



DISTRIBUTOR SALES AGREEMENT

This Distributor Agreement (this “**Agreement**”), effective as of the _____ day of _____, 2011 (“**Effective Date**”), is made and entered into by and between Enable-IT Inc., a US based Nevada corporation having offices at 5795 S. Sandhill, Suite F, Las Vegas, NV 89120-2558 USA (“**Enable-IT**”) and _____, a _____ company having offices at: _____ (“**Distributor**”).

Distributor is in good standing under the laws of the State of _____ and the United States with corporate power to own property and carry on its business as contemplated by this Agreement. This Agreement supersedes all previously issued Enable-IT Reseller or Distribution Agreements.

1. RECITAL

Enable-IT manufactures and sells Enable-IT Products (as defined below). Distributor desires to market and distribute Enable-IT Products and purchase Enable-IT Products for resale on a non-exclusive basis. Enable-IT has agreed to appoint Distributor as a non-exclusive services-added Distributor of Enable-IT Products under the terms and conditions of this Agreement.

NOW, THEREFORE, intending to be legally bound hereby, Enable-IT and Distributor agree as follows:

2. DEFINITIONS

Defined terms used in this Agreement shall have the meanings set forth below:

- 2.1. “**Enable-IT Products**” shall mean the products and services made generally available by Enable-IT and listed in Exhibit A – Distributor Price Schedule and such other products and services as mutually agreed upon by the Parties in writing. Additional products may be added or removed from this Agreement by mutual consent of both parties.
- 2.2. “**Confidential Information**” shall mean confidential or other proprietary information that is disclosed by either Party to the other Party under this Agreement, including, without limitation, business and product plans, service plans, pricing information, customer lists, customer contacts, IT opportunity details, pre-sales work product and other confidential business information, whether in a written or non-written format. Confidential Information shall not include information which: (i) is or becomes public knowledge without any action by, or involvement of, the receiving Party; (ii) is independently developed by the receiving Party without use of the disclosing Party’s Confidential Information; (iii) is intentionally disclosed by the disclosing Party to a third party without restriction on disclosure; (iv) is rightfully received by the receiving Party from a third party without a duty of confidentiality; or (v) is disclosed pursuant to any judicial or governmental order, provided that the receiving Party gives the disclosing Party sufficient prior notice to contest such order.
- 2.3. “**Discount**” shall mean the discount for Enable-IT Products as set forth in the Exhibit A - Distributor Price Schedule.

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- 2.4. “**Distributor’s Resellers**” shall mean any third party that purchases Enable-IT Products from Distributor for redistribution and not for its own internal use.
- 2.5. “**Documentation**” shall mean user manuals, training materials, product descriptions and specifications, technical manuals, supporting materials and other information in printed or electronic form relating to the Enable-IT Products and generally provided to customers of Enable-IT as of the date the related Enable-IT Product is shipped to Distributor.
- 2.6. “**End-Customer**” shall mean any third party that purchases Enable-IT Products from Distributor or Distributor’s Resellers for its own internal use and not for redistribution.
- 2.7. “**Enable-IT Price List**” means the then-current list published and amended by Enable-IT from time to time that includes the names, descriptions, and prices of Enable-IT products available for sale (See Exhibit A).
- 2.8. “**Intellectual Property Rights**” shall mean all forms of intellectual property rights and protections that may be obtained for, or may pertain to, the Enable-IT Products, Confidential Information, Documentation, Marks, Specifications, and/or other products, documentation and materials, as applicable, and may include, without limitation: (i) all right, title and interest in and to all Letters Patent and all filed, pending or potential applications for Letters Patent, including any reissue, reexamination, division, continuation or continuation-in-part applications throughout the world now or hereafter filed; (ii) all right, title and interest in and to all trade secrets, and all trade secret rights and equivalent rights arising under the common law, state law, Federal law and laws of foreign countries; (iii) all right, title and interest in and to all mask works, copyrights, other literary property or author’s rights, whether or not protected by copyright or as a mask work, arising under common law, state law, Federal law and laws of foreign countries; and (iv) all right, title and interest in and to all proprietary indicia, trademarks, service marks, trade names, trade dress, symbols, logos and/or brand names protected under common law, state law, Federal law and laws of foreign countries.
- 2.9. “**Manufacturer Suggested Retail Price (MSRP)**” shall mean the undiscounted retail price for Enable-IT Products (See Exhibit A)..
- 2.10. “**Marks**” shall mean all proprietary indicia, trademarks, service marks, trade names, trade dress, symbols, logos and/or brand names Enable-IT may adopt from time to time to identify Enable-IT, the Enable-IT Products or any related parties or materials.
- 2.11. “**Material Defect**” shall mean any reported malfunction, error or other defect in an Enable-IT Product that: (i) can be reproduced by Distributor and Enable-IT, and (ii) constitutes a material nonconformity with the Specifications for such Enable-IT Product.
- 2.12. “**Parties**” shall mean Enable-IT and Distributor.
- 2.13. “**Party**” shall mean either Enable-IT or Distributor.

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- 2.14. **“Products”** shall mean “Enable-IT Products”.
- 2.15. **“Purchase Order”** shall mean a written purchase order that is delivered to Enable-IT in accordance with Section 4.
- 2.16. **“Purchase Price”** shall mean the amount to be paid by Distributor for the Enable-IT Products as determined in accordance with Section 4.
- 2.17. **“Specifications”** shall mean the published specifications applicable to the Enable-IT Products that are in effect as of the date the related Enable-IT Product is shipped to Distributor.
- 2.18. **“Term”** shall mean the period beginning on the Effective Date and terminating on the date this Agreement is terminated under Section 16.

3. APPOINTMENT AND AUTHORITY OF DISTRIBUTOR

- 3.1. **Appointment.** Subject to the terms and conditions set forth herein, during the Term, Enable-IT hereby appoints Distributor as Enable-IT’s non-exclusive Distributor of Enable-IT Products and Distributor hereby accepts such appointment.
- 3.2. **Selling Rights Reserved.** Enable-IT reserves the right to market, sell, lease, support or maintain any of the Enable-IT Products to or for any customer, including, without limitation, End-Customers, original equipment manufacturers (OEMs), Resellers or other Distributors.
- 3.3. **Limitations.** Distributor shall not modify the Products. Distributor shall not, nor permit any third party to (i) reverse engineer or disassemble the Products; (ii) copy, reverse engineer, decompile, disassemble or otherwise attempt to discover the source code for the Embedded Software; or (iii) remove, destroy, or otherwise obliterate any markings on the Products that indicate Enable-IT ownership of any patents, copyrights or trademarks associated with the Products or the Embedded Software.
- 3.4. **Consideration.** The difference between the Purchase Price paid by Distributor to Enable-IT and the price either Distributor’s Reseller or End-Customers paid Distributor shall be Distributor’s sole remuneration under this Agreement for sale of the Enable-IT Products.
- 3.5. **No Right to Manufacture.** This Agreement only grants Distributor the limited right to resell Enable-IT Products originally sold to Distributor by Enable-IT. This Agreement, and the sale of, or offer to sell, Enable-IT Products to Distributor by Enable-IT, does not convey any other license, expressly or by implication, estoppels or otherwise, under any Intellectual Property Rights owned by Enable-IT, including, without limitation, the right to manufacture or modify the Enable-IT Products.
- 3.6. **Independent Contractors.** The relationship of Enable-IT and Distributor established by this Agreement is that of independent contractors, with Distributor conducting its own business in its own name and account and nothing contained in this Agreement shall be

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construed to create an employer-employee or principal-agent relationship between Distributor and Enable-IT or allow Distributor to create or assume any obligation on behalf of Enable-IT for any purpose whatsoever.

3.7. Distributor Obligations.

- 3.7.1. Distributor will use reasonable efforts to promote the distribution of, solicit orders for and distribute promotional and technical materials provided by Enable-IT regarding the Products. All promotional and advertising materials for the Products, unless supplied by Enable-IT, must be approved in writing by Enable-IT prior to its use.
- 3.7.2. Distributor shall maintain a trained sales organization to sell the Products. Distributor shall encourage its Distributor Resellers and dealers to have similarly competent personnel. Distributor will have its employees participate in the appropriate Enable-IT provided training programs, to the extent that such participation does not significantly detract from Distributor's ability to reasonably conduct its business.
- 3.7.3. Distributor and Distributor's Resellers shall conduct business in a manner that will reflect favorably at all times on the Products and the reputation of Enable-IT and avoid any deceptive or unethical practices or advertising that is or might be detrimental to Enable-IT or its customers.
- 3.7.4. To support Enable-IT's sales processes, within five (5) working days after the end of each calendar month, Distributor shall submit to Enable-IT a "**Point of Sale Report**" (POS) and inventory report in the format specified by Enable-IT, showing the volume of Products distributed by Distributor to its customers during the previous calendar month.
- 3.7.5. Distributor shall permit Enable-IT, upon reasonable prior notice, to audit the records which pertain exclusively to purchases and shipments of products under this Agreement and to perform an inventory of all products at each location. Such audit or inventory will be executed by Enable-IT in a manner that will not significantly adversely affect Distributor's ability to conduct business.
- 3.7.6. Distributor shall make reasonable efforts to regularly and continuously inform Enable-IT of any and all requirements of laws, statutes, ordinances, rules and regulations of any and all governmental and/or quasi-governmental authorities directly or indirectly affecting the sale, license, use or distribution of the Products or Enable-IT trade name, trademarks or other commercial or intellectual property interests, including, but not limited to, certification of the Products from the proper authorities.
- 3.7.7. **Distributor Expenses.** Except as otherwise set forth herein, Distributor shall bear its costs and expenses in carrying out its obligations under this Agreement.



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3.8. Enable-IT Obligations

- 3.8.1. Enable-IT, shall furnish Distributor with digital versions of its standard sales promotion literature, such as brochures and specification sheets.
- 3.8.2. Complete at least one aggressive awareness-marketing program, printed case study, press release, ad or other marketing campaign per quarter.
- 3.8.3. Provide Distributor with access to product sales training via online webinars.
- 3.8.4. Provide Distributor with sales, service and engineering support as is reasonably required for the purpose of assisting Distributor in its promotion and sales efforts of Enable-IT Products.
- 3.8.5. Additional customer service and technical support is available by telephone in the United States at (877) 772-3559, or via e-mail at alias.support@enableit.com.
- 3.8.6. Enable-IT can make "Advanced Services" such as extended warranty, advanced technical support and other services available to Distributor for additional fees. No such services are included in this Agreement. Advanced Services can be added to this Agreement in the future via the written agreement of both parties.
- 3.8.7. Enable-IT will make efforts to refer potential customers for Enable-IT Products to Distributor.
- 3.8.8. Keep Distributor advised of all product specifications and changes. Distributor is responsible for disseminating this information throughout the Distributor's organization.

4. PRICES.

- 4.1. **Generally.** The prices for the Products shall be as set forth on Exhibit A - Distributor Price Schedule. Prices do not include duties, tariffs, freight (F.O.B. Enable-IT MFG warehousing), insurance or any special packing requests.
- 4.2. **Price Changes.** Enable-IT agrees to use commercially reasonable efforts to notify Distributor's identified agent or the signer of this contract via email or telephone of any changes in its then-current published Enable-IT Price List (Exhibit A) at least thirty (30) calendar days in advance. The parties agree that such changes shall be applied to all new Purchase Orders in effect upon expiration of the 30-day notice period.
- 4.3. **Resale Prices.** Notwithstanding anything to the contrary in this Agreement, and although Enable-IT may publish suggested resale price lists for the Products, Distributor is free to establish its own resale prices for the Products and nothing in this Agreement or otherwise shall be construed to require Distributor to sell the Products for a specified price.

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- 4.4. **Taxes.** Distributor shall pay or reimburse Enable-IT for all sales, use, value-added and other taxes (except taxes based on Enable-IT net income), and all customs duties and tariffs now or hereafter claimed or imposed by any governmental authority upon the sale of the Products, or upon payments to Enable-IT under this Agreement.

5. PURCHASE TERMS.

- 5.1. **Purchase Orders.** All Products purchased by Distributor from Enable-IT during the term of this Agreement shall be ordered by Distributor by issuing to Enable-IT a written purchase order ("**Purchase Order**"), which can be delivered to Enable-IT as a hard copy or electronically (via email). Each Purchase Order shall set forth requested delivery dates, quantities and Products requested, ship to and bill to addresses, and contact name(s) and telephone number(s). Any additional or different terms in Distributor's Purchase Order or sales acknowledgment forms, invoices and the like, from those contained in this Agreement are hereby rejected.
- 5.2. **Acceptance or Rejection of Purchase Orders.** No Purchase Order submitted by Distributor will be binding upon Enable-IT until accepted in writing by Enable-IT, or as evidenced by Enable-IT shipment of the Products identified by Distributor in such Purchase Order, but only as to the amount actually shipped. Enable-IT shall use reasonable commercial efforts to notify Distributor of Enable-IT acceptance or rejection of a Purchase Order within ten (10) business days after receipt by Enable-IT of the Purchase Order.
- 5.3. **Shipment.** Enable-IT will use commercially reasonable efforts to ship the Products by the dates requested in Purchase Orders accepted by Enable-IT. In the event of shortages of labor, energy, components, raw materials or supplies or interruption of Enable-IT (or Enable-IT's contracted) production or if shipments are delayed for reasons beyond Enable-IT reasonable control, Enable-IT agrees to provide Distributor notice of such shortage or interruption. Enable-IT shall not be liable for any such shortages or interruption in delivery schedules. Without liability to any person and without prejudice to any other remedy, Enable-IT may withhold or delay shipment of any order if Distributor is late in payment or is otherwise in default under this Agreement. Enable-IT may make partial shipment of Products and Distributor may not reject a delivery by reason of the delivery being a partial shipment.
- 5.4. **Packaging and Shipment—Risk of Loss.** All shipments of Products will be FOB Enable-IT facilities. Title to the Products (other than the Embedded Software) and the risk of loss of or damage to the Products ordered by Distributor will pass to Distributor upon tender of delivery of the Products to the carrier for shipment to Distributor. Subsequent loss or damage will not relieve Distributor of any obligation under this Agreement. Distributor will instruct Enable-IT in writing as to which carrier Enable-IT will use to transport the Products ordered by Distributor. If Distributor has not so instructed Enable-IT, Enable-IT may select the carrier. No carrier selected by Enable-IT shall be deemed an agent of Enable-IT. Distributor shall be responsible for insuring the Products shipped to Distributor.



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- 5.5. **Shipment Expense.** Distributor shall pay all costs of transportation, insurance, export and import fees, customs brokerage expenses and similar charges. Distributor, at its expense, will make and negotiate any claims against any carrier, insurer, customs broker, freight forwarder or customs collector. Enable-IT will, at Distributor's expense, cooperate with and assist Distributor in making such claims.
- 5.6. **Rescheduling and Cancellation.** Distributor may not reschedule or cancel any Purchase Order that has been accepted by Enable-IT without Enable-IT written consent.

6. PAYMENT TERMS.

- 6.1. **General Terms.** Payment shall be made in U.S. dollars and received thirty (30) days from the date of Enable-IT invoice or other timeframe if credit/financing is approved.
- 6.2. **Failure to Pay Amounts When Due.** Notwithstanding any prior course of dealing or course of performance, should Distributor fail to make any payment when due, Enable-IT reserves the right to demand payment in full upon Distributor's receipt of Enable-IT invoice or prior to shipment. Any late payment by Distributor shall be subject to a late payment charge from the date due until paid in full at a rate equal at all times to one and one-half percent (1.5%) per month or, if lower, the highest rate permitted by law.
- 6.3. **Security Interest.** Enable-IT retains a purchase money security interest in the Products delivered to Distributor, and in their accessories, replacements, accessions, proceeds and products, including accounts receivable (collectively, the "**Collateral**") to secure payment of all amounts due under this Agreement. If Distributor fails to pay any amount when due, Enable-IT shall have the right to repossess and remove all or any part of the Collateral from Distributor, but not from Distributor's customers. Any repossession or removal shall be without prejudice to any other remedy of Enable-IT hereunder, at law or in equity. Distributor agrees, from time to time, to take any act and execute and deliver any document (including, without limitation, financing statements) reasonably requested by Enable-IT to transfer, create, perfect, preserve, protect and enforce this security interest.

7. PRODUCT CHANGES.

Enable-IT has the right to discontinue or make modifications to the Products at any time for any reason, without incurring any liability thereby and without obligation to improve or retrofit any products previously sold. Enable-IT may, in its discretion, provide Distributor at least thirty (30) days prior written notice ("**Change Notice**") of Product discontinuance or changes or modifications in form, fit, function, or quality of any Product. Unless agreed upon in writing prior, Enable-IT may ship newer versions of products on Purchase Orders in existence, when the Products are modified. Enable-IT may, in its discretion, provide Distributor with Products based upon prior designs, upon Distributor request, if available in existing inventory.



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8. PRODUCT SUPPORT.

- 8.1. **Maintenance and Support for Products.** Enable-IT will provide product warranty support services to End-Customers. Distributor shall not undertake to repair the Products.
- 8.2. **Support.** Enable-IT will provide reasonable telephone support to Distributor Monday through Friday from 8:00 AM to 5:00 PM, Pacific Standard Time, excluding holidays observed by Enable-IT.

9. WARRANTY.

- 9.1. **No Warranty to Distributor.** Enable-IT warrants the Products to End-Customers only, as set forth in the documentation packaged with each Product. **ENABLE-IT MAKES NO WARRANTY TO DISTRIBUTOR RELATING TO THE PRODUCTS, EXPRESS OR IMPLIED AND EXPRESSLY EXCLUDES ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT OF THIRD PARTY RIGHTS. DISTRIBUTOR SHALL BE SOLELY RESPONSIBLE FOR ANY CLAIMS, WARRANTIES OR REPRESENTATIONS MADE BY DISTRIBUTOR OR DISTRIBUTOR'S EMPLOYEES OR AGENTS RELATING TO THE PRODUCTS.**
- 9.2. **No Right to Change Warranties.** Distributor shall not have the right to make, and shall take all measures necessary to ensure that neither it nor any of its agents or employees make any warranty or representation on behalf of Enable-IT to any third party.
- 9.3. **Alterations NOT Warrantied.** Products which have been modified, repaired or otherwise altered by either the Distributor, Distributor's Reseller or End Customer shall not be warranted unless such modification, repair or alteration was done with prior written authorization from Enable-IT.
- 9.4. **Return or Replace Determination.** Enable-IT will repair or replace, at its option, any defective Product(s) returned by Distributor. Enable-IT will make such a determination within ten (10) business days from the date of receipt of the returned Product(s).
- 9.5. **Return Material Authorization Required.** For any Product(s) to be returned to Enable-IT, an RMA must be obtained from Enable-IT, authorizing its return. Per Enable-IT policy, Enable-IT reserves the right to require that an on-site "**Out of the Box Test (OOTBT)**" be performed, as instructed in the Product's manual to determine whether the Product may be operating outside of the Specifications. Distributor, Distributor's Reseller or the End Customer are responsible for any and all shipping-related costs in sending the returned product to Enable-IT.



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10. NON-CIRCUMVENT.

Enable-IT and Distributor may, from time to time, introduce each other to leads and customers. Both parties hereby agree that if they are introduced to a lead or customer of the other, that they will actively seek to sell products and services of the other and will not introduce, sell products or services of, nor attempt in any other way to form a relationship with the lead or customer and another competitive 3rd party. If Enable-IT or Distributor decides to withdraw from the account, written notice shall be given to the other at which time they may introduce a 3rd party solution.

11. PROPRIETARY RIGHTS.

Distributor acknowledges and agrees that, except the license granted in this Agreement, Distributor has no proprietary or intellectual property rights in the Products, Embedded Software, or any accompanying documentation received from Enable-IT, including without limitation any patent rights, copyrights or trade secrets on which the Products, Embedded Software, or any accompanying documentation are based, and Distributor does not acquire any proprietary rights by virtue of this Agreement.

12. TRADEMARK USAGE.

Enable-IT hereby grants to Distributor a non-exclusive, non-transferable limited right, to use the Enable-IT trademarks associated with the Products (the “Marks”) in Distributor’s product literature, promotion and advertising for the Products. Distributor’s use of the Marks shall be in accordance with applicable trademark law and Enable-IT policies as established and amended from time to time. Distributor agrees not to affix any Mark to products other than genuine Products, unless otherwise agreed to. Distributor shall not do or cause to be done any act or anything contesting or in any way impairing or reducing Enable-IT right, title, and interest in the Marks. Distributor understands and agrees that use of the Marks in connection with the Products shall not create any right, title, or interest, in or to the use of the Marks and that all such uses and goodwill associated with the Marks will inure to the benefit of Enable-IT. Distributor agrees to supply Enable-IT with specimens of use of the Marks upon request. Should Enable-IT notify Distributor in writing that the use of the Marks does not conform to the standards set by Enable-IT, Distributor shall have ten (10) days to bring such use into conformance and to provide Enable-IT with specimens of such conforming use. Distributor agrees to use reasonable efforts to promptly notify Enable-IT of any unauthorized use of the Marks by others as it comes to Distributor’s attention.

13. INDEMNIFICATION.

Indemnification by Distributor. Distributor shall defend, indemnify and hold Enable-IT harmless from and against any and all suits, demands, claims, actions, liabilities, losses, damages, costs and expenses, including reasonable attorneys’ fees and such fees on appeal, incurred by Enable-IT in investigation and/or defending against any claims, actions

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or liabilities arising out of or in connection with (i) Distributor' sale, license, servicing and related activities pursuant to this Agreement with respect to the Products; (ii) the failure of Distributor to comply with all applicable laws, rules, and/or regulations regarding advertising, selling, licensing, importing or exporting the Products; (iii) Distributor's attachment to the Products of any trade name, trademark or logo that is challenged as an infringement of the proprietary rights of any third party; (iv) any warranties granted by Distributor, or any implied warranties claimed by any End-Customer or any third party; (v) the failure of Distributor to comply with the terms of this Agreement and (vi) Distributor's modification of the Products whether done by Enable-IT or otherwise.

14. LIMITATION OF LIABILITY.

- 14.1. **No Consequential Damages.** IN NO EVENT WILL ENABLE-IT BE LIABLE TO DISTRIBUTOR FOR ANY SPECIAL PUNITIVE, INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES, INCLUDING WITHOUT LIMITATION, ANY LOST PROFITS, LOST SAVINGS OR INVESTMENTS MADE, HOWEVER CAUSED, WHETHER FOR BREACH OR REPUDIATION OF CONTRACT, TORT, BREACH OF WARRANTY, NEGLIGENCE, OR OTHERWISE, WHETHER OR NOT DISTRIBUTOR WAS ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE. THIS LIMITATION SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY SET FORTH IN THIS AGREEMENT.
- 14.2. **Limit on Liability.** NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS AGREEMENT, ENABLE-IT'S AGGREGATE LIABILITY TO DISTRIBUTOR ARISING FROM OR IN RELATION TO THIS AGREEMENT OR THE PRODUCTS, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR STRICT LIABILITY, SHALL BE LIMITED TO THE TOTAL PAYMENTS MADE TO ENABLE-IT UNDER THIS AGREEMENT FOR THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE IMPOSITION OF SUCH LIABILITY. THIS LIMITATION WILL APPLY TO ALL CAUSES OF ACTION IN THE AGGREGATE. IN NO EVENT WILL ENABLE-IT BE LIABLE FOR THE COST OF PROCUREMENT OF SUBSTITUTE GOODS. THE LIMITATIONS SET FORTH IN THIS SECTION SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY SET FORTH IN THIS AGREEMENT.

15. CONFIDENTIAL INFORMATION.

- 15.1. **Non-Disclosure and Non Use.** Distributor agrees during the term of this Agreement and thereafter to take all steps reasonably necessary to hold the Confidential Information of Enable-IT in trust and confidence and not disclose it to any third party nor use it except as permitted in this Agreement. In the event of a breach of the obligations set forth in this Section, Enable-IT shall be entitled to injunctive or other equitable review in addition to any remedy such party may have at law.
- 15.2. **Definition of Confidential Information.** "Confidential Information" includes, but is not limited to, trade secrets, know-how, technical and business information relating to the

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Enable-IT's inventions or products, research and development, specifications, designs, drawings, schematics, techniques, algorithms, production, manufacturing and engineering processes, costs, profit or margin information, employee skills and salaries, finances, customers, suppliers, marketing, and production and future business plans, and any third party's proprietary or confidential information disclosed to the Distributor. Confidential Information may be disclosed in writing, electronically or orally. All rights title and interest in and to Enable-IT's Confidential Information shall remain with Enable-IT. Notwithstanding the other provisions of this Agreement, nothing received by Distributor will be considered to be Enable-IT's Confidential Information if (1) it has been published or is otherwise readily available to the public other than by a breach of this Agreement; (2) it has been rightfully received by Distributor from a third party without confidential limitations; (3) it has been independently developed for Enable-IT by personnel or agents having no access to Enable-IT's Confidential Information; or (4) it was known to Distributor prior to its first receipt from Enable-IT.

- 15.3. **Limitations on Use and Disclosure.** Distributor may use Enable-IT's Confidential Information only for the purposes of exercising its rights or performing its obligations under this Agreement, unless otherwise mutually agreed in writing. Distributor may disclose Enable-IT's Confidential Information to employees and contractors, solely for the purposes of exercising its rights or performing its obligations under this Agreement, but only under the terms of a written confidentiality agreement with such third person containing confidentiality and use terms substantially similar to those imposed herein upon Distributor. A disclosure of Confidential Information (i) in response to a valid order by a court or other governmental body, (ii) otherwise required by law, or (iii) necessary to establish the rights of either party under this Agreement shall not be considered to be a breach of this Agreement or a waiver of confidentiality for other purposes; provided, however, that the party disclosing such information shall provide prompt written notice thereof to the other party to enable it to seek a protective order or otherwise prevent such disclosure.
- 15.4. **Publicity.** Distributor shall not make public information concerning the existence of this Agreement nor may its terms without prior written consent of Enable-IT, except as be required by law or pursuant to a lawful request of a governmental agency. Such disclosure required by law or pursuant to a lawful request upon one party shall be communicated, in a timely manner, to Enable-IT.

16. TERM AND TERMINATION.

- 16.1. **Term.** This Agreement shall be effective on the Effective Date, until canceled by either party hereto. Either party can cancel this Agreement without cause and for its convenience, upon giving sixty (60) days prior written notice.
- 16.2. **Termination for Cause.** This Agreement shall automatically terminate upon the occurrence of any of the following events:
- 16.2.1. Distributor is in material breach of the Agreement and fails to remedy within thirty (30) days following the date of notice specifying the nature of such breach

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16.2.2. Distributor files a voluntary petition in bankruptcy under federal bankruptcy laws or other voluntary proceedings under state laws for the settlement or extension of payment of its obligations to general creditors or an involuntary petition in bankruptcy is filed against the party or if the party becomes insolvent.

16.2.3. Distributor is dissolved.

16.3. Effect of Termination.

16.3.1. In the event of termination, for any reason, Distributor shall promptly return to Enable-IT or its designee all sales literature, brochures, technical information, price lists, evaluation units, and other confidential and proprietary information and materials supplied to Distributor, if any.

16.3.2. All orders accepted by Enable-IT prior to termination of this Agreement will, in Enable-IT' sole discretion, remain enforceable and shall be subject to the terms of this Agreement.

16.3.3. Distributor may, pursuant to the terms of this Agreement, continue to distribute Products in its possession (or to be delivered as a result of this section) for which it has paid Enable-IT, provided however that Distributor's right to distribute its inventory of Products shall be limited to the longer of the three (3) month period following the termination or expiration of this Agreement or the three (3) month period following Distributor's last receipt of Products from Enable-IT.

16.4. **Liability and Other Remedies.** Enable-IT shall not be liable to Distributor because of the expiration or termination of this Agreement for any reason, for compensation, reimbursement or damages (i) for the loss of prospective profits, anticipated sales or goodwill, (ii) on account of any expenditures, investments or commitments made Distributor, or (iii) for any other reason whatsoever based upon the result of such expiration or termination. Termination of this Agreement will not affect any other right or remedy of either party.

17. GENERAL TERMS AND CONDITIONS.

17.1. **Choice of Law.** This Agreement, any dispute arising under or which is related to this Agreement (whether in contract, tort or otherwise) and the validity, performance and interpretation of this Agreement shall be governed and construed in all respects under the laws of the **United States of America and the State of Nevada** as such laws are applied to agreements entered into and to be performed entirely within Nevada between Nevada residents. The parties agree that the United Nations Convention on Contracts for the International Sale of Goods (1980) is specifically excluded from application to this Agreement.

17.2. **Forum Selection; Venue; and Service of Process.** Each party will voluntarily appear before and hereby consents and submits to the exclusive jurisdiction of the United States

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District Court for the District of Nevada, Clark County Division and the Superior Court of Nevada in Clark County, except that in actions seeking to enforce an order or any judgment of such federal or state courts, such personal jurisdiction shall be non-exclusive. In addition, each party consents to venue and hereby waives objections to venue for any action commenced in such courts. The parties agree that service of a complaint may be provided to a party in accordance with the terms of Section 17.9 (“**Notices**”) for any dispute, litigation or other action arising under this Agreement or to interpret or enforce this Agreement. The prevailing party in any litigation, proceeding, suit, action, or dispute (collectively, a “**Dispute**”) arising under or related to this Agreement or to interpret or enforce this Agreement shall be entitled to recover from the other party its costs, expenses and fees, including without limitation its attorneys’ fees, associated with any such Dispute.

- 17.3. **Export Control.** Distributor acknowledges that the laws and regulations of the United States may restrict the export and re-export of certain commodities and technical data of United States origin, including the Products. Distributor agrees that it will not export or re-export the Products in any form without the appropriate United States and foreign government licenses. Distributor agrees that its obligations pursuant to this section shall survive and continue after any termination or expiration of rights under this Agreement. Distributor agrees to observe all applicable state and federal laws of the United States and foreign laws with respect to the sale and use of the Products.

Amendment. This Agreement may be amended, modified or supplemented only by a writing that is signed by duly authorized representatives of both parties on behalf of both parties.

- 17.4. **Headings.** The section headings appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or extent of such paragraph or in any way affect such paragraph.
- 17.5. **Construction.** This Agreement has been negotiated by the parties and their respective counsel. This Agreement will be fairly interpreted in accordance with its terms and without any strict construction in favor of or against any party. Any ambiguity will not be interpreted against the drafting party.
- 17.6. **Waiver.** No term or provision hereof will be considered waived by either party, and no breach excused by either party, unless such waiver or consent is in writing signed on behalf of the party against whom the waiver is asserted. No consent by either party to, or waiver of, a breach by either party, whether express or implied, will constitute consent to, waiver of, or excuse of any other, different, or subsequent breach by either party.
- 17.7. **Severability.** If any provision hereof or any part thereof is declared or adjudged illegal, invalid, or unenforceable under applicable law, such illegality, invalidity, or unenforceability will not vitiate the remainder of this Agreement, and this Agreement will be construed as if such illegal, invalid or unenforceable passages were omitted.



DISTRIBUTOR SALES AGREEMENT (Cont.)

17.13. **Non-Solicitation of Employees.** During the term of this Agreement and for a period of one (1) year thereafter, Distributor will not, either directly or indirectly, hire, employ, retain, offer employment to or solicit employment of, nor attempt to do any of the foregoing regarding, any employee or contractor of Enable-IT nor induce, cause, or persuade, nor attempt to do any of the foregoing regarding, any such employee or contractor to terminate such person’s employment or contract with Enable-IT nor to violate any term of such person’s employment or contract.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers or representatives as of the Effective Date.

Agreed and Accepted:

Agreed and Accepted:

By: _____

By: Enable-IT

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____