

HANDSTER SOFTWARE DISTRIBUTION AND SDK INTEGRATION AGREEMENT

This Software Distribution Agreement ("Agreement") is made between <_____> ("Software Owner") and Handster, Inc. ("Publisher") (each, a "Party"; together, the "Parties").

1. Grant and Reservation of Rights.

1.1 License to Use, Publish and Distribute.

Software Owner grants Publisher and Publisher's authorized sales agents the non-exclusive right and license to use, distribute, copy (in connection with electronic distribution only), market and license in any media throughout the world (including CDs, gift cards, CompactFlash cards, SD cards, the world wide web, on-device clients, and other commercially acceptable means) the computer programs and user manuals (collectively, "Software"), now or later owned by Software Owner and to accept payments for the Software from customers throughout the world.

1.2 Trademark License

Software Owner grants Publisher a nonexclusive, worldwide, royalty-free right and license to use its trademarks, trade names, service marks, logos or other identifying or distinctive marks (collectively, "Marks"), provided that Publisher will comply with Software Owner's trademark usage guidelines.

1.3 Distribution.

Publisher, at its sole discretion and at any time, may refuse to distribute any piece of Software from Software Owner that it deems inappropriate for any reason. In addition, Publisher, at its sole discretion and at any time, reserves the right to choose which distribution methods, if any, to distribute the Software.

1.4 Demonstration License

Software Owner grants Publisher a royalty-free nonexclusive right and license to use, publicly display, publicly perform, and duplicate the Software either directly by Publisher's employees or through Publisher's Partners for the purpose of marketing or demonstrating the Software to prospective customers. Such marketing or demonstration efforts may include demonstrating the Software online via an Internet accessible emulation device, webcasting, or other means.

2. Obligations of Software Owner.

Software Owner will not forward the Customer Information it receives from Publisher to any third parties. Unless otherwise noted, Software Owner will provide, at no charge, to Publisher or, where applicable, the customer, the following:

2.1 Promotional Material.

Marketing materials and user manuals in all reasonably available media for use, at the Publisher's sole discretion, in marketing, installing or using the Software.

2.2 Infrequent Updating of Software.

Software Owner agrees not to update their software frequently on Publisher's website and thereby receive a prominent position on the website. Publisher will determine in its sole discretion what is considered "frequent".

2.3 Software Distribution.

The Software in a form suitable for electronic reproduction and distribution. Before delivering any computer program to Publisher, Software Owner must first test the computer program to ensure it is, to a reasonable extent, free of defects.

2.4 Bug Fixes.

Bug fixes or software patches as are reasonably required to ensure proper operation of the Software.

2.5 Customer Support.

Technical support that is accessible via e-mail or telephone during normal business hours to customers who purchase the Software. The level of support must, at a minimum, be in accordance with Software Owner's support policies then in effect.

2.6 Suggested retail price

Software Owner will provide the suggested retail price ("SRP") for all Software being distributed pursuant to this Agreement. At no time shall the Software's SRP provided to Publisher be higher than the Software's SRP provided to other distributors. The actual retail price of the Software to be determined by Handster may differ from the SRP provided by Software Owner. Publisher may discount any or all Software up to 25% off the SRP for special offers and promotions.

2.7 Volume Pricing.

Software Owner will provide Publisher with a volume pricing model for all Software unless Software Owner elects to use Publisher's standard volume pricing model for any Software. Consistent with the foregoing, if Software Owner does not supply Publisher with a volume pricing model for any Software, Publisher and Publisher's Channel Partners may use Publisher's standard volume pricing model for sales of that Software in multiple quantities. The volume pricing model used for sales of Software in multiple quantities will determine SRP for the Software. Software Owner may view Publisher's standard volume pricing model through Software Owner's online account with Publisher accessible via Publisher's website, and Publisher may update Publisher's standard volume pricing model at its sole discretion and at any time.

3. Obligations of Publisher.

3.1 Marketing.

Publisher will bear all expenses for its operation and staff. Publisher will advertise and promote the Software at Publisher's sole discretion and expense.

3.2 Publisher's Services

Publisher will use reasonable efforts to provide installation assistance, technical training for end users and first level support and maintenance services, which will include resolving problems not primarily caused by the Software's malfunction.

HANDSTER DISTRIBUTION AND SDK INTEGRATION AGREEMENT

3.3 Reports, Collection, Payment, and Fees.

- 3.3.1 Within 30 days after the end of each month, and provided Software Owner is not in breach of any of its obligations, Publisher will mail to Software Owner a Summary Report
- 3.3.2 With the Summary Report Publisher will pay Software Owner Net Receipts comprised of all amounts collected with respect to the Software (the "Gross Receipts") during such month, less
- (i) the amount of all transaction fees applicable to such Gross Receipts, which amount Publisher will retain and pay directly,
 - (ii) Sales Tax, if any,
 - (iii) Value Added Taxes, if any,
 - (iv) Publisher's Fee equal to 40% of the Net Receipts for such month for sales at Publisher's website.
 - (v) Publisher and end-user reseller fee for peer-to-peer reselling of software. Publisher retains 20% and 30% is directed to end-user reseller or donated. Optionally peer-to-peer reseller can split payback and give 15% discount to a friend and receive 15%. Software Owner may decide to accept reselling by integrating Handster SDK into their programs. If Software Owner integrates Handster SDK and adds a 'Resell' button into the product, it automatically accepts the reselling fees set above.
 - (vi) Additional fees for sales from partner websites, OEM vendors and retail shops, comprising of expenses for material production (CD, booklets, SD cards, packaging, logistics, etc.) and partner website, OEM vendor or retail shop fees. For such type of sales, Publisher charges up to 50% fee.
 - (vii) In case Software Owner first signs a distribution contract with OEM vendor and supplies to OEM vendor the programs with integrated Handster payment, Publisher's fee is equal to 10%. Additional OEM fee is settled between Software Owner and OEM vendor on their own. In this case Publisher shall not disclose the information about the OEM vendor to other software vendors and shall not contact OEM vendor with other proposals. In case there is a request coming from OEM vendor to Publisher about additional programs, Publisher may offer OEM vendor other programs.
 - (viii) Publisher's fee for sales from Software Owner website, using integrated payment screens or the website links is 10%.

3.3.3 Sales tax is currently collected and processed automatically by Publisher, for customers placing orders from The State of Illinois.

3.3.4 Gross Receipts for each month will be reduced by the amount of any prior Gross Receipts that are charged back or lost during such month due to customer refunds processed by Publisher or contested credit card transactions and any fees or penalties associated therewith ("Chargebacks"). If such Chargebacks result in a negative amount of Gross Receipts for a particular month, then within 30 days after the end of such month, Software Owner will pay Publisher an amount equal to such negative Gross Receipts, minus the Publisher Fee applicable to such Gross Receipts, if accumulated amount is more than 1000 USD. Publisher may enforce its rights under this paragraph by offset against any payments due Software Owner under this Agreement. Publisher reserves the right to de-list or to increase Publisher's Fee for Software if Publisher determines, at its sole discretion, that the Software quality or Software Owner customer's support is causing a high chargeback ratio to the Publisher. Publisher will notify Software Owner in advance of taking such action to give the Software Owner a chance to correct the problem.

3.4 Verification.

Software Owner may, once every twelve (12) months and at its sole expense, hire an independent accountant to audit Publisher's financial records to the extent reasonably necessary to verify Publisher's compliance with its payment obligations under this Agreement. Notwithstanding the foregoing, any financial records not

HANDSTER DISTRIBUTION AND SDK INTEGRATION AGREEMENT

audited within a twelve (12) month period will be deemed accurate and not subject to review. Should such audit discover a discrepancy of ten percent (10%) or more in the Software Owner's favor, Software Owner shall be reimbursed for the costs of such audit, in addition to receiving the adjusted payment.

3.5 Limitation of Liability.

IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING BUT NOT LIMITED TO LOSS OF ANTICIPATED PROFITS) IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR THE FURNISHING, FUNCTIONING, USE, DISTRIBUTION OR MARKETING OF THE SOFTWARE OR ANY RELATED ITEM OR SERVICE PROVIDED BY SOFTWARE OWNER OR PUBLISHER.

4. Terms and Termination.

4.1 In General.

This Agreement commences on the date of the last signature, electronic via online acceptance or otherwise, and shall remain in effect for twelve (12) months (the "Term"). This Agreement automatically renews for successive twelve (12) month periods (the "Renewals"), unless either party notifies the other party in writing, at least sixty (60) days before the end of the Term or any Renewals, of its election not to renew. Either party may terminate this Agreement by giving the other party thirty (30) days prior written notice based on any of the following: (i) the other party's failure to comply with any term of this Agreement within thirty (30) days after written notification; or (ii) the other party's insolvency or the filing of any proceeding by or against that party seeking relief from creditors.

4.2 Termination.

Either party may terminate this Agreement at any time by giving the other party ninety (90) days prior written notice based on any reasoning.

4.3 Final Termination Reports.

Within thirty (30) days of termination of this Agreement, Publisher shall provide Software Owner with a statement of all sums due to Software Owner under this Agreement.

4.4 Rights and Duties Upon Termination.

In the event of expiration or termination of this Agreement: (i) Publisher shall not license, sell or otherwise dispose of the Software to any third party after such expiration or termination; and (ii) the Software Owner shall be responsible for continued support of past and future sales of the Software.

4.5 Return of Software.

Upon termination or expiration of this Agreement, Publisher shall deliver to Software Owner all Software, including code and documentation, covered by this Agreement or destroy or erase any versions of such material which cannot be returned to Software Owner.

5. Proprietary Rights.

5.1 Ownership by Software Owner.

The parties agree that Software Owner owns all proprietary rights, including copyrights, patents, trademarks, and trade secrets, in and to the Software and that this Agreement does not transfer ownership of any of these rights.

5.2 Ownership by Publisher.

The parties agree that Publisher owns all proprietary rights, including copyrights or trademarks, in any marketing materials created, modified or otherwise prepared by Publisher which may contain Software Owner's proprietary materials, including copyrights or trademarks.

6. Warranties and Indemnification.

6.1 General Warranties.

Each party warrants that it has the full power, legal right and authority to enter into this Agreement and perform its obligations hereunder.

6.2 Warranties by Software Owner.

Software Owner warrants that all Software are, as far as Software Owner can reasonably determine, free of any viruses, Trojan horses, trap doors, back doors, Easter eggs, worms, time bombs, cancelbots or other computer programming routines that are intended to damage, interfere with, intercept, or expropriate any system data or personal information. Furthermore, Software Owner warrants that it has used commercially reasonable means to determine if the Software infringes upon any patent, copyright, trade secret, or any other third party personal or proprietary right, and has determined that the Software provided to Publisher pursuant to this Agreement does not violate any third party's intellectual property rights.

6.3 Duty to Indemnify.

Software Owner shall indemnify and hold harmless Publisher against any and all liability, suits, claims, losses, damages and judgments, and shall pay all costs (including reasonable attorney's fees) and damages to the extent that such liability, costs or damages arise from a claim that the Software infringes any patent, copyright, trade secret, or any other third party personal or proprietary right. Publisher will not be liable for any delay or failure to fulfill its obligations hereunder that results from acts of God, war, civil disturbance, court order, legislative or regulatory action, catastrophic weather condition, failure or fluctuation in electrical power or other utility services or other cause beyond its control. This Agreement will not be construed to create a joint venture or partnership between the parties and neither will have the right, power, or authority at any time to act on behalf of, or impose any obligation on or to represent the other, except as expressly set forth herein. Software Owner understands that Publisher may subcontract certain of its obligations under this Agreement, including credit card processing and the operation of the restricted server.

7. General Provisions.

7.1 Notices.

All notices under or relating to this Agreement may be sent by e-mail or by registered mail to the address below or to any other address the party may designate in writing

This Agreement and its exhibit(s), attachments, and/or addenda, if any, set forth the entire understanding of the parties with respect to the subject matter of this Agreement and supersede all prior agreements, understandings and negotiations with respect to the subject matter hereof.

HANDSTER DISTRIBUTION AND SDK INTEGRATION AGREEMENT

7.2 Amendment.

Publisher may, from time to time, modify the terms of this Agreement by: (i) posting the revised agreement on Publisher's website and notifying Software Owner of the change by e-mail; (ii) forwarding a copy of the revised Agreement to Software Owner, whether electronically or through a postal service; or (iii) any other means reasonably calculated to inform Software Owner of the terms of the revised agreement. Unless Software Owner objects to the revised agreement in writing to Publisher within thirty (30) days of receiving notice of the change, in which case no revision will take effect, Software Owner will be deemed to have accepted the terms of the revised Agreement and the as-revised Agreement will take effect and be binding on both parties at the end of Software Owner's thirty (30) day objection period. No modification, amendment, supplement to or waiver of any provision of this Agreement shall be binding upon the Parties unless in writing and accepted by Software Owner in the manner described above or signed by both Parties.

7.3 Governing Law.

This Agreement is to be construed in accordance with the law of the United States of America and, in particular, the State of Illinois. Any dispute or litigation based on, related to or arising out of this Agreement must be brought and maintained in Buffalo Grove Illinois, U.S.A., before a court of competent jurisdiction. Each party consents to the personal jurisdiction of the State of Illinois, acknowledges that venue is proper in any of its state or federal courts, and waives any objection it has or may have in the future with respect to any of the above.

7.4 Acquisition.

Neither party may assign this Agreement, or sublicense, assign or delegate any right or duty hereunder, without the prior written consent of the other; except that either party may assign its rights and obligations under this Agreement to any third party in connection with any merger, sale of assets or other reorganization or consolidation transaction, provided that the third party to whom the rights will be assigned first agrees in writing to assume the assigning party's obligations under this Agreement.

7.5 Legal Effect.

A printed version of this Agreement and of any notice given in electronic form shall be admissible in judicial or administrative proceedings based upon or relating to this Agreement to the same extent and subject to the same conditions as other business documents and records originally generated and maintained in printed form.

7.6 Counterparts/Facsimiles.

This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed an original, and such counterparts together shall constitute one and the same instrument. For the purposes hereof, a facsimile copy of this Agreement including the signature pages hereto, shall be deemed an original.

BY COMPLETING THE INFORMATION OR REPLYING "I AGREE" TO THE EMAIL WITH THIS AGREEMENT, YOU REPRESENT AND WARRANT THAT THE INFORMATION PROVIDED BELOW IS TRUE AND ACCURATE, YOU ARE AT LEAST 18 YEARS OLD, AN AUTHORIZED REPRESENTATIVE OF THE SOFTWARE OWNER AND HAVE THE POWER AND AUTHORITY TO ENTER INTO AND BIND SOFTWARE OWNER TO THIS AGREEMENT. YOU AND THE SOFTWARE OWNER, ACKNOWLEDGE THAT YOU HAVE READ THIS AGREEMENT (WHICH INCLUDES ALL EXHIBITS), UNDERSTAND IT, AND AGREE TO BE BOUND BY ITS TERMS AND CONDITIONS.

Handster.com, Inc. (Publisher)
650 ALSACE CIRCLE
BUFFALO GROVE IL 60089, USA

_____, Software Owner

