SOFTWARE DISTRIBUTION AGREEMENT (INTERNATIONAL)

This Software Distribution Agreement ("Agreement") is made between _____ ("Software Owner") and _____ ("Distributor").

1. Definitions

a. *Software.* The term "Software" means the computer programs, including the machine-readable object code and partial source code, and manuals identified in Exhibit A. The term "Software" includes all modifications, enhancements and releases of the computer programs and manuals.

b. *Licensee.* The term "Licensee" means any person or entity that enters into a Software License Agreement for the Software as a result of Distributor's efforts.

c. *Prime Territory.* The term "Prime Territory" means _____.

d. *Secondary Territory.* The term "Secondary Territory" means _____.

e. *Minimum Revenue Quota.* The term "Minimum Revenue Quota" or "Quota" means all licensing revenue paid to Distributor attributable to licenses obtained by Distributor's efforts in the Prime Territory in an amount established in accordance with Section 2.b.

f. *Base License Fees.* The term "Base License Fees" means the fees set forth in Exhibit A for the Software.

2. Appointment

a. *Prime Territory.* Subject to Section 2.b below, Software Owner appoints Distributor as its exclusive marketing representative for the Software in the Prime Territory.

b. *Prime Territory Minimum Revenue Quota.* Distributor agrees that during each successive twelve-month period after the effective date of this Agreement it will achieve the Minimum Revenue Quota for licensing the Software to Licensees in the Prime Territory. The initial Quota will be $_____. The Quota for subsequent twelve-month periods will be subject to negotiation. In case of failure to agree, the Quota will be equal to _____ percent (____%) of the Quota during the previous twelve-month period. If Distributor fails to achieve the Quota in any twelve-month period, Software Owner or Distributor may terminate this Agreement by giving notice within _____ (__) days of the end of the period.

c. *Secondary Territories.* Software Owner appoints Distributor as its nonexclusive marketing representative for the Software in the Secondary Territories. Software Owner may terminate this appointment at any time for all or any part of the Secondary Territories by giving notice to Distributor at least _____ (___) days prior to the effective date of the termination.

3. Obligations of Software Owner

a. *Delivery of Software.* Software Owner shall provide Distributor with a copy of the Software.

b. *Promotional Material.* Software Owner, upon receipt of Distributor's order and payment for printing expenses, will provide Distributor with promotional materials in the English language for use in marketing the Software. Distributor will reimburse Software Owner for shipping costs.

c. *Corrections.* Software Owner will provide Distributor with corrections and, at the option of Software Owner, enhancements to the Software for transmission to Licensees. Distributor agrees that Software Owner will provide corrections only for the current version(s) of the Software as released by Software Owner.

d. *Marketing Assistance.* Software Owner will provide Distributor (i) a complete list of current customers in the Prime and Secondary Territories, and (ii) the names of any sales leads in the Prime and Secondary Territories known to Software Owner.

e. *Training.* Software Owner will provide Distributor with technical training as deemed reasonable by Software Owner. Where Distributor's personnel travel to the United States, training facilities and associated costs will be at Software Owner expense, and travel, hotels, and other associated costs for Distributor's personnel shall be at Distributor's expense. For training conducted in Distributor's Prime or Secondary Territories, travel, hotels, and other associated costs for Software Owner's personnel, as well as training facilities and associated costs, will be borne by Distributor.

4. Obligations of Distributor

a. *Marketing.* Distributor will bear all expenses for its operation and staff. Distributor will advertise and promote the Software at Distributor's expense.

b. *Purchase Order.* Distributor will obtain from each prospective Licensee a purchase order.

c. *Software License Agreement.* Distributor will obtain from each prospective Licensee a Software License Agreement signed by an authorized representative of Licensee. Such Agreement shall take effect upon signature by an authorized representative of Software Owner in the United States.

d. *Delivery of Software.* Upon receipt of notice from Software Owner that Licensee and Software Owner have entered into a Software License Agreement, Distributor shall deliver to Licensee the Software identified in such Software License Agreement.   Distributor agrees not to allow any prospective Licensee or other person or entity to have a copy of any Software until such party has entered into a Software Licensing Agreement with Software Owner.

e. *Distributor's Services.* Distributor will provide installation assistance and provide first level support and maintenance services, which will include resolving problems not caused primarily by the Software's malfunction.

f. *No Modification or Reverse Engineering.* Distributor will not modify or enhance the Software without Software Owner's prior written consent. Software Owner shall own all proprietary rights in any such

modifications or enhancements and Distributor transfers and assigns to Software Owner all proprietary rights, including copyright, patent, and trade secret rights, to any such modifications or enhancements. In addition, Distributor agrees not to reverse engineer or decompile the Software.

       g. *Reports.* Within ten (10) days after March 31, June 30, September 30 and December 31 of each year, Distributor will provide Software Owner the following activity reports:

          i. A Marketing Report that describes Distributor's promotional activities during the prior period and listing the names and addresses of prospective Licensees.

          ii. A Licensee Report that identifies each Licensee who submitted a purchase order, entered into a Software License Agreement or canceled a Software License Agreement.

          iii. A Statement of all sums due and/or paid by each Licensee.

          iv. A Trouble Report identifying any problems believed by Distributor to be caused by errors in the Software.

       h. *Records.* Distributor agrees to maintain full, clear and accurate records with respect to the Software, all licenses and agreements related to the Software, and all revenue derived from the Software.

       i. *Non-compete.* During the term of this Agreement, Distributor agrees not to engage in the marketing or development of any computer programs with functionality substantially similar to or competitive with the Software.

5. Payment

       a. *Procedure.* Distributor will collect fees from Licensees in accordance with the Software License Agreements. Distributor will remit the amount due Software Owner in United States currency within _____ (__) days after the close of each calendar year quarter.

b. *Amount.* With respect to each Licensee, the amount due Software Owner will be equal to _____ percent (___%) of the greater of (i) the Base License Fees for the Software licensed by the Licensee, or (ii) the license fee Distributor actually receives from the Licensee.

c. *Taxes; Deductions.* Distributor agrees to pay all taxes, fees, value added surcharges, import and export duties, and other assessments levied by federal, state, local and other governments in the Prime or Secondary Territories related to the license and maintenance of the Software under this Agreement, except for: (i) any withholding taxes on amounts due Software Owner, which shall be borne by Software Owner and which shall be deducted by the Distributor from any payment remitted to Software Owner; and (ii) any taxes based on Software Owner's net income. Distributor will withhold taxes on amounts due Software Owner in accordance with any applicable conventions or treaties with the United States.

d. *Verification.* Software Owner or an independent accountant at Software Owner's expense will have access, at least annually, to Distributor's records to the extent reasonably necessary to verify Distributor's compliance with the terms of this Agreement.

e. *Interest.* If Distributor fails to pay any amounts when due, Distributor shall pay Software Owner interest on the unpaid amount at the rate of _____ percent (__%) per annum, and Software Owner may treat such noncompliance as grounds for termination of this Agreement.

6. Risk of Loss and Insurance

a. *Risk of Loss or Damage.* From and after the date of delivery of the Software to Distributor, Distributor shall bear the entire risk of the Software's loss, theft, damage or destruction. In no event will Software Owner be responsible for any loss or damage caused by Distributor's failure to perform Distributor's responsibilities.