

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	EXCLUSIVE LICENSE AND COMMERCIALIZATION AGREEMENT
SEQUENCE:	1
CONVEYING PARTY DATA	
Name	Execution Date
ENCRYPTION SOLUTIONS, INC.	10/16/2017
RECEIVING PARTY DATA	
Name:	AMTEC TECHNOLOGIES, LLC
Street Address:	3188 AIRWAY DRIVE
City:	SANTA ANA
State/Country:	CALIFORNIA
Postal Code:	92626
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	7752453
CORRESPONDENCE DATA	
Fax Number:	(714)546-9035
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>	
Phone:	7146415100
Email:	jngo@rutan.com
Correspondent Name:	RUTAN & TUCKER, LLP
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Address Line 4:	IRVINE, CALIFORNIA 92612
ATTORNEY DOCKET NUMBER:	034183.0002
NAME OF SUBMITTER:	WILLIAM W. SCHAAL, REG. NO. 39018
SIGNATURE:	/William W. Schaal/
DATE SIGNED:	08/09/2021
Total Attachments: 14	
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EXCLUSIVE LICENSE AND COMMERCIALIZATION AGREEMENT

This Exclusive License and Commercialization Agreement ("Agreement"), is effective as of Oct 1 6 2017 ("Effective Date"), between AMTEC Technologies, LLC ("Licensee"), a California limited liability company located at 3188 Airway Drive, Santa Ana, CA 92626, and Encryption Solutions, Inc. ("Licensor"), a Delaware corporation located at 1126 Wilshire Boulevard, Los Angeles, CA 90017;

WHEREAS, for over a decade Licensor has made diligent and good faith efforts to develop and commercialize its patented and proprietary encryption technology (the "ESI Technology") which efforts have proved unsuccessful;

WHEREAS, AMTEC enjoys certain rights license to practice, develop and commercialize the ESI Technology and seeks by this Agreement to secure an exclusive and comprehensive license to make, use, sell and in all ways commercialize the ESI Technology and to pay Licensor royalties for all such rights;

NOW, and incorporating the foregoing recitals, which are an integral part of this agreement, the parties agree as follows:

1. DEFINITIONS

For purposes of this Agreement, the following terms, when capitalized, shall have the meanings ESI forth below, unless the context does otherwise require:

1.1 "Affiliate" means, with respect to any party hereto, a person or entity now or hereafter existing that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with Licensee, through stock ownership, contract or otherwise.

1.2 "Confidential Information" has the meaning given in Section 11.7.

1.3 "Dispute" has the meaning given in Section 11.4.

1.4 "End Users" means end users of Licensee Products/Services.

1.5 "ESI Improvements" means all technological innovations, inventions, designs, formulae, know-how, tests, performance data, processes, production methods, improvements, and all recorded material, to the ESI Technology, whether written or not, whether stored in plain or code form and whether patentable, copyrightable or subject to trademark or not. The term "ESI Improvements" does not include Licensee Improvements.

1.6 "ESI Technology" means all technological innovations, inventions, designs, formulae, know-how, tests, products, performance data, processes, production methods, improvements, and all recorded material whether written or not, whether stored in plain or code form and whether patentable, copyrightable or subject to trademark or not that is or was developed by Licensor, or on the Licensor's behalf, and including but not limited to the technology claimed by Licensor Patents including US Patent Nos. 7,752,453, 7,526,643, 8,031,865 and 8,275,997 (and expressly including any divisional, continuation or continuation-in-part, reissue, renewal or extension of any of the foregoing, and any and all foreign counterparts of any of the foregoing). The intent of the parties is that this license grant be as broad as possible, and the ESI Technology shall include all associated enabling knowledge, as well as all non-patented confidential, trade secret, proprietary know-how and information relating to the ESI Technology and its operation and utilization.



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1.7 "Force Majeure expense" means an expense that is incurred and is caused by an event beyond a Licensee's reasonable control, including expenses caused by strikes, labor disputes, civil disturbances, riot, rebellion, invasion, epidemic, hostilities, war, terrorist attack, embargo, natural disaster, acts of God, flood, fire, sabotage, fluctuations or non-availability of electrical power, heat, light, air conditioning or Licensee equipment, unexpected loss, theft or destruction of Licensee's property, or any other circumstances or causes beyond the Licensee's reasonable control.

1.8 "Governmental Authority" means any federal, state, national, supranational, local or other government, whether domestic or foreign, including any subdivision, department, agency, instrumentality, authority (including any regulatory authority), commission, board or bureau thereof, or any court, tribunal or arbitrator.

1.9 "Improvements" means all technological innovations, inventions, designs, formulae, know-how, tests, performance data, processes, production methods, improvements and all recorded material, whenever made related to a specified technology, whether written or not, whether stored in plain or code form and whether patentable, copyrightable or subject to trademark or not.

1.10 "License" has the meaning given in Section 2.1.

1.11 "Licensee Improvements" means (a) all Improvements made by Licensee to the ESI Technology; and (b) any derivative works created by Licensee based upon the ESI Technology.

1.12 "Licensee Products/Services" means any and all products or services offered, including components of products or services, or plug-ins for other products or services regardless of whether these are sold, licensed or marketed on a branded, white label or OEM basis, which incorporate and utilize, in whole or in part, the ESI Technology, including any and all products or services which incorporate and utilize, in whole or in part, any Licensee Improvement. For the avoidance of doubt, any Update or Upgrade of a Licensor Product shall constitute a Licensee Product and Service for purposes of this Agreement if such Update or Upgrade was developed by Licensee or an Affiliate.

1.13 "Licensed Field" means the worldwide market for encryption products and services.

1.14 "Licensor Patents" means U.S. Patent No. 7,752,453, U.S. Patent No. 7,526,643, U.S. Patent No. 8,031,865 and U.S. Patent No. 8,275,997 and expressly including any and all divisional, continuation or continuation-in-part, reissue, renewal or extension of any of the foregoing, and any and all foreign counterparts of any of the foregoing patents and which patents are a part of the ESI Technology.

1.15 "Licensor Property" has the meaning given in Section 2.5.1.

1.16 "Gross Sales" means all revenues that are earned (in accordance with U.S. GAAP) by Licensee or its Affiliates in connection with or otherwise as a result of or in relation to any Sale of Licensee Products/Services less any sales taxes, excise taxes or other fees imposed by a Governmental Authority and paid by Licensee with respect to such Sales and an expense incurred due to a Force Majeure and paid by Licensee. Gross Sales shall not be reduced by any expense described in this Section unless the Licensee claiming such deduction has properly documented each such deduction for the Licensor. In the event of a Dispute



concerning the deductions of this Section, the parties shall resolve such Dispute in accordance with the dispute resolution set forth in Section 11.4.

1.17 "Sale," "Sold" and "Transfer" each mean the sale, lease, transfer or other placement in commerce of Licensee Products/Services using the Licensor Property.

1.18 "Specifications" means any and all specifications for, and descriptions of the functional capabilities of the ESI Technology, whether included in Licensor's documentation, descriptive documents or marketing materials as provided to Licensee under confidentiality set forth in Section 11.7.

1.19 "Term" has the meaning given in Section 8.1.

1.20 "Update" means revisions which are intended to correct errors, improve efficiency or to incorporate additional or alternative functionality in the ESI Technology.

1.21 "Upgrade" means a new release that incorporates substantial additional or alternative functionality in the ESI Technology.

2. GRANT OF LICENSE and OWNERSHIP OF IMPROVEMENTS

2.1 License. During the Term and subject to the terms and conditions of this Agreement, Licensors grant to Licensee an exclusive, world-wide, royalty bearing license to (a) use the ESI Technology in all ways legal and necessary to develop and commercialize Licensee Products/Services in the field of encryption; and (b) to make, manufacture, have made, use, market, distribute, sell and offer for sale of Licensee Products/Services (collectively, the "License").

2.2 Sublicensing.

2.2.1 Grant of Sublicense. In the course of developing Licensee Products/Services, Licensee is expressly authorized to grant sublicenses, with the flow through license provisions set forth hereunder.

2.2.2 Flow-Through Provisions. Any end user license agreement governing the use of the Licensee Products/Services by End Users and any sub-license agreement between Licensee and a sub-licensee concerning the License must contain: (i) a notice that Licensor disclaims all warranties, conditions, representations, or terms with respect to the subject Licensee Products/Services substantially similar to the disclaimer ESI forth in Section 9.1; (ii) a limitation of liability substantially similar to that ESI forth in Section 9.2 for the benefit of Licensor; and (iii) in the case of agreements between Licensee and sub-licensees, a requirement that sub-licensees abide by the confidentiality obligations of Section 11.7.

2.3 Export Control. Licensee shall obtain all necessary export licenses and any applicable approvals needed (on a country-by-country or territory-by-territory basis) for the Sale of any Licensee Products/Services. Licensee shall fully comply with all relevant export or import laws and regulations of the United States, or of any foreign Governmental Authority to or from where Licensee is shipping, in connection with the import, export or re-export, directly or indirectly, of the Licensee Products/Services in connection with this Agreement.

2.4 Distribution Requirements. Licensee may (a) distribute the Licensee Products/Services in any form other than source code using the rights granted hereunder; (b)



solely distribute the Licensee Products/Services subject to the terms and conditions of an end user license agreement; (c) include a copyright notice and (if applicable) a patent notice with each Licensee Product reflecting any applicable Licensor Patents; (d) be solely responsible to End Users for any support and maintenance obligations or other liability which may arise from such distribution; and (e) not make any statements that any Licensee Product is "certified" by Licensor or that its performance is guaranteed by Licensor. Nothing in this Agreement shall prohibit Licensee from stating (if such statement is truthful and accurate) that any Licensee Product is certified by the National Institute of Standards and Technology or other certifying agencies where applicable.

2.5 Licensor Ownership.

2.5.1 Ownership. Licensor owns all right, title and interest, including all intellectual property rights, in and to the ESI Technology, the Licensor Patents, and the Licensor Trademarks (collectively, "Licensor Property"). All rights of ownership to and all ownership interests in any Licensor Property shall remain vested solely in Licensor, and no right of ownership or any ownership interest therein is transferred or granted to Licensee.

2.5.2 No Contest. Licensee acknowledges and agrees that the Licensor Property is and shall remain the sole and exclusive property of Licensor. Licensee agrees that it shall never oppose, seek to cancel, or otherwise contest Licensor's ownership of the Licensor Property. Whenever requested by Licensor during the Term, Licensee shall execute such documents as Licensor may deem necessary or appropriate to confirm, maintain or perfect Licensor's ownership of the Licensor Property. In the event Licensee becomes aware that any third party is, or may be, infringing the Licensor Property, Licensee agrees to notify Licensor of such fact.

3. PAYMENTS/ROYALTIES

3.1 License Fee. In exchange for all rights granted Licensor to Licensee hereunder, the Licensee shall pay the Royalties set forth in Section 3.2.

[REDACTED]

[REDACTED]

[REDACTED]

3.5 Currency. All payments due hereunder are expressed in and shall be paid by wire or check payable in United States of America currency, without deduction of exchange,

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collection or other charges, to the Licensor or to the bank account Licensor may designate in writing from time to time.

3.6 Late Payments. If any payment due hereunder is not made when due, such amount which is overdue, and only such amount, shall accrue interest at the rate of four percent (4%) per annum. Said interest and the payment and acceptance thereof shall not negate or waive the right to any other remedy, legal or equitable, to which a party may be entitled because of the delinquency of the payment.

[REDACTED]

[REDACTED]

4. RECORDS AND INSPECTION

4.1 Records. Each party shall maintain, on a current basis, reasonable and customary business records showing the Sale of Licensee Products/Services. Such records shall be in sufficient detail to verify the calculation and payment of any payment due under this Agreement. Each party shall maintain such records for three years following the expiration or termination of this Agreement.

4.2 Audit. During the Term and for a period of three years after the termination of this Agreement, each party shall permit the other party and its representatives to have access no more than twice per year of the Term during the audited party's ordinary business hours to examine any records required for the auditing party to verify the audited party's compliance with this Agreement, and to make extracts and copies thereof, for such period of time as may be necessary, in the opinion of the auditing party or its representative, to determine the correctness of any report or payment made under this Agreement. If the audit reveals a discrepancy in the auditing party's favor of ten percent or more, then the costs incurred by the auditing party in making such inspection shall be paid by the audited party. The auditing party's representative shall maintain in confidence, and shall not disclose to the auditing party, any information concerning the audited party or its operations or properties other than information directly relating to the correctness of the audited party's reports and payments. Information concerning the audited party and its operations received by the auditing party from such audits shall be Confidential Information subject to Section 11.7.

5. LICENSE CONTINUITY



Development. The parties agree that continuity of Licensee's development efforts is essential; that Licensee is currently authorized to work towards commercial applications of the ESI Technology and this License can be executed and all development work by Licensee continue with no transfer of tangibles or intellectual property needed from Licensor.

6. LICENSOR PATENTS AND OBLIGATIONS TO DEFEND

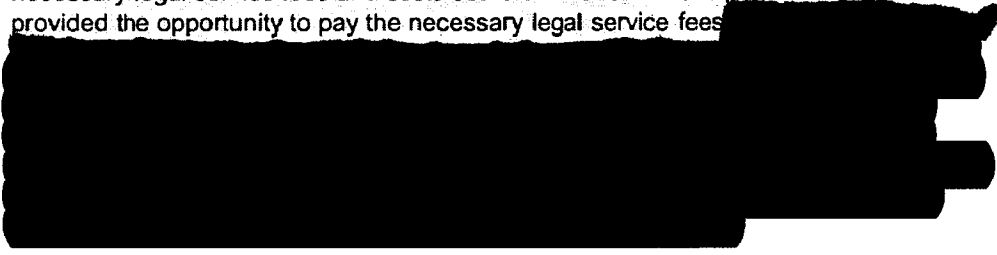
6.1 Licensor Patent Prosecution. Nothing in this Agreement shall inhibit Licensor's right (without obligation) to take all actions (including but not limited to filing for reexamination or reissue of any of Licensor Patents, where applicable) and to pay all costs (including but not limited to maintenance fees and any costs incurred in filing continuations, continuations-in-part, divisions or related applications and any re-examination or reissue proceedings) to maintain and extend the Licensor Patents in an active status for the full useful life thereof. In addition, nothing in this Agreement shall inhibit Licensor's right (without obligation) to timely file and prosecute applications for patents and like protection for all ESI Improvements. In such case, Licensor shall pay all costs incurred for filing, prosecution, issuance and maintenance of the Licensor Patents as well as any costs incurred in filing continuations, continuations-in-part, divisional or related applications and any re-examination or reissue proceedings.

6.2 Notice of Infringement. Each party shall promptly inform the other of any suspected infringement of any claims in the Licensor Patents or misuse, misappropriation, theft or breach of confidence of other proprietary rights ("Infringement Action") in the Licensor Property by any third party.

6.3 Licensor Patent Obligations. Licensor shall exercise proper prudent care and diligence to ensure that the Licensor Patents identified in Section 1.14 are protected by best management practices, to include prompt payment of all necessary maintenance fees required to keep patents current and in force and to exercise all precaution to file any and all extensions of the patents as may be available.

6.3.1. Breach of Licensor Patent Obligation. Upon identifying a lapse of any of the Licensor Patents, the Licensor shall immediately notify Licensee of the one or more lapsed Licensor Patents and agrees to take necessary steps to return the one or more lapsed Licensor Patents to active status, including payment of all legal service fees for revival of the patent and any and all costs required.

6.3.2. Licensor Solvency. In the event that Licensor is unable to pay the necessary legal service fees and costs set forth in Section 6.3.1, Licensee shall be provided the opportunity to pay the necessary legal service fees



6.4 Licensee Rights. If through inadvertence, error, negligence or any act or failure to act, whether intentional or accidental, the Licensor fails to properly and promptly ensure the validity of the Licensor Patents, Licensee may step in to repair or rectify failure on the Licensor's part that would cause the Licensor Patents to lapse or become inoperative. Without further notification or permissions, Licensee is empowered to correct any failure or defect that would



jeopardize the active status of any of the Licensor Patents. [REDACTED]

6.5 Validity Challenges – Licensor Controls. If the validity of any or all of Licensor Patents ("Challenged Licensor Patent(s)") is challenged in an administrative proceeding (reexamination, *inter parte* review, or other type of proceeding at the U.S. Patent and Trademark Office) or in a judicial (court or arbitration) proceeding, Licensor agrees to pay the legal service fees and costs in defending the validity challenge.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

6.6 Validity Challenge – Licensee Payment. If the validity of the Challenged Licensor Patent(s) is challenged in an administrative or judicial proceeding and Licensor is unable or unwilling to pay the legal service fees and costs in defending the validity challenge, Licensor agrees to offer Licensee, at the Licensee's option, the ability to defend and control the defense of the Challenged Licensor Patent(s).

6.6.1 Forego Liability. Licensor agrees to release Licensee and its directors, officers, staff, employees and agents and their respective successors, heirs and assigns (the "Licensee Parties") against any liability, damage, loss or expense (including reasonable attorneys' fees and expenses of litigation) incurred by or imposed upon the Licensor or any one of them in connection with any claims, suits, actions, demands or judgments any liability resulting from the loss of patent rights resulting in the defense of the Challenged Licensor Patent(s).

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

7. REPRESENTATIONS AND WARRANTIES

7.1 Mutual Representations and Warranties. Each party represents and warrants to the other party that as of the date of this Agreement:

7.1.1 it is duly organized, validly existing and in good standing as a corporation or other entity as represented herein under the laws and regulations of its jurisdiction of incorporation, organization or chartering;

7.1.2 it has the full right, power and authority to enter into this Agreement and to perform its obligations hereunder;

7.1.3 the execution of this Agreement by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary action of the party; and

7.1.4 when executed and delivered by such party, this Agreement shall constitute the legal, valid and binding obligation of that party, enforceable against that party in accordance with its terms.

7.2 Licensor's Representations and Warranties. Licensor represents and warrants that: (a) it is the legal and beneficial owner of, and owns all the rights and interests, past and present, in the Licensor Patents; (b) it has not licensed or assigned any of the Licensed Patents; (c) the Licensed Patents are free from any security interest, option, mortgage, charge or lien; (d) it is unaware of any infringement or a likelihood of infringement in the manufacture of the Licensee Product/Services that are based, at least in part, on the technology provided by the Licensor Patents; (e) so far as it is aware, all of the Licensor Patents are valid and subsisting and there are and have been no claims, challenges, disputes or proceedings, pending or threatened, in relation to the ownership, validity or use of any of the technology associated with the Licensed Patents;



and (f) so far as it is aware, exploitation of the technology associated with the Licensor Patents does not infringe the rights of any third party.

7.3 Licensee's Representations and Warranties. Licensee represents and warrants that it has not received any notice or threat of any claim, suit, action or proceeding directed to the Licensee Products/Services or the Licensee Improvements.

8. TERM AND TERMINATION

8.1 Term. This agreement becomes effective when fully executed and unless earlier terminated as provided herein, this Agreement shall be shall be effective for the life of the Licensor Patents ("Term").

8.2 Termination. Subject to Sections 11.4, this Agreement may be terminated by either party upon either (a) the occurrence of a material breach of this Agreement by the other party if such breach is not cured within sixty days after written notice thereof or (b) the submission of written notice by Licensee of the removal of ESI Technology

[REDACTED]

[REDACTED]

8.4 No Waiver. No termination of any license granted hereunder shall constitute a termination or a waiver of any rights of either party against the other party accruing at or prior to the time of such termination.

8.5 Survival. All provisions of this Agreement that provide for rights or obligations of the parties extending beyond termination of the License shall survive termination of the License.

9. DISCLAIMER OF WARRANTIES/LIMITATION OF LIABILITY

9.1 Disclaimer of Warranties

BESIDES THE REPRESENTATION AND WARRANTIES SET FORTH IN SECTION 7, THE ESI TECHNOLOGY IS PROVIDED "AS IS" AND LICENSOR HEREBY DISCLAIMS ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, RELATING TO THE ESI TECHNOLOGY AND ANY DATA ACCESSED THEREFROM, OR THE ACCURACY, TIMELINESS, COMPLETENESS, OR

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ADEQUACY OF THE ESI TECHNOLOGY AND ANY DATA ACCESSED THEREFROM, INCLUDING THE IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY, SATISFACTORY QUALITY, AND FITNESS FOR A PARTICULAR PURPOSE. LICENSOR DOES NOT WARRANT THAT THE ESI TECHNOLOGY IS ERROR-FREE OR WILL OPERATE WITHOUT INTERRUPTION. IF THE ESI TECHNOLOGY OR ANY DATA ACCESSED THEREFROM PROVES DEFECTIVE, LICENSEE (AND NOT LICENSOR) ASSUMES THE ENTIRE COST OF ALL REPAIR OR INJURY OF ANY KIND, EVEN IF LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH A DEFECT OR DAMAGES.

9.2 Limitation of Liabilities

9.2.1 Lost Profits; Consequential Damages. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, LICENSOR WILL NOT BE LIABLE FOR ANY LOST PROFITS, COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, DAMAGES FOR THE INABILITY TO USE EQUIPMENT OR ACCESS DATA, BUSINESS INTERRUPTION, OR FOR ANY OTHER INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, HOWEVER CAUSED, AND UNDER WHATEVER CAUSE OF ACTION OR THEORY OF LIABILITY BROUGHT (INCLUDING, WITHOUT LIMITATION, UNDER ANY CONTRACT, NEGLIGENCE OR OTHER TORT THEORY OF LIABILITY) EVEN IF LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

9.2.2 Total Cumulative Liability; Exclusive Remedy. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, LICENSOR'S AGGREGATE LIABILITY (CUMULATIVELY) FOR DIRECT DAMAGES UNDER THIS AGREEMENT AND LICENSOR'S LIABILITY UNDER SECTION 11.8 (INDEMNIFICATION) SHALL BE LIMITED TO THE TOTAL ROYALTIES COLLECTED BY LICENSOR AND FUTURE SALE PARTICIPATION PAYMENT UNDER THIS AGREEMENT.

10. INSURANCE PROVISIONS

Licensee Obligations. Beginning at the time that any product, process or service made, used or sold pursuant to any right or license granted under this Agreement is being commercially distributed or sold by Licensee, Licensee shall, at its sole cost and expense, procure and maintain comprehensive general liability insurance in amounts generally maintained by entities of similar size and purpose or non-conventional insurance such as self-insurance and naming Licensor as an additional insured. The minimum amounts of insurance coverage hereunder shall not be construed to create a limit of Licensee's liability with respect to its indemnification under this Agreement. Licensee shall maintain such comprehensive general liability or other insurance and shall provide to Licensor, upon request, certificates of insurance evidencing the satisfaction of the insurance requirements set forth herein.

11. MISCELLANEOUS

11.1 Assignment. All terms and conditions of this Agreement will be binding upon and inure to the benefit of the parties hereto and their respective permitted transferees, successors and assigns.

11.2 Compliance. Licensee shall at all times during the term of this Agreement and for so long as it shall sell Licensee Products/Services comply and cause its sub-licensees to comply with all laws that may control the import, export, manufacture, use, sale, marketing,



distribution and other commercial exploitation of Licensee Products/Services and any other activity undertaken pursuant to this Agreement.

11.3 Governing law. This Agreement shall be deemed to be subject to, and have been made under, and shall be construed and interpreted in accordance with the laws of the State of California without regard to conflicts of law provisions. This Agreement is expressly acknowledged to be subject to all federal laws including but not limited to the Export Administration Act of the United States of America. No conflict-of-laws rule or law that might refer such construction and interpretation to the laws of another state, republic or country shall be considered. Both the Licensor and the Licensee mutually agree that personal jurisdiction and venue shall be proper in the state courts and federal courts situated in and for the county of Orange, California, for actions commenced by Licensor or Licensee, and agree that any Dispute shall be conducted solely in such venue.

11.4 Dispute Resolution. Except for claims of infringement of copyright, patent, trademark, or trade secret rights, no civil action or arbitration proceeding with respect to any dispute, controversy or claim arising out of, or relating to, or in connection with, this Agreement, or the breach, termination, or validity hereof, including the validity of this dispute resolution provision (each of which dispute, controversy, or claim will be termed a "Dispute") between the parties may be commenced, nor may a party terminate this Agreement for a material breach of a material warranty, representation, covenant or obligation of this Agreement, until the parties have first attempted in good faith to resolve the Dispute amicably in accordance with this Section 11.4.

11.4.1 Notice of Dispute. In the event of a Dispute, the party raising the Dispute shall give written notice to the other party setting forth the details of the Dispute and any proposed solution or compromise. The parties shall cooperate in good faith to resolve the Dispute within 30 days.

11.4.2 Escalation. In the event that the parties are unable to resolve the Dispute within thirty (30) days, the parties shall escalate the Dispute by referring the details of the Dispute, the status of the negotiations and any proposed compromise in writing to the parties' respective designated executive (who shall be at least at a "Senior Vice President" level). The parties' designated executives shall have thirty (30) days from receipt of notice of the Dispute or such longer period as the parties may mutually agree to in writing, to resolve the Dispute in good faith. If the parties' designated executives are unable to resolve the Dispute, the Dispute will be escalated to the parties' Chief Executive Officers who shall have ten (10) days, or such longer period as the parties may mutually agree to in writing, to resolve the Dispute in good faith.

11.5 Arbitration. If the parties are unable to resolve any Disputes pursuant to Section 11.4 (except for claims of infringement of copyright, patent, trademark, or trade secret rights for which judicial adjudication of Disputes is available as set forth below), a Dispute shall be settled by one arbitrator in binding arbitration in accordance with the rules of the American Arbitration Association and judgment on the award may be entered in any court having jurisdiction over the subject matter of the controversy excepting only that the arbitrator shall adopt the rules of evidence and discovery found in the laws of the state where the arbitration is held. The arbitrator is selected by the Licensee providing Licensor with a list of five (5) arbitrators from which the Licensor is to select two arbitrators from the list. The Licensee selects the arbitrator from the two arbitrators selected by the Licensor. A prevailing party in any Dispute shall be entitled to an award of reasonable attorneys' fees, expenses and costs in addition to such other relief as may be awarded in such arbitration or by a court. Any arbitration proceedings commenced by Licensor



or Licensee shall be held in County of Orange, California, U.S.A. In any such action, the prevailing party shall be entitled to recover its reasonable attorneys' fees, in addition to all other remedies and recoveries that may be available to it at law or in equity. Evidence and arguments may be submitted electronically, in accordance with a schedule established by the arbitrator it being the intent of the parties to ensure efficiency and effect a swift resolution to Disputes. This clause shall not preclude a party from seeking any provisional remedies in aid of arbitration from a court of appropriate jurisdiction. Notwithstanding the foregoing, either party may apply to any state or federal court of competent jurisdiction for any emergency injunctive relief and damages as reasonably needed or required to protect that party's brand, reputation or intellectual property from irreparable harm.

11.6 Addresses. Any payment, notice or other communication pursuant to this Agreement shall be sufficiently made or given upon receipt by the other party. Each party agrees to notify the other party of any change in its address.

11.7 Confidentiality. Each party, either the Licensor or the Licensee, understands that the other party (the "Disclosing Party") may disclose information of a confidential nature including, without limitation, product information, data, pricing, financial information, end user information, software, specifications, research and development and proprietary algorithms or other materials that is (a) clearly and conspicuously marked as "confidential" or with a similar designation; (b) is identified by the Disclosing Party as confidential and/or proprietary before, during, or promptly after presentation or communication; or (c) is disclosed in a manner in which the Disclosing Party reasonably communicated, or the Receiving Party should reasonably have understood under the circumstances that the disclosure should be treated as confidential, whether or not the specific designation "confidential" or any similar designation is used ("Confidential Information"). Except to the extent necessary for the proper exercise of any license or any other right granted under the provisions of this Agreement, the Receiving Party agrees, for itself and its agents and employees, that it will not publish, disclose or otherwise divulge or use for its own purposes any Confidential Information of the Disclosing Party furnished to it by such Disclosing Party without the prior written approval of the Disclosing Party in each instance. The foregoing obligations shall not extend to any information to the extent that the Receiving Party can demonstrate that such information (i) was at the time of disclosure or, to the extent that such information thereafter becomes through no fault of the Receiving Party, a part of the public domain by publication or otherwise; or (ii) was already properly and lawfully in the Receiving Party's possession at the time it was received by the Receiving Party free from any obligation of confidentiality, (iii) was or is lawfully received by the Receiving Party from a third party who was under no obligation of confidentiality to the Disclosing Party with respect thereto, or (iv) is independently developed by the Receiving Party or its independent contractors who did not have access to the Disclosing Party's Confidential Information. In the event that the Receiving Party is required to disclose Confidential Information in accordance with judicial or governmental order or requirement, the Receiving Party shall promptly notify the Disclosing Party in order to allow such party to contest the order or requirement. Upon termination or expiration of this Agreement, each party agrees to return to the other all of such other party's Confidential Information that is reduced to one or more writing, drawing, schematic, tape, disk or other form of documentation, or to certify to the other in writing that all such material has been destroyed.

11.8 Indemnification. Subject to Section 9.2.2, Licensor shall indemnify, defend and hold harmless Licensee and its directors, officers, staff, employees and agents and their respective successors, heirs and assigns (the "Licensee Parties") against any liability, damage, loss or expense (including reasonable attorneys' fees and expenses of litigation) (collectively, "Losses") incurred by or imposed upon the Licensee Parties or any one of them in connection with any claims, suits, actions, demands or judgments related directly or indirectly to or arising out of (i) any breach of any representations or warranties by Licensor contained herein, (ii) any



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alleged infringement of a third party patent by the ESI Technology, or (iii) any failure by Licensor in the performance of its obligations under this Agreement. Licensor's indemnification hereunder shall not apply to any Losses related thereto to the extent that such Losses are attributable to the gross negligence or willful misconduct of any of the Licensee Parties. Licensor shall also assume responsibility for all costs and expenses related to such claims and lawsuits for which it is obligated to indemnify the Licensee Parties pursuant to this provision, including, but not limited to, the payment of all reasonable attorneys' fees and costs of litigation or other defense.

11.9 Independent Contractors. The parties hereby acknowledge and agree that each is an independent contractor and that neither party shall be considered to be the agent, representative, master or servant of the other party for any purpose whatsoever, and that neither party has any authority to enter into a contract, to assume any obligation or to give warranties or representations on behalf of the other party. Nothing in this relationship shall be construed to create a relationship of joint venture, partnership, fiduciary or other similar relationship between the parties.

11.10 Non-Waiver. The parties covenant and agree that if a party fails or neglects for any reason to take advantage of or enforce any of the terms of this Agreement or if a party, having the right to declare this Agreement terminated, shall fail to do so, any such failure or neglect by such party shall not be a waiver or be deemed or be construed to be a waiver of any cause for the termination of this Agreement subsequently arising, or as a waiver of any of the terms, covenants or conditions of this Agreement or of the performance thereof. None of the terms, covenants and conditions of this Agreement may be waived by a party except by its written consent.

11.11 Severability. If any provision of this Agreement is found, by a court or tribunal having jurisdiction over this Agreement or any of the parties hereto, in a final unappealed order to be in violation of any law or regulation, such provision shall be deemed inoperative, and the remainder of this Agreement shall remain binding upon the parties hereto.

11.12 Advice of Counsel. Each party has consulted in-house or external legal counsel about the meaning and import of this Agreement and represents to the other party that it received legal advice from such counsel with respect to the negotiation of and entry into this Agreement.

11.13 Joint Work Product. This Agreement is the joint work product of both parties and shall not be construed more favorably for, or more strictly, against either party on the grounds that such party participated more or less fully in the preparation of this Agreement.

11.14 Force Majeure. No liability hereunder shall result to a party by reason of delay in performance caused by force majeure, meaning circumstances beyond the reasonable control of the party, including, without limitation, acts of God, fire, flood, war, civil unrest, labor unrest, or shortage of or inability to obtain material or equipment.

11.15 Entire Agreement. The terms and conditions herein constitute the entire agreement between the parties and shall supersede all previous agreements, either oral or written, between the parties hereto with respect to the subject matter hereof. No agreement or understanding bearing on this Agreement shall be binding upon either party hereto unless it shall be in writing and signed by the duly authorized officer or representative of each of the parties and shall expressly refer to this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement in multiple originals by their duly authorized officers and representatives as of the date first above written.



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AMTEC TECHNOLOGIES, LLC

By:



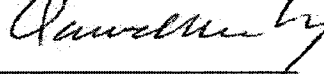
Name: Gregory Morrell

Title: Managing Member

Date: Oct 16, 2017

ENCRYPTION SOLUTIONS, INC.

By:



Name: David Murphy

Title: President/CEO

Date: Oct 16, 2017