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In consideration of the terms and conditions and mutual obligations contained in this Agreement, the parties agree as follows:

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For the purposes of this Agreement, the following definitions shall apply to the defined terms used herein.

- 1.1 "<u>Derivative Code</u>" shall mean software code derived from, or including, all of or a portion of SunBurn.
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- 1.10 "<u>Simulation Software</u>" shall mean simulation or visualization software developed by Licensee, including viewing and rendering components (collectively, "<u>Viewer Software</u>"), but excluding engine, world creation, and development components (collectively, "<u>Engine Software</u>").
- 1.11 "SunBurn™ Software" and "SunBurn" shall mean Synapse Gaming's SunBurn™ software, all associated media, including the downloadable object code, source code, art assets, and supporting documentation, and all modifications, enhancements, and derivative works made to the same by Synapse Gaming. Unless

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The following restrictions shall apply to the corresponding Edition(s) licensed by the Licensee.

(a) <u>Framework Edition.</u> The Framework Edition of SunBurn is available to and shall be licensed to Licensee only to

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Where Licensee uses a Licensed Version of the Framework Edition to create an Entertainment Game that is not compliant with the above paragraph at any point during the creation of such Entertainment Game, Licensee must upgrade, within thirty (30) days of the first occurrence of the event or condition that resulted in non-compliance, to a different Licensed Version of an Edition of SunBurn for which the licensing terms allow the creation of such Entertainment Game and for which Licensee qualifies. If the Licensee does not upgrade to a Licensed Version of such an Edition of SunBurn within such time, Licensee shall be deemed in material breach of this Agreement and the Agreement and all licenses granted herein shall terminate immediately.

For the avoidance of doubt, Licensee may <u>not</u> use the Framework Edition of SunBurn to create Entertainment Games for any platform other than the Microsoft Windows platform (for example, Licensee may not use the Framework Edition to create any Games for the Xbox 360 platform) and Licensee may <u>not</u> use the Framework Edition of SunBurn to create Educational Games or Simulation Software for <u>any</u> platform. Any use of the Framework Edition of SunBurn to create a product that is not an Entertainment Game for the Microsoft Windows platform is unlicensed and unlawful.

The Framework Edition of SunBurn shall be licensed to Licensee on a "per user" basis, meaning that for each unique product key provided by Synapse Gaming to Licensee and for which Licensee has paid the applicable License Fee to Synapse Gaming, Licensee may designate one (1) permanent Permitted User to activate and maintain concurrent activation of up to four (4) copies of a Licensed Version of the applicable Edition of SunBurn, installed on up to four (4) machines, for use only by that Permitted User. Permitted User may deactivate any copy of SunBurn previously activated by the Permitted User's product key and activate another copy of the Licensed Version of the same Edition of SunBurn, provided that the number of copies activated with the product key at any one time is not more than four (4). No user other than the Permitted User may

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Where Licensee uses a Licensed Version of the Indie Edition to create an Entertainment Game that is not compliant with the above paragraph at any point during the creation of such Entertainment Game, Licensee must upgrade, within thirty (30) days of the first occurrence of the event or condition that resulted in noncompliance, to a different Licensed Version of an Edition of SunBurn for which the licensing terms allow the creation of such Entertainment Game and for which Licensee qualifies. If the Licensee does not upgrade to a Licensed Version of such an Edition of SunBurn within such time, Licensee shall be deemed in material breach of this Agreement and the Agreement and all licenses granted herein shall terminate immediately.

For the avoidance of doubt, Licensee may <u>not</u> use the Indie Edition of SunBurn to create Entertainment Games for any platform other than the Microsoft Windows platform and the Xbox 360 platform and the Microsoft Windows Phone 7 platform and Licensee may <u>not</u> use the Indie Edition of SunBurn to create Educational Games or Simulation Software for <u>any</u> platform. Any use of the Indie Edition of SunBurn to create a product that is not an Entertainment Game for the Microsoft Windows platform or the Xbox 360 platform or the Microsoft Windows Phone 7 platform is unlicensed and unlawful.

The Indie Edition of SunBurn shall be licensed to Licensee on a "per user" basis, meaning that for each unique product key provided by Synapse Gaming to Licensee and for which Licensee has paid the applicable License Fee to Synapse Gaming, Licensee

may designate one (1) permanent Permitted User to activate and maintain concurrent activation of up to four (4) copies of a Licensed Version of the applicable Edition of SunBurn, installed on up to four (4) machines, for use only by that Permitted User. Permitted User may deactivate any copy of SunBurn previously activated by the Permitted User's product key and activate another copy of the Licensed Version of the same Edition of SunBurn, provided that the number of copies activated with the product key at any one time is not more than four (4). No user other than the Permitted User may use a copy of SunBurn activated by the Permitted User's unique product key.

(c) Pro Edition. The Pro Edition of SunBurn is available to and shall be licensed to Licensee only to create (1) Entertainment Games (commercial and non-commercial) for the Microsoft Windows platform and (2) Entertainment Games (commercial and non-commercial) for the Xbox LIVE Indie Games portion of Xbox LIVE and (3) Entertainment Games (commercial and non-commercial) for the Microsoft Windows Phone 7 platform, where (1) and (2) and (3) must also be (a) self-funded (i.e., for which Licensee does not receive funding from a third party entity that routinely engages in commercial activities related to the creation of software, such as, for example, software publishers and distributors) and (b) self-published (i.e., for which Licensee does not engage a third party entity to publish or distribute such Entertainment Games). Licensee is not licensed to and shall not access or use the Pro Edition of SunBurn to create any Game, Simulation Software, or other product that does not meet the conditions of the prior sentence.

Where Licensee uses a Licensed Version of the Pro Edition to create an Entertainment Game that is not compliant with the above paragraph at any point during the creation of such Entertainment Game, Licensee must upgrade, within thirty (30) days of the first occurrence of the event or condition that resulted in noncompliance, to a different Licensed Version of an Edition of SunBurn for which the licensing terms allow the creation of such Entertainment Game and for which Licensee qualifies. If the Licensee does not upgrade to a Licensed Version of such an Edition of SunBurn within such time, Licensee shall be deemed in material breach of this Agreement and the Agreement and all licenses granted herein shall terminate immediately.

For the avoidance of doubt, Licensee may <u>not</u> use the Pro Edition of SunBurn to create Entertainment Games for any platform other than the Microsoft Windows platform and the Xbox 360 platform and the Microsoft Windows Phone 7 platform and Licensee may <u>not</u> use the Pro Edition of SunBurn to create Educational Games or

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Where Licensee uses a Licensed Version of the Studio Edition to create a Game or Simulation Software that is not compliant with the above paragraph at any point during the creation of such Game or Simulation Software, Licensee must upgrade, within thirty (30) days of the first occurrence of the event or condition that resulted in non-compliance, to a different Licensed Version of an Edition of SunBurn for which the licensing terms allow the creation of such Game or Simulation Software and for which Licensee qualifies. If the Licensee does not upgrade to a Licensed Version of such an Edition of SunBurn within such time, Licensee shall be deemed in material breach of this Agreement and the Agreement and all licenses granted herein shall terminate immediately.

For the avoidance of doubt, Licensee may <u>not</u> use the Studio Edition of SunBurn to create Educational Games or Simulation Software for any platform other than the Microsoft Windows platform. Any use of the Studio Edition of SunBurn to create a product that is not an Educational Game, Entertainment Game, or Simulation Software for the Microsoft Windows platform or an Entertainment Game for the Xbox 360 platform or an Entertainment Game for the Microsoft Windows Phone 7 platform is unlicensed and unlawful.

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#### **SECTION 3. SUPPORT SERVICES**

From time to time and in Synapse Gaming's sole discretion, Synapse Gaming may provide support for SunBurn in the form of a Web forum where users of SunBurn may post questions about SunBurn and request answers from other SunBurn users or Synapse Gaming.

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The validation scheme operates by generating an acceptably unique machine identification number ("Machine ID") based ONLY on the system hardware configuration and sending the Machine ID along with the product key to Synapse Gaming's activation servers for authorization. Periodically (approximately monthly) SunBurn automatically revalidates the installation by communicating the Machine ID and product key to Synapse Gaming's activation servers. Each validation is initiated by SunBurn automatically without notice. When a validation fails, e.g., because the product key communicated to Synapse Gaming's activation servers has been identified as lost or stolen or because Licensee has exceeded the maximum number of authorized installations for the product key, SunBurn will become deactivated and disabled. A notice indicating SunBurn's deactivated status will be displayed. The validation scheme has a two week grace period in the event the Internet or activation servers are temporarily inaccessible, meaning that when the Internet or activation servers are inaccessible during a validation, SunBurn will continue to function for two weeks before becoming deactivated for failure to complete validation.

The validation scheme does not transmit any personal, system, or user information over the Internet or to Synapse Gaming.

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Licensee shall pay any and all applicable federal, state, or local taxes, such as, but not limited to sales tax, use tax, excise tax, personal property tax, or any other applicable taxes. In the event Licensee is required to withhold tax from amounts due to Synapse Gaming, the amount due to Synapse Gaming shall be increased by an amount such that the amount Synapse Gaming receives is equal to the amount Synapse Gaming would have received if no withholding had been required.

Any failure by Licensee to make monetary payment of any License Fees due to Synapse Gaming under this Agreement by the date such payment is due is deemed to be a material breach upon which Synapse Gaming may immediately terminate this Agreement, including all licenses granted herein, under the provisions herein.

Any unpaid payment obligations of Licensee shall survive and continue beyond termination of the Agreement and Synapse Gaming shall be considered to have earned all License Fees owed and shall be entitled to retain any License Fees that have already been paid by Licensee.

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- (e) Licensee will not deactivate, disable, impair, or circumvent, the DRM technology or validation scheme described in Section 4above; and
- (f) Licensee will not violate any agreements it may have with third parties by entering into this Agreement; and
- (g) Licensee has the requisite power and authority to enter into this Agreement.

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Upon termination for any reason, including Licensee's failure to make payment of License Fees due, if, pursuant to a separate services agreement, Synapse Gaming is providing any services for SunBurn, Synapse Gaming will immediately cease providing the services for SunBurn to Licensee.

Upon termination for any reason, including Licensee's failure to make payment of License fees due, Licensee agrees that it will de-install SunBurn and delete or return to

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#### 11.1 Proprietary Information

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## 11.5 Continuing Obligations

The obligation of non-disclosure and non-use with respect to SunBurn and any of Synapse Gaming's Proprietary Information shall survive the expiration or termination of the License Term and continue indefinitely (or so long as permitted by applicable law).

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#### SECTION 13. LIMITATION OF LIABILITY

## 13.1 LIMITATION ON TYPE OF DAMAGES

IN NO EVENT SHALL SYNAPSE GAMING OR ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONSULTANTS, OR SUPPLIERS BE LIABLE TO LICENSEE (OR TO ANY OTHER THIRD PARTY PERMITTED ACCESS TO OR USE OF ANY SOFTWARE PROVIDED UNDER THIS AGREEMENT) FOR ANY

INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES WHETHER ARISING IN CONTRACT, EQUITY, NEGLIGENCE, TORT, OR OTHERWISE (INCLUDING BREACH OF WARRANTY, NEGLIGENCE, AND STRICT LIABILITY IN TORT), INCLUDING WITHOUT LIMITATION DAMAGES ARISING FROM DELAY; LOSS OF GOODWILL; LOSS OF OR DAMAGE TO DATA; WORK STOPPAGE; HARDWARE FAILURE OR MALFUNCTION; LOST PROFITS, LOST REVENUE, OR LOST SAVINGS (ACTUAL OR ANTICIPATED); ANY ECONOMIC LOSS IN CONNECTION WITH OR ENSUING FROM USE OF THE SOFTWARE PROVIDED BY SYNAPSE GAMING UNDER THIS AGREEMENT; OR ANY INABILITY TO USE ANY SOFTWARE PROVIDED BY SYNAPSE GAMING PURSUANT TO THIS AGREEMENT, EVEN IF LICENSEE OR ANY OTHER THIRD PARTIES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

## 13.2 <u>LIMITATION ON AMOUNT OF DAMAGES</u>

IN NO EVENT SHALL SYNAPSE GAMING'S AGGREGATE LIABILITY FOR ANY AND ALL CLAIMS ARISING UNDER THIS AGREEMENT EXCEED THE AGGREGATE OF THE LICENSE FEES PAID TO SYNAPSE GAMING FOR THE SOFTWARE SET FORTH IN THE APPLICABLE ORDER FOR WHICH THE CAUSE OF ACTION ACCRUED IN THE TWELVE (12) MONTH PERIOD PRECEDING THE DATE WHEN THE CAUSE OF ACTION ACCRUED. THIS LIMITATION ON THE AMOUNT OF LIABILITY SHALL APPLY WHETHER A CLAIM ARISES IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER LEGAL THEORY, INCLUDING BREACH OF WARRANTY. THIS LIMITATION SHALL ALSO SPECIFICALLY SURVIVE A FAILURE OF ESSENTIAL PURPOSE OF ANY REMEDIES THAT MAY BE PROVIDED IN THIS AGREEMENT.

## 13.3 LIMITATION ON TIME OF ACTION

NO ACTION ARISING OUT OF THIS AGREEMENT MAY BE BROUGHT BY LICENSEE MORE THAN ONE (1) YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED.

## SECTION 14. INDEMNIFICATION

## 14.1 General Indemnification by Licensee

Licensee shall, at its own expense, indemnify, defend, and hold Synapse Gaming harmless from any claim or suit arising out of the misuse or misappropriation of SunBurn, any use of SunBurn in violation of this Agreement, and any breach of Licensee's representations and warranties under Section 7.1 above or Section 15.3 below, including any losses, damage, or expenses arising from any such claim or suit. Synapse Gaming agrees to cooperate with Licensee in the defense or settlement of any such claim or suit, provided that Synapse Gaming shall be reimbursed for all reasonable out-of-pocket expenses incurred in providing any cooperation required by Licensee.

## 14.2 Indemnification Process

Promptly after receipt of a threat of any claim or suit, or a notice of the commencement or filing of any claim or suit against which Synapse Gaming may be indemnified hereunder, Synapse Gaming shall give written notice thereof to Licensee. Licensee shall have sole control of the defense and of all negotiations for settlement of such claim or suit. Subject to the foregoing, Synapse Gaming may participate in the defense of any such claim or suit at its own expense.

#### SECTION 15. GENERAL

- 15.1 <u>Applicable Law and Choice of Venue.</u> This Agreement is governed by the laws of the Commonwealth of Pennsylvania. The Licensee consents to the non-exclusive jurisdiction of the courts in Pennsylvania for any dispute arising under this Agreement.
- Assignment. The Licensee shall not assign, transfer, or novate any right, benefit, or obligation under this Agreement to any third party without the prior express written consent of Synapse Gaming. In the absence of such prior express written consent, any purported assignment, transfer, or novation of a right, benefit, or obligation under this Agreement shall be deemed void ab initio. Synapse Gaming may assign, transfer, or novate any right, benefit, or obligation under this Agreement in its sole discretion.
- SunBurn in compliance with Laws. Licensee represents and agrees that it will use SunBurn in compliance with all applicable laws, regulations, and tariffs, including, without limitation, all import and export restrictions. Synapse Gaming reserves the right to take all actions that it believes are necessary, in its sole discretion, to comply with applicable laws, regulations, and tariffs. Licensee agrees to discontinue any improper use of SunBurn promptly after receipt of written notice from Synapse Gaming as is reasonably feasible under the circumstances. Licensee shall indemnify and hold Synapse Gaming and its affiliates, officers, directors, employees, agents, consultants, and suppliers harmless from any claim, loss, fine, or expense, including reasonable attorneys' fees, arising out of Licensee's breach of this Section.
- 15.4 Entire Agreement. This Agreement and all written addenda and amendments to this Agreement (1) are the entire agreement between Licensee and Synapse Gaming relating to the license of SunBurn, and (2) supersede all prior or contemporaneous oral or written communications, proposals, and representations with respect to the license of SunBurn or any other subject matter covered by this Agreement. Except as otherwise provided herein, this Agreement may not be altered, amended, or modified except in writing and executed by each party's duly authorized representatives.
- Notices. All notices required to be given hereunder shall be given to the respective parties by e-mail transmission or by such other method as will result in a written acknowledgment of receipt at the address(es) set forth in the applicable purchase order. Notices shall be deemed delivered on the Business Day (Monday through Friday, excluding legal holidays, as defined by 5 U.S.C. § 6103(a)) following the date shown on the e-mail transmission or on the date shown on the signed receipt.

Either party may change its e-mail address for notice purposes by giving the other party written notice of the new address and the date upon which it will become effective in accordance with this Section.

15.6 <u>Severability.</u> If any provision of this Agreement is held to be unenforceable for any reason, the remaining provisions hereof shall remain in full force and effect.

## Schedule A

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