



## RESELLER AGREEMENT

This Reseller Agreement (this "Agreement"), effective as of \_\_\_\_\_, 2010 ("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: \_\_\_\_\_ ("Reseller").

### **RECITAL**

Enable-IT sells Enable-IT Products (as defined below). Reseller 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 Reseller as a non-exclusive services-added reseller of Enable-IT Products under the terms and conditions of this Agreement.

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

### **1. DEFINITIONS**

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

1.1. "Enable-IT Products" shall mean the products and services made generally available by Enable-IT and listed in Enable-IT's catalogs and/or on Enable-IT's Web Site and such other products and services as mutually agreed upon by the Parties in writing.

1.2. "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.

1.3. "Discount" shall mean the discount for Enable-IT Products as set forth in the Reseller Discount Price Schedule.

1.4. "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 Reseller.

1.5. "Effective Date" shall mean the date identified above as the Effective Date.

1.6. "End-Customer" shall mean any third party that purchases Enable-IT Products from Reseller for its own internal use and not for redistribution.

1.7. "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.

1.8. "Initial Term" shall have the meaning set forth in Section 16.



## 1. DEFINITIONS (Continued)

1.9. "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.

1.10. "List Price" shall mean the undiscounted retail price for Enable-IT Products.

1.11. "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.

1.12. "Material Defect" shall mean any reported malfunction, error or other defect in a Enable-IT Product that: (i) can be reproduced by Reseller and Enable-IT, and (ii) constitutes a material nonconformity with the Specifications for such Enable-IT Product.

1.13. "Parties" shall mean Enable-IT and Reseller.

1.14. "Party" shall mean either Enable-IT or Reseller.

1.15. "Purchase Order" shall mean a written purchase order that is delivered to Enable-IT in accordance with Section 4.

1.16. "Purchase Price" shall mean the amount to be paid by Reseller for the Enable-IT Products as determined in accordance with Section 3.

1.17. "Renewal Term" shall have the meaning set forth in Section 16.

1.18. "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 Reseller.

1.19. "Reseller Discount Price Schedule" shall mean the then-current price schedule for Resellers published by Enable-IT.

1.20. "Term" shall mean the period beginning on the Effective Date and terminating on the date this Agreement is terminated under Section 16.

## 2. APPOINTMENT AND AUTHORITY OF RESELLER

2.1. Appointment. Subject to the terms and conditions set forth herein, during the Term, Enable-IT hereby appoints Reseller as Enable-IT's nonexclusive reseller of Enable-IT Products directly to End-Customers in the Territory, and Reseller hereby accepts such appointment. Nothing in this Agreement shall preclude Enable-IT from marketing, selling, leasing, supporting or maintaining any Enable-IT Products to or for any customer, including, without limitation, end-users, original equipment manufacturers, resellers, Resellers or other Resellers, within or outside of the Territory.

## 2. APPOINTMENT AND AUTHORITY OF RESELLER (Continued)

2.2. Limitations. Reseller shall not modify the Products. Reseller 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.

2.3. Consideration. The difference between the Purchase Price paid by Reseller to Enable-IT and Reseller's selling price to its End-Customers shall be Reseller's sole remuneration under this Agreement for sale of the Enable-IT Products.

2.4. No Right to Manufacture. This Agreement only grants Reseller the limited right to resell Enable-IT Products originally sold to Reseller by Enable-IT. This Agreement, and the sale of, or offer to sell, Enable-IT Products to Reseller 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.

2.5. Independent Contractors. The relationship of Enable-IT and Reseller established by this Agreement is that of independent contractors, and nothing contained in this Agreement shall be construed to (i) give either Party the power to direct or control the day-to-day activities of the other, (ii) constitute the Parties as partners, joint ventures, co-owners, or participants in a joint or common undertaking, or (iii) allow Reseller to create or assume any obligation on behalf of Enable-IT for any purpose whatsoever.

### 2.5.1 Reseller Obligations.

- a. Reseller will use its best efforts to promote vigorously and aggressively the distribution of the Products in the Territory, including advertising and participation in trade shows. 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.
- b. Reseller shall maintain a trained and aggressive sales organization to sell the Products. Reseller shall ensure that its dealers, if any, have similarly competent personnel.
  - i. Reseller and its customers 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.
- c. Within five (5) working days after the end of each calendar month, Reseller shall submit to Enable-IT a report in the format specified by Enable-IT, showing the volume of Products distributed by Reseller to its customers during the previous calendar month.

- d. Reseller shall 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 in the Territory.
- i. Reseller warrants that in the performance of its obligations under this Agreement, it shall not act in any fashion or take any action which will render Enable-IT liable for a violation of the U.S. Foreign Corrupt Practices Act, which prohibits the offering, giving or promising to offer or give, directly or indirectly, money or anything of value to any official of a government, political party or instrumentality thereof in order to assist it or Enable-IT in obtaining or retaining business.

2.5.2 Reseller Expenses. Except as otherwise set forth herein, Reseller shall bear its costs and expenses in carrying out its obligations under this Agreement.

### 2.6. Enable-IT Obligations

- 2.6.1 Enable-IT, shall furnish Reseller with a reasonable quantity of its standard sales promotion literature, such as brochures and specification sheets; provided that Enable-IT reserves the right to charge Reseller if it requests large quantities of such materials.
- 2.6.2 At least one aggressive awareness-marketing program, printed case study, press release, ad or other marketing campaign shall be completed per quarter. Marketing and Sales Support collateral including full access to sales tools, presentations and financial models shall be made available to Reseller.
- 2.6.3 Additional customer service and technical support is available by phone in the United States at (888) 309-0910, or via e-mail at [alias.support@enableit.com](mailto:alias.support@enableit.com).

## 3. PRICES.

Generally. The prices for the Products shall be as set forth on the Enable-IT Price List, discounted in accordance with the individual published pricing sheets on the Enable-IT Secure Partner Login section ("Volume Pricing"). Prices do not include duties, tariffs or freight (F.O.B. Enable-IT MFG warehousing).

Price Changes. Enable-IT agrees to use commercially reasonable efforts to notify Reseller of any changes in its then-current published Enable-IT Price List at least thirty (30) days in advance. The parties agree that such changes shall be applied to all pending purchase orders and new orders in effect upon expiration of the 30-day notice period.

Resale Prices. Notwithstanding anything to the contrary in this Agreement, and although Enable-IT may publish suggested resale price lists for the Products, Reseller is free to establish its own resale prices for the Products and nothing in this Agreement or otherwise shall be construed to require Reseller to sell the Products for a specified price.

Taxes. Reseller 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.

#### 4. PURCHASE TERMS.

Forecasts. Reseller shall provide Enable-IT in writing a rolling three (3) month forecast each month by Product, quantity, and confidence of closing the forecasted sales in the forecasted month. Forecasts are due on the first day of each month. It is understood and agreed that the forecast and amendments thereto do not constitute in any way a promise or commitment or obligation of Reseller with respect to the quantity or type of Products to be purchased under this Agreement.

Purchase Orders. All Products purchased by Reseller from Enable-IT during the term of this Agreement shall be ordered by Reseller 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 Reseller's Purchase Order or sales acknowledgment forms, invoices and the like, from those contained in this Agreement are hereby rejected.

Minimum Order Requirement. Reseller shall, during each one (1) year term of this Agreement, purchase no less than the Minimum Annual Order Amount of Products. If Reseller fails to order the Minimum Annual Order Amount for any such one (1) year term, such failure shall be a material breach of this Agreement and Enable-IT shall have the right to terminate this Agreement pursuant to Section 16 ("Termination for Cause").

Acceptance or Rejection of Purchase Orders. No Purchase Order submitted by Reseller 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 Reseller in such Purchase Order, but only as to the amount actually shipped. Enable-IT shall use reasonable commercial efforts to notify Reseller of Enable-IT acceptance or rejection of a Purchase Order within ten (10) business days after receipt by Enable-IT of the Purchase Order.

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 contract Enable-IT's) production or if shipments are delayed for reasons beyond Enable-IT reasonable control, Enable-IT agrees to provide Reseller notice of such shortage or interruption and Enable-IT shall have the Products and production capacity for the Products among the Products and other products used or sold by Enable-IT. 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 Reseller is late in payment or is otherwise in default under this Agreement. Enable-IT may make partial shipment of Products and Reseller may not reject a delivery by reason of the delivery being a partial shipment.

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 Reseller will pass to Reseller upon tender of delivery of the Products to the carrier for shipment to Reseller. Subsequent loss or damage will not relieve Reseller of any obligation under this Agreement. Reseller will instruct Enable-IT in writing as to which carrier Enable-IT will use to transport the Products ordered by Reseller. If Reseller 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. Reseller shall be responsible for insuring the Products shipped to Reseller.

Shipment Expense. Reseller shall pay all costs of transportation, insurance, export and import fees, customs brokerage expenses and similar charges. Reseller, at its expense, will make and negotiate any claims against any carrier, insurer, customs broker, freight forwarder or customs collector. Enable-IT will, at Reseller's expense, cooperate with and assist Reseller in making such claims.

Rescheduling and Cancellation. Reseller may not reschedule or cancel any purchase order that has been accepted by Enable-IT without Enable-IT written consent.

Acceptance of Products. Products shall be deemed accepted by Reseller unless notice of a container defect is received within ten (10) days of shipment thereof. If Reseller rejects a Product for a container defect within such 10-day period, Reseller shall notify Enable-IT to obtain a Return Material Authorization number ("RMA") and shall return such Product to Enable-IT in accordance with Enable-IT product return policies. Additionally, Product that during testing appears to be defective or does not meet manufactures specifications may also be returned under the method described herein. Reseller's sole and exclusive remedy in the event of a container defect shall be to exchange such Product for a replacement Product.

## 5. PAYMENT TERMS.

General Terms. Payment shall be made in U.S. dollars, fifteen (15) days from the date of Enable-IT invoice or other timeframe if credit/financing is approved.

Failure to Pay Amounts When Due. Notwithstanding any prior course of dealing or course of performance, should Reseller fail to make any payment when due, Enable-IT reserves the right to demand payment in full upon Reseller's receipt of Enable-IT invoice or prior to shipment. Any late payment by Reseller 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.

Security Interest. Enable-IT retains a purchase money security interest in the Products delivered to Reseller, 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 Reseller 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 Reseller, but not from Reseller's customers. Any repossession or removal shall be without prejudice to any other remedy of Enable-IT hereunder, at law or in equity. Reseller 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.

**6. PRODUCT CHANGES.** Enable-IT has the right to discontinue or make modifications to the Products at any time for any reason. Enable-IT may, in its discretion, provide Reseller 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.

**7. PRODUCT TRAINING AND SUPPORT.**

Training. During the ninety (90) day period following the Effective Date, Enable-IT will offer, without charge, eight (8) hours of training in the operation and maintenance of the Products at Enable-IT offices for up to five (5) of Reseller’s support or technical personnel. The date, time and duration of such training shall be mutually agreed upon by the parties. During the term of this Agreement Reseller may request additional training from Enable-IT and Enable-IT will use commercially reasonable efforts to provide such additional training. The time, date, duration and the number of participants for such additional training will be mutually agreed upon by the parties. Any such additional training shall be provided at Enable-IT then-current standard rates for such training, and if the training is not conducted at Enable-IT facilities, then Reseller shall pay all costs associated with such training, including without limitation payments for the training facility and travel, lodging and meal expenses incurred by Enable-IT personnel performing such training.

Maintenance and Support for Products. Enable-IT will have no obligation to provide any support services to End Users or third parties authorized to distribute the Products on behalf of Reseller. Reseller shall not undertake to repair the Products. If Reseller desires to become an authorized repair center for the Products, Reseller shall enter into Enable-IT standard form of repair center agreement.

End User Problems And Requests. Thirty (30) days after the end of each calendar quarter, Reseller shall provide to Enable-IT a written summary of all dealers, reseller and End User complaints, operating problems and other feedback regarding the performance of the Products.

Support. Enable-IT will provide reasonable telephone support to Reseller Monday through Friday from 8:00 AM to 5:00 PM, Pacific Standard Time, excluding holidays observed by Enable-IT.

**8. WARRANTY.**

No Warranty to Reseller. Enable-IT warrants the Products to End Users only, as set forth in the documentation packaged with each Product. ENABLE-IT MAKES NO WARRANTY TO RESELLER 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. RESELLER SHALL BE SOLELY RESPONSIBLE FOR ANY CLAIMS, WARRANTIES OR REPRESENTATIONS MADE BY RESELLER OR RESELLER’S EMPLOYEES OR AGENTS RELATING TO THE PRODUCTS.

No Right to Change Warranties. Reseller 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. NON- CIRCUMVENT** Enable-IT and Reseller 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 Reseller decides to withdraw from the account, written notice shall be given to the other at which time they may introduce a 3rd party solution.
- 10. PROPRIETARY RIGHTS.** Reseller acknowledges and agrees that, except the license granted in this Agreement, Reseller 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 Reseller does not acquire any proprietary rights by virtue of this Agreement.
- 11. TRADEMARK USAGE.** Enable-IT hereby grants to Reseller a non-exclusive, non-transferable limited right, to use the Enable-IT trademarks associated with the Products (the “Marks”) in Reseller’s product literature, promotion and advertising for the Products. Reseller’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. Reseller agrees not to affix any Mark to products other than genuine Products, unless otherwise agreed to. Reseller may affix its logo on the Products, provided that Reseller (i) provides Enable-IT with a description of the placement and appearance of the logo and (ii) complies with Enable-IT reasonable requests to modify such placement and appearance. Reseller 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. Reseller 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. Reseller agrees to supply Enable-IT with specimens of use of the Marks upon request. Should Enable-IT notify Reseller in writing that the use of the Marks does not conform to the standards set by Enable-IT, Reseller shall have ten (10) days to bring such use into conformance and to provide Enable-IT with specimens of such conforming use. Reseller agrees to use reasonable efforts to promptly notify Enable-IT of any unauthorized use of the Marks by others as it comes to Reseller’s attention. Reseller, at Enable-IT request and expense, shall provide Enable-IT with any specimens, execute all applications for trademark registrations, trademark assignments or similar documents, and shall perform any other similar act reasonably necessary for Enable-IT to secure or maintain any and all Enable-IT trademark rights or to effectuate the lawful right to use product names, designations or trademarks as reasonably required by Enable-IT.
- 13. INDEMNIFICATION.**

Patent and Copyright Infringement Indemnification. Subject to this Section (“Limitations on Indemnification”) and (“Condition on Indemnification”), Enable-IT shall defend, at its own expense, any suit, demand, action or claims brought against Reseller on the grounds the Products or any part thereof infringe any valid United States patent or copyright, and shall pay the amount of any final settlement amount or judgment that may be awarded against Reseller in any such suit.

Remedy in the Event of Infringement. If the use or sale of any Product is permanently enjoined or a final judgment awarding damages is entered against Reseller by reason of any such patent or copyright infringement, Enable-IT shall, at its sole election, either (i) procure the right to use and distribute the Product; (ii) replace or modify the Product so that it becomes non-infringing; or (iii) refund to Reseller an amount equal to the depreciated value of the Products sold to Reseller and remaining in Reseller's inventory (such value to be based on its straight-line depreciation of book value over a five-year life).

Limitations on Indemnification. Enable-IT shall have no obligation under ("Patent and Copyright Infringement Indemnification") for any claims, actions or demands which arise out of or result from: (i) use of the Products in a combination of other products, software, materials, firmware or hardware not supplied by Enable-IT which combination violates the rights of third parties; (ii) the modification or attempted modification of the Products by parties other than Enable-IT or the use or distribution of such modified Products; or (iii) the use of Products which were designed in accordance with Reseller's specifications.

Limited Remedies. THE TERMS AND REMEDIES SET FORTH IN THIS SECTION ("PATENT AND COPYRIGHT INFRINGEMENT INDEMNIFICATION") AND ("REMEDY IN THE EVENT OF INFRINGEMENT") CONSTITUTES THE ENTIRE LIABILITY OF ENABLE-IT AND THE SOLE AND EXCLUSIVE REMEDY OF RESELLER WITH RESPECT TO ANY CLAIM OR ACTION BASED IN WHOLE OR IN PART UPON INFRINGEMENT OR MISAPPROPRIATION OF A PATENT, COPYRIGHT, OR OTHER INTELLECTUAL PROPERTY RIGHT.

Indemnification by Reseller. Reseller 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 or liabilities arising out of or in connection with (i) Reseller' sale, license, servicing and related activities pursuant to this Agreement with respect to the Products; (ii) the failure of Reseller to comply with all applicable laws, rules, and/or regulations regarding advertising, selling, licensing, importing or exporting the Products; (iii) Reseller'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 Reseller, or any implied warranties claimed by any End User or any third party; (v) the failure of Reseller to comply with the terms of this Agreement and (vi) Reseller's modification of the Products whether done by Enable-IT or otherwise.

Condition on Indemnification. The indemnification obligations set forth in this Section ("Indemnification") are contingent upon the party seeking indemnity (i) giving prompt written notice to the other party of any such claim, action or demand, (ii) allowing the other party to control the defense and related settlement negotiations and (iii) fully assisting and cooperating in the defense so long as other party pays the party seeking indemnity's out-of-pocket expenses. The party seeking indemnity may, at its cost and expense, hire counsel of its choosing to assist in the defense of such claim.

#### 14. LIMITATION OF LIABILITY.

No Consequential Damages. IN NO EVENT WILL ENABLE-IT BE LIABLE TO RESELLER 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 RESELLER 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.

Limit on Liability. NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS AGREEMENT, ENABLE-IT'S AGGREGATE LIABILITY TO RESELLER 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.

Non-Disclosure and Non Use. Each party (the "Receiving Party", as applicable) agrees during the term of this Agreement and thereafter to take all steps reasonably necessary to hold the Confidential Information of the other party (the "Disclosing Party", as applicable) 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 the injured party shall be entitled to injunctive or other equitable review in addition to any remedy such party may have at law.

Definition of Confidential Information. "Confidential Information" includes, but is not limited to, trade secrets, know-how, technical and business information relating to the Disclosing Party'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 Receiving Party. Confidential Information may be disclosed in writing, electronically or orally. All rights title and interest in and to the Disclosing Party's Confidential Information shall remain with the Disclosing Party. Notwithstanding the other provisions of this Agreement, nothing received by the Receiving Party will be considered to be the Disclosing Party'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 the Receiving Party from a third party without confidential limitations; (3) it has been independently developed for the Receiving Party by personnel or agents having no access to the Disclosing Party's Confidential Information; or (4) it was known to the Receiving Party prior to its first receipt from the Disclosing Party.

Limitations on Use and Disclosure. The Receiving Party may use the Disclosing Party's Confidential Information only for the purposes of exercising its rights or performing its obligations under this Agreement, unless otherwise mutually agreed in writing. The Receiving Party may disclose the Disclosing Party'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 a Receiving Party. 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.

Publicity. Reseller shall not make public information concerning the existence of this Agreement nor may its terms without the 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 the Enable-IT.

## 16. TERM AND TERMINATION.

Term. This Agreement shall be effective from the Effective Date and shall continue for an initial term of one (1) year from said date. Thereafter, this Agreement shall be automatically renewed for successive one (1) year terms under the same terms and conditions unless earlier terminated pursuant to this Section. Either party may terminate the Agreement as of the end of the initial term, or as of the end of any subsequent renewal term, by written notice to the other party at least three (3) months prior to the renewal anniversary date.

Termination for Cause. Either party may terminate this Agreement at any time upon written notice to the other party (i) in the event any material breach by the other party remains uncured for more than thirty (30) days following the date of notice specifying the nature of such breach; or (ii) if the other party 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.

### Effect of Termination.

In the event of termination, for any reason, Reseller 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 Reseller, if any.

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.

Reseller 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 Reseller'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 Reseller's last receipt of Products from Enable-IT.

Liability and Other Remedies. ENABLE-IT shall not be liable to Reseller 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 Reseller, 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.**

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.

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 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 17.10 ("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.

Export Control. Reseller 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. Reseller agrees that it will not export or re-export the Products in any form without the appropriate United States and foreign government licenses. Reseller agrees that its obligations pursuant to this section shall survive and continue after any termination or expiration of rights under this Agreement. Reseller 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.





Relationship of the Parties. The parties to this Agreement are independent contractors. There is no relationship of agency, partnership, joint venture, employment, or franchise between the parties. Neither party has the authority to bind the other or to incur any obligation on its behalf.

Assignment. Reseller may not assign, voluntarily, by operation of law, or otherwise, any rights or delegate any duties under this Agreement without Enable-IT' prior written consent, and any attempt to do so without that consent will be void. This Agreement will bind and inure to the benefit of the parties and their respective successors and permitted assigns.

Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Non-Solicitation of Employees. During the term of this Agreement and for a period of one (1) year thereafter, Reseller 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 b executed by their duly authorized officers or representatives as of the Effective Date.

**Agreed and Accepted:**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Agreed and Accepted:**

Enable-IT, Inc.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



Reseller Agreement Exhibit A

RESELLER REQUIREMENTS

Reseller shall comply with the following requirements: All Enable-IT, Inc. Products purchased hereunder shall be for resale to Reseller's End-Customers. Reseller shall provide Enable-IT, Inc. a valid vendor's license from the state(s) in which it operates. Reseller shall provide Enable-IT, Inc. a completed Tax Exemption Certificate from the state(s) in which it operates stating that the purpose of exemption is that the product purchased is for resale to Reseller's End-Customers. Reseller shall promote the use of Enable-IT, Inc. products within its IT solutions. Reseller shall maintain a business model of providing turnkey IT solutions, including, without limitation, value-added engineering, implementation services and maintenance of installed systems.

Reseller Agreement Exhibit B

- No annual minimums
- Discount level set for the year unless moving up to higher discount
- Renewal means another initial order
- Free 5 day ground shipping on initial orders and reorders under discount schedule guidelines above
- Discount schedule applies to all Ethernet extension kits. Other products have varying discounts

DISCOUNT SCHEDULE

15% = \$3,000.00 minimum initial order  
minimum reorders of at least \$1,000.00 with discounted price used for orders/reorders

20% = \$4,900.00 minimum initial order  
minimum reorders of at least \$2,000.00 with discounted price used for orders/reorders

25% = \$15,000.00 minimum initial order  
minimum reorders of at least \$4,000.00 with discounted price used for orders/reorders