enforce or otherwise litigate or defend any matter or claim arising out of or in connection with this Agreement, the prevailing party will be entitled to recover from the other party, in addition to any other relief awarded or granted, its reasonable costs and expenses (including reasonable attorneys' fees) incurred in the proceeding. In addition, in the event either party to this Agreement becomes a debtor subject to the United States Bankruptcy Code, the non-debtor party shall be entitled to recover any expenses, costs and fees, including reasonable attorney's fees, incurred in connection with enforcing its rights against the debtor party, whether those rights arise under this Agreement or involve matters arising solely under the Bankruptcy Code.

10.15 Compliance with Law. Both parties agree to comply with all applicable federal, state, and local laws and regulations in performing their duties.

10.16 Severability. In the event that any provision of this Agreement is found invalid or unenforceable pursuant to judicial decree or decision, the remainder will remain valid and enforceable according to its terms. Without limiting the foregoing, it is expressly understood and agreed that each and every provision of this Agreement that 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. Further, it is expressly understood and agreed that in the event any remedy in this Agreement is determined to have failed of its essential purpose, all other limitations of liability and exclusion of damages set forth herein will remain in full force and effect.

10.17 Notices. All notices, demands or consents required or permitted in this Agreement will be in writing and will be hand delivered, or mailed certified return receipt requested to the respective parties at the addresses stated above or at any other address the party will specify to the other party in writing. Any notice required or permitted to be given by the provisions of this Agreement will be conclusively deemed to have been received on the day it is delivered to that party by U.S. Mail with acknowledgment of receipt or by any commercial courier providing equivalent acknowledgment of receipt. All notices to Licensee shall only be provided as follows:

City Manager
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

with a copy to:

City Attorney
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

10.18 Captions. Captions and section headings used in this Agreement are for convenience only and are not a part of this Agreement and will not be used in construing it.

10.19 Immigration Law Compliance

SecureAuth Corporation, and on behalf any allowable subcontractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.

Any breach of warranty of this section is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.

Licensee retains the legal right to inspect the papers of any SecureAuth Corporation or subcontractor employee who performs work under this Agreement to ensure that the SecureAuth Corporation or any subcontractor is compliant with the warranty under section.

Licensee may conduct random inspections, and upon request of Licensee, SecureAuth Corporation must provide copies of papers and records of SecureAuth Corporation demonstrating continued compliance with the warranty under subsection 9 I above.

SecureAuth Corporation agrees to keep papers and records available for inspection by Licensee during normal business hours.

SecureAuth Corporation must cooperate with Licensee in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this section.

SecureAuth Corporation must incorporate into any subcontract agreements that are allowable under it Agreement, if any, the same obligations imposed upon SecureAuth Corporation and expressly accrue those obligations directly to the benefit of Licensee.

SecureAuth Corporation must require any allowable subcontractor to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of Licensee.

SecureAuth Corporation warranty and obligations under this section to Licensee is continuing throughout the term of this Agreement or until such time as Licensee determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.

The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

10.20 Prohibition on Business with Iran and Sudan

SecureAuth Corporation certifies under A.R.S. §§ 35-391 *et seq.* and 35-393 *et seq.* that it does not have, and during the term of this agreement will not have, "scrutinized" business operations, as defined in the preceding statutory sections, in the countries of Sudan or Iran.

Exhibits. The following Exhibits are attached to this Agreement and incorporated herein by reference.

Exhibit A: Product and License Fees

Exhibit B: Product Feature Description

Exhibit C: Standard Maintenance and Support Policy

IN WITNESS WHEREOF, the parties hereto have reviewed this Agreement and agree to and accept its terms and conditions. The parties are executing this Agreement effective as of the date first written above.

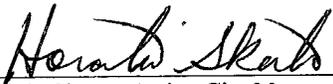
SECUREAUTH CORPORATION



Craig J. Lund, Chief Executive Officer & President

Date: 9/18/2012

CITY OF GLENDALE, an Arizona
municipal corporation



Horatio Skeete, Acting City Manager

Date: September 21, 2012

ATTEST:



Pamela Hanna, City Clerk (SEAL)

APPROVED AS TO FORM:



Craig Tindall, City Attorney

EXHIBIT A
PRODUCT, LICENSE & MAINTENANCE FEES; PLATFORM FEES

1. The specific modules covered under this three (3) Year License are:

- A. SecureAuth User Authentication Product Per User Per Year License:
- Licenses for Per User Per Year – **Three (3) Year License** for Designated Number of Users (**800 users for Initial Term**)
 - Licenses for up to an average of 12x the Number of Designated Users for Out-of-Band Cell Phone and Text Message Browser Registrations (i.e., the average shall not exceed 12x Per User, Per Year). In the event the foregoing average amount is exceeded during a contractual year, then Licensee shall be charged the sum of \$0.25 per Out-of-Band Cell Phone and Text Message Browser Registration by which the 12x Per User, Per Year average is exceeded
 - Licenses for Unlimited E-Mail Browser Registrations for Designated Number of Users
 - License for Unlimited PIN registrations Licenses for Unlimited Digital Image and Security Certificate Registrations for Designated Number of Users
- B. SecureAuth Platform Appliance Per Year License
- License for Platform Appliance Per Year – **Three (3) Year License** for Designated Number of virtual Platform Appliances (**Two (2) virtual Platform Appliances for Initial Term**)

2. Other deliverables:

As part of the base License fee, SecureAuth Corporation will provide, at its expense, Training (as defined below) to assist Licensee in developing, testing, installation, and achievement of live status of Licensee software integrated with the SecureAuth Software.

Training: One (1) day of Web Based Knowledge Transfer Engineering, Support, and Operations Staff to rapidly learn the necessary API's and basic operational aspects of the SecureAuth Software.

3. License Fees; Platform Fees; Payment Terms:

A. License Fees are **\$7.40 per user, per year** (i.e., a total of **\$22.20 per user for the three (3) year license period**), for quantity of **1 to 800 users**. The License Fees include all maintenance and support as described in Exhibit C to the Agreement. In addition, **License Fees of \$4.266 per user, per year, for SecureAuth for mobile clients** (i.e., a total of **\$13.88 per user for the three (3) year license period**), for quantity of **1 to 200 users**.

B. Platform Fee of **\$1,600 per Platform Appliance, per year, shall apply** (i.e., a total of **\$9,600 for the two (2) virtual Platform Appliances over the three (3) year license period**). The initial annual Platform Fee shall include the purchase of the virtual Platform Appliances. The Platform Fee includes a separate user access license for the virtual Platform Appliances.

C. All fees are due **net 30** from the earlier of (i) the date of Licensee's purchase order, or (ii) the Effective Date. All renewal fees (i.e., License Fees and Platform Fees) are due no later than the date of commencement of the Successive Terms as described in Section 9 of the Agreement. In the event Licensee fails to pay renewal fees within **30 days** of the renewal date, such renewal fees shall be subject to a late fee of ten percent (10%) thereon.

EXHIBIT B PRODUCT FEATURE DESCRIPTION

SecureAuth supplies an on-line authentication product that allows an enterprise to augment its current user verification process with a secure registration and authentication process.

SA SecureAuth Registration and Authentication Class Libraries for Web Applications

.NET class libraries which accomplish the following functionality:

1. Input Identity in one of a various set of mechanism:

- Browser based user input Workflow follows below:
 - Collect Username
 - Match User password and display a Password form Prompt user for further registration utilizing the method(s) elected by Licensee, including:
 - e-mail, land/cell phone, SMS Text Messaging, KBA, Static Pass code
 - Inspect the user browser to determine most secure token that can be inputted on browser. (Certificate or Encrypted Cookie)
 - Transparently input browser with correct security token
 - Collect SA required data on first initialization (ID existence): e-mail address, land/cell phone number, SMS Text Messaging, static pass code, digital image and welcome message
 - Collect SA information for user -- ID needs to be created
 - Confirm SA user collected data during initialization:
 - Static Pass code
 - Phone Number
 - SMS Number
 - e-mail
 - Call SMTP server for e-mail registration
 - Prompt user with SA information for Static Pass code registration
 - Call SA Web Service, via secure SSL channel, for browser registration via phone call
 - SMS Text Message to SA Web Service, via secure SSL channel, for browser registration via phone call
 - Automatically utilize other registration methods if attempted registration method fails
 - Call SA certificate service to create end-user certificate for browser registration, when appropriate
 - Pass user ID, password and success/error code field to calling program
 - Log output to appropriate sources
- 3rd Party X 509 certificate input
- SAML Input
- OpenID Input
- 3rd Party Web TokenInput
- Microsoft IWA (AD Directory) Domain Login Input
- SecureAuth SSO Session Input
- Username/Password + OAUTH Token for Third Party access to Resource Owner Services

2. Map the Identity from above into a datastore specific in the SecureAuth realm, this identity can be specified as

- Active Directory
- Microsoft ADAM
- OpenLDAP
- Novell E-Directory
- IBM Tivoli LDAP
- IBM Lotus LDAP

- SunOne LDAP
 - Apple LDAP
 - MySQL
 - Microsoft SQL
3. Apply appropriate 2nFactor mechanism including:
- SecureAuth Certificate Validation
 - SecurAuth SMS OTP User Validation
 - SecureAuth Telephony OTP User Validation
 - SecureAuth E-mail OTP User Validation
 - SecureAuth KBA Validation
 - SecureAuth Help Desk OTP Validation
 - SecureAuth Static PIN Validation
4. Assert the identity in the following manners to the following Relying parties
- Create a Native certificate for
 - Linux Based Machines
 - Windows Based Machines
 - Apple Based Machines
 - Mobile
 - Windows, BlackBerry, Symbian, Android, Apple
 - Create a SecureAuth “managed Code” certificate for following formats:
 - Any JRE Supported machine:
 - Linux
 - Windows
 - Apple
 - Any Android Based Machine
 - 2.2., 2.3, 3.0 3.1 or later
 - Apple IOS (Versions 2, 3 and 4)
 - Create a Federated Assertion and direct to Relying party:
 - SAML 1.1.
 - SAML 2.0
 - OAUTH 2.0
 - OpenID 2.0
 - Create a Microsoft FBA assertion
 - ASP.NET formatted
 - Create a IBM LTPA Assertion
 - IBM WebSphere
 - IBM Domino
5. Log the Output via appropriate mechanism
- Syslog
 - Text
 - Documentation

In addition to the foregoing, SA shall provide its Enterprise Administrator Guide to Licensee. Further, SecureAuth Corporation shall provide backward compatibility that shall be maintained, from Release N to Release N-2, and for all releases made within a two (2) year window as part of its Maintenance and Support services. This may include, but is not limited to, the capability to either upgrade all of the Platform Appliances or all of the API's embedded in Licensee software in any rollout of the new revision of the Software.

SecureAuth for SSL VPN Authentication Product Description

SecureAuth for SSL VPN Authentication is packaged for the enterprise as a Platform Appliance. The SecureAuth Appliance incorporates the requisite web components, authentication components and data connector components to facilitate both the validation of users and the distribution of X.509 certificates.

The Platform Appliance consists of a standalone operating system that comes pre-installed with a web server and SA Software and data connectors. The web server comes pre-installed with the necessary web pages and logic to conduct:

- User ID inquisition
- Personal X.509 Certificate inspection
- User Registration via:
 - SMS Text Messaging (One-Time-Passwords)
 - Telephony Audio One-Time-Passwords
 - E-mail One-Time-Password
 - Static Java Touch-Screen Registration
- Password Authentication
- X.509 Certificate generation (Private and Public key generation)

In addition to the web pages, the web server contains the necessary WCF Web Service calls to connect to SA hosted web services for the following:

- X.509 Certificate Generation
- SMS Text Messaging
- Telephony Audio Services

The Platform Appliance also contains the necessary data connectors to connect to the enterprise data stores, including, but not limited to, Active Directory, LDAP, MS/SLQ, Oracle and others.

The Platform Appliance downloads to the end user the proper client side software to install the public/private key pair. The client software, depending on software, can be a Microsoft ActiveX, a Firefox extension, a java servlet and/or an Apple software client. Each of the foregoing client software can be used to install the public private key pair in the end-user's certificate storage device(s).

The Platform Appliance also is pre-installed with a web GUI which allows an enterprise to configure the SA authentication and connect to the relevant enterprise data store.

The Platform Appliance includes a hardened operating system and network capabilities consisting of network ports which allow communication with the enterprise's network and data store components ("Hardware"). The Hardware also includes a CPU, RAM and disk drive necessary to execute the operating system and SecureAuth software.

SecureAuth for STS (Web, SaaS) Authentication

SecureAuth for STS authentication is packaged for the enterprise as a Platform Appliance. The SecureAuth Appliance incorporates the requisite web components, authentication components and data connector components to facilitate both the identity input and the token output to provide SSO into web and SaaS resources

The Platform Appliance consists of a standalone operating system that comes pre-installed with a web server and SA Software and data connectors. The web server comes pre-installed with the necessary web pages and logic to conduct:

- User ID inquisition
- 3rd party web token, SAML, SecureAuth Session token inspection
- Additional User validation via:
 - SecureAuth "Manage Code" X.509v3 certificate
 - SMS Text Messaging (One-Time-Passwords)
 - Telephony Audio One-Time-Passwords
 - E-mail One-Time-Password
 - Static Java Touch-Screen Registration
- Password Authentication
- Post Authentication Web/SaaS token generation.
 - Microsoft FBA
 - Microsoft FBA + Claims

- IBM LTPA
- SAML 1.1
- SAML 2.0
- OpenID 2.0
- OAUTH 2.0
- Generic Web *GUID* in URL

In addition to the web pages, the web server contains the necessary WCF Web Service calls to connect to SA hosted web services for the following:

- X.509 Certificate Generation
- SMS Text Messaging
- Telephony Audio Services

The Platform Appliance also contains the necessary data connectors to connect to the enterprise data stores, including, but not limited to, Active Directory, LDAP, MS/SLQ, Oracle and others.

If required, in the STS authentication process, the Platform Appliance downloads to the end user the proper client side software to install the public/private key pair. The client software, depending on software, can be a Microsoft ActiveX, a Firefox extension, a java servlet, an Apple software client and/or an Android APK.

The Platform Appliance also is pre-installed with a web GUI which allows an enterprise to configure the SA authentication and connect to the relevant enterprise data store.

The Platform Appliance includes a hardened operating system and network capabilities consisting of network ports which allow communication with the enterprise's network and data store components ("Hardware"). The Hardware also includes a CPU, RAM and disk drive necessary to execute the operating system and SecureAuth software.

EXHIBIT C
STANDARD MAINTENANCE & SUPPORT POLICY

1.0 Maintenance and Support Services

a. For so long as this Agreement is in effect and Licensee is current in its per user per year license fee payments, SA shall provide Licensee maintenance and support services (“Maintenance and Support” or the “Support Services”) as specified in this Exhibit C.

The Support Services shall include bug-fixes, work arounds, corrections, enhancements, updates and new releases and versions of SecureAuth made available to customers on a non-beta, commercial basis.

Prior to requesting Support Services, Licensee shall use commercially reasonable efforts to comply with all SecureAuth Corporation’s published operating and troubleshooting procedures contained in the Documentation. Licensee shall use commercially reasonable efforts to gather technical information specific to a problem including Software log files, reports, and error messages. Upon receipt from Licensee of a notice of a Software problem, accompanied by reasonable supporting detail and provided that the Software problem is then under warranty or a support and maintenance obligation, SecureAuth Corporation will use reasonable efforts to determine if such Software problem exists and to correct, to the satisfaction of Licensee, such Software problem within the timeframes set forth in this Standard Maintenance and Support Policy, depending on the severity level of the Software problem.

b. Any corrections to the Software will be made to the most current generally available release of the Software and, if requested by Licensee, to versions N-1 and N-2 of the Software, where version N is the latest listed version at the time. After the introduction of a new and generally available release of the Software, SecureAuth Corporation will support the then-current and the prior major release of such Software, and the versions of each mentioned above. Licensee may install and use all Software updates and enhancements but Licensee is not obliged to do so. SecureAuth Corporation shall have no obligation to correct any Software problem to the extent of an unauthorized modification or alteration of the Software by Licensee, that cause it to deviate from the Documentation, or in the event of operating system or computer malfunction not caused by the Software. SecureAuth Corporation will ensure that its API and ID Tool software, which is part of the licensed Software, will run on Licensee’s required operating system and hardware platforms.

c. Licensee acknowledges and agrees that it is, and will be, solely responsible for the accuracy and adequacy of all information and data furnished by Licensee for processing.

1.1 Problem Categories

Type I: Functionality or performance problems in a SecureAuth infrastructure component leading to loss of functionality for 10% or more of Licensee’s users. SecureAuth Corporation will only be called by Licensee for such outages after escalation through the internal technical resources of Licensee.

Type II: Failure of an infrastructure component that does not result in loss of functionality due to redundancies within the SecureAuth environment.

Type III: All other problems. For example, questions on configuration, features, behavior inconsistent with the documentation, etc.

1.2 Response Time

Problem Type	Response Type	Response Time	Resolution on Workaround Expectation
Type I	Telephone 24x7	1 Hour	ASAP
Type II	Telephone 24x7	8 Hours	Within 3 business days of call
Type III	E-Mail	7 business days	Within 30 business days

1.3 Causes not Attributable to SecureAuth Corporation

This Maintenance and Support policy does not include services requested as a result of, or with respect to, causes to the extent they are not attributable to SecureAuth Corporation. Causes which are not attributable to SecureAuth Corporation include, but are not limited to, the following events caused by Licensee or its agent:

- a. Accident; unusual physical, electrical or electromagnetic stress, neglect; misuse; failure or fluctuation of electric power, air conditioning or humidity control; failure of rotation media not furnished by SecureAuth Corporation; excessive heating; fire and smoke damage; operation of the Software with other media and hardware, software or telecommunication interfaces not meeting or not maintained in accordance with the manufacturer's specifications; or causes other than ordinary use;
- b. Improper installation by Licensee or use of the Software that deviates from any operating procedures established by SecureAuth Corporation in the applicable Documentation; and/or
- c. Modification, customization, alteration or addition or attempted modification, customization, alteration or addition of the Software that cause it or deviate from the Documentation undertaken by any party other than SecureAuth Corporation or its agents without the written consent of SecureAuth Corporation; software programs made by Licensee or other parties under the control of Licensee.

1.4 Rights and Obligations of Licensee

SecureAuth Corporation's provision of Maintenance and Support to Licensee is subject to the following:

- a. Before production use of the Software, Licensee shall provide SecureAuth Corporation with an operational architecture document which describes how the Software is being used in the Licensee environment. Documents created as part of the internal support processes of Licensee, which provide all relevant information needed for SecureAuth Corporation to help troubleshoot problems, are acceptable substitutes;
- b. Licensee shall use commercially reasonable efforts to provide SecureAuth Corporation with reasonably necessary access to the personnel and equipment of Licensee;
- c. Licensee shall use commercially reasonable efforts to provide supervision, control and management of the use of the Software. In addition, Licensee shall use commercially reasonable efforts to implement procedures for the protection of information and the implementation of backup facilities in the event of errors or malfunction of the Software or equipment;
- d. Licensee shall report all detected errors or malfunctions of the Software to SecureAuth Corporation. Licensee shall use commercially reasonable efforts to take all steps reasonably necessary to carry out procedures for the rectification of errors or malfunctions within a reasonable time after such procedures have been received from SecureAuth Corporation;
- e. Licensee shall use commercially reasonable efforts to maintain a current backup copy of all programs and data;
- f. Licensee shall use commercially reasonable efforts to properly train its personnel in the use and application of the Software; and

g Licensee may request a written report to monitor its support activity statistics or to verify compliance with the service levels set forth in this Agreement. SecureAuth Corporation will provide such reports within seven (7) business days of the request. Such requests should not exceed once a month.

1.5 Case Registry Contacts

Licensee shall use commercially reasonable efforts to appoint one (1) or more individuals within its organization who is reasonably knowledgeable in the operation of the Software to serve as primary contact between Licensee and SecureAuth Corporation regarding the registry and report of support calls (the "Case Registry Contacts"). All support inquiries of Licensee shall be initialized through these contacts where possible. As a security precaution, the hotline analyst may request further information to verify the identity of the caller. If at any point, the hotline analyst believes that the requesting party is not authorized, the hotline may deny any support that could jeopardize the security of the environment until the primary contact(s) are reached. Additionally, any request for improper assistance will be reported to the primary and secondary contacts of Licensee.

1.6 Information Gathering

The Case Registry Contacts should provide SecureAuth Corporation with a description of the request or problem. To assure accuracy, the hotline analyst may request any of the following information outlined below:

- Name
- Address
- Problem severity
- Problem description
- Exact error messages
- Log information
- Date and time problem was encountered
- Changes made to the configuration/ environment prior to the problem
- Changes made to the configuration/ environment after the problem
- Actions taken to isolate and resolve before contacting the hotline
- Hardware configuration
- Appliance release level
- System configuration parameters
- Information about other software interacting with the Software

1.7 Maintenance and Support Fee The Maintenance and Support fee are included in the license fee.