



Date: January 2, 2012
Name: Lt. Travis Martinez
Company: Redlands Police Department
Address: P.O. Box 1025
Redlands, CA 92373

Re: FBI RISC Pilot Project Letter of Intent

This letter will confirm the intention between the (a) Redlands Police Department ("Client") and (b) Fulcrum Biometrics, LLC ("Fulcrum") to engage in an FBI RISC Pilot Project. The success of this project is contingent upon cooperation by the "State" DPS or sponsoring State Bureau of Investigations (SBI) as all queries must flow through the SBI to the FBI RISC service.

Considerations: For the purposes of this Pilot Project, the following considerations shall apply:

- 1) Client will provide access to a select number of team members who will assist Fulcrum with information that will be necessary in creating and demonstrating a field application (RISCmobile™) that enables capturing a fingerprint from a suspect in the field using an iPhone fingerprint scanning accessory (FbF® mobileOne) and matching that image against both the state AFIS and FBI RISC databases for identification purposes.
- 2) Fulcrum will supply two FbF mobileOne units that will be paired with two Client-owned iPhones.
- 3) Pilot will run for a period of 60 days upon completion of the RISCmobile application.
- 4) Client and Fulcrum agree to publish a case study upon completion of a successful pilot.
- 5) Fulcrum will have the right to publish the technical results from the FBI RISC Pilot.
- 6) Upon completion of a successful Pilot (demonstration of fingerprint matching from an FbF mobileOne-equipped iPhone to the FBI RISC databases), Client will have the "option" to purchase FbF mobileOne units at a special early-adopter price (25% discount off retail) as a benefit of participating in this Pilot Project.
- 7) Upon completion of a successful Pilot Client agrees to be a positive reference for Fulcrum.
- 8) Client and Fulcrum agree that Fulcrum owns the rights to the RISCmobile application and that Client may at its option license this application following a successful pilot.
- 9) Client is under no obligation to purchase anything as a result of its participation in this Pilot Project.
- 10) Client or Fulcrum may terminate the pilot program at anytime without any cost or penalty to it. Upon termination, Client agrees to return the two FbF mobileOne units to Fulcrum.

If you are in agreement with the terms hereof, please countersign below to so indicate.

AGREED TO AND ACCEPTED:

ATTEST:	
By: <u>Pete Aguilar</u>	By: <u>Sam Irwin</u>
(Client) Mayor, Pete Aguilar	Sam Irwin, City Clerk
By: <u>Ken Nohel</u>	
Fulcrum Biometrics, LLC	

MUTUAL CONFIDENTIAL DISCLOSURE AGREEMENT

AGREEMENT dated as of January 17, 2012 by and between **Fulcrum Biometrics LLC.**, a Texas Limited Liability Corporation, having its principal place of business at 1862 W. Bitters Road #100, San Antonio, TX 78248 ("**Fulcrum**"), and **the City of Redlands, a Municipal Corporation** (business entity) having its principal place of business at 35 Cajon Street, Redlands, CA 92373 ("**Other Party**"). Fulcrum and Other Party are each herein called a "Party" and are collectively called the "**Parties.**"

1. **Background.** The Parties intend to engage in discussions and negotiations concerning the potential establishment of a business relationship between them. In the course of such discussions and negotiations, it is anticipated that the Parties may acquire each other's proprietary or confidential information ("Confidential Information"), relating to the digital imaging field for the purpose of evaluating the feasibility of such business relationship. The Parties have entered into this Agreement in order to protect their rights with respect to any such information in accordance with the terms of this Agreement.

2. **Disclosure of Confidential Information.** Information shall be considered Confidential Information if it is identified in writing as confidential or proprietary, or if disclosed verbally or visually, upon notice in writing specifying the Confidential Information within fifteen (15) days of such disclosure. Each of the Parties shall hold in confidence and shall not disclose to any third party any Confidential Information disclosed to it by the other, except as expressly permitted under this Agreement. Each of the Parties shall use such Confidential Information only for the purpose for which it was disclosed and shall not exploit such Confidential Information for its own benefit or the benefit of another without the prior written consent of the disclosing Party. Each of the Parties shall disclose Confidential Information of the other Party only to its employees and consultants who have a need to know such Confidential Information in the course of the performance of their duties and who are legally bound to protect the confidentiality of such Confidential Information; in the case of such consultants, the Party receiving such Confidential Information shall obtain a written agreement substantially similar to this Agreement.

3. **Protection of Confidential Information.** Each of the Parties shall protect the other Party's Confidential Information by using the same degree of care, but not less than a reasonable degree of care, to prevent the unauthorized use, dissemination, publication of, or access to, the disclosing Party's Confidential Information as it uses to protect its own Confidential Information.

4. **Property Rights in Confidential Information.** Confidential Information will remain the property of the disclosing Party notwithstanding disclosure hereunder. Disclosure of Confidential Information hereunder shall not be deemed to constitute a grant, by implication or otherwise, of a right or license to the Confidential Information or in any patents or patent applications, trademarks or copyrights of the disclosing Party.

5. **Limitation on Obligations.** The obligations of the Parties specified in Section 3 above shall not apply to any Confidential Information which:

- (a) is otherwise in the public domain at the time of disclosure, or becomes publicly known, in each case, through no breach of this Agreement by the receiving Party, provided, however, that information shall not be disqualified as Confidential Information (i) merely because it is embraced by more general or generic information which is in the public domain or available from a third Party, or (ii) if it can only be reconstructed from information taken from multiple sources, none of which individually shows the whole

combination (with matching degree of specificity), its principle of operation and/or the relevant use or method of use, as applicable;

- (b) becomes known to the receiving Party through disclosure by sources other than the disclosing Party having the rights to disclose such Confidential Information;
- (c) is approved for release by written authorization of an officer of the disclosing Party;
- (d) the information is required to be disclosed by any applicable judgment, order or decree of any court or governmental body or agency having jurisdiction or by any law, rule or regulation or stock exchange rule or requirement (provided that in connection with any such disclosure, the Party disclosing such information shall give to the other Party reasonable prior notice of the disclosure of any such information pursuant to this exception and shall obtain, to the extent possible, confidential treatment for such information by any authority requiring delivery of such information); or
- (e) is transmitted by a Party after receiving notification from the other Party that it does not desire to receive any further Confidential Information.

6. **Return of Documents.** Each of the Parties shall, upon the written request of the other Party, or upon termination of this Agreement, return to the other Party all Confidential Information from such Party received pursuant to this Agreement (and all copies and reproductions thereof), except that one (1) copy thereof may be retained by such Party's attorneys (who execute an agreement substantially similar to this Agreement) solely for the purpose of determining the extent of its obligations hereunder.

7. **Termination.** This Agreement may be terminated at any time by either Party. The obligations of Sections 2, 3, 4, 6 and 8 hereof, however, shall survive termination of this Agreement.

8. **General.**

- (a) The receiving Party shall not reverse-engineer, decompile, or disassemble any hardware or software disclosed to it and shall not remove, overprint or deface any notice of copyright, trademark, logo, legend, or other notices of ownership from any originals or copies of Confidential Information it obtains from the Disclosing Party.
- (b) CONFIDENTIAL INFORMATION IS PROVIDED "AS IS" WITH ALL FAULTS. IN NO EVENT SHALL THE DISCLOSING PARTY BE LIABLE FOR THE ACCURACY OR COMPLETENESS OF THE CONFIDENTIAL INFORMATION.

None of the Confidential Information disclosed by the parties constitutes any representation, warranty, assurance, guarantee or inducement by either Party to the other with respect to the infringement of trademarks, patents, copyrights, any right of privacy or any rights of third persons.

- (c) This Agreement and a Party's rights, duties and obligations under this Agreement are not transferable or assignable by that Party without the express prior written consent of the other. Any attempt to transfer or assign this Agreement or any of the rights, duties or obligations under this Agreement without such consent is void.

- (d) This Agreement can only be modified by a written agreement duly signed by the persons authorized to sign agreements on behalf of the parties hereto, and variance from the terms or conditions of this Agreement will be of no effect.
- (e) If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or be impaired thereby.
- (f) This Agreement shall be governed and construed in accordance with the laws of the State of Texas, USA.
- (g) This Agreement is the complete and exclusive statement of the agreement between the parties as to the subject matter hereof and supersedes all communications between the parties related to the subject matter of this Agreement.
- (h) A waiver of a breach or default under this Agreement shall not be a waiver of any other or subsequent breach or default. The failure or delay in enforcing compliance with any term or condition of this Agreement shall not constitute a waiver of such term or condition unless such term or condition is expressly waived in writing.
- (i) In the event of a breach or threatened breach by a Party of any of the provisions of this Agreement, the other Party, in addition to any other remedies available to it under law, shall be entitled to an injunction restraining the breaching Party from the performance of acts which constitute a breach of this Agreement.
- (j) This Agreement shall be binding upon the parties hereto and inure to the benefit of the parties hereto, their respective successors and permitted assigns.
- (k) Neither Party shall export or transmit, directly or indirectly, the Confidential Information or any technical data received from the other Party outside of the United States (including, but not limited to, the export or delivery of any such information to foreign parties within the United States) in violation of export laws and/or regulations of the United States or any other applicable country.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective the day and year first above written.

Fulcrum Biometrics, LLC.

By: 

Name: Ken Nosker

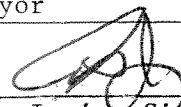
Title: President and CEO

Other Party

By: 

Name: Pete Aguilar

Title: Mayor

ATTEST: 
Sam Irwin, City Clerk