WRITEPAD SDK LICENSE AGREEMENT

THIS SOFTWARE LICENSE AGREEMENT ("Agreement") is made between PhatWare Corp., a Delaware Corporation, having its principal place of business at 1314 S. Grand Blvd, Ste. 2-175 Spokane, WA 99202 ("PhatWare"), and _____ ("Licensee"), a _____ Corporation, having its principal place of business at _____ _____
The effective date of this Agreement (the "Effective Date") shall be the latest date set forth on the signature page of this Agreement.

RECITALS

1. PhatWare develops and markets natural multiplatform handwriting recognition software, namely WritePad SDK for _____ OS;

2. Licensee desires to license software from PhatWare and include such software with Licensee's _____ (platform) compatible hardware devices and/or third party software, and distribute such bundled products directly and/or through resellers for potential resale to end users; and

3. In consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1.   DEFINITIONS.

1.1   "Documentation" shall mean the English language versions of PhatWare End User Guide for the Software.

1.2   "End User(s)" shall mean a third party in the Territory using the Products for personal purposes, and not for redistribution.

1.3   "Product" shall collectively mean Licensee's end product, whereby the Software is included in the ROM, CD-ROM, or other digital media, and other related software which are sold by Licensee as a package directly or to Resellers for resale to End Users in the Territory.

1.4   "PhatWare Deliverables" shall mean a master copy of Software program, and a master copy of the Documentation for the Software program.

1.5   "Resellers" shall mean Licensee's or its sublicensees' distributors, dealers and other authorized entities in the Territory which purchase the Products and related software from Licensee or its sublicensees for resale to End Users in the Territory.

1.6   "Advance Royalty" means the advance set forth in Section 5.2 of this Agreement. The Advance Royalty shall be non-refundable and shall be payable by Licensee to PhatWare in accordance with Section 5.2 and the schedule set forth in Exhibit A attached hereto and made a part hereof ("Licensee Pricing and Payment Terms")

1.7   "Software" shall mean the English language version(s) of a software programs, in object code only, known as WritePad SDK. "Software" shall also include maintenance updates or revisions to WritePad SDK, in object code, which is released by PhatWare during the term of this Agreement.

1.8   "Territory" shall mean worldwide.

1.9   "Platform" shall mean _____ operating system.

2.   LICENSES.

2.1   Reproduction, Publishing and Distribution Licenses. Subject to Licensee's compliance with the terms of this Agreement:

2.1.1   Reproduction of the Software and Documentation by Licensee. Subject to the terms and conditions of this Agreement, PhatWare hereby grants to Licensee, and Licensee hereby accepts, a royalty-bearing, revocable, non-exclusive, non-transferable license in the Territory, to reproduce copies of the Software and the Documentation solely for distribution of the Software and Documentation directly to End Users, or to Resellers for sublicensing to End Users, in the Territory solely when included in the ROM or on other digital media of the Products before any shipment occurs. PhatWare hereby grants to Licensee a limited right to sublicense such reproduction to _____ or its authorized mass ROM, CD-ROM, or other digital media replicator, solely for the purpose of building the mask-ROM for the Products, Licensee and its sublicensees shall reproduce all copyright, trademark and other proprietary rights notices as they exist on the PhatWare Deliverables and any other notices reasonably required by PhatWare in all copies of the Software and Documentation made by it.

2.1.2   Distribution of the Software and Documentation by Licensee. Subject to the provisions of this Agreement, PhatWare hereby grants to Licensee, and Licensee hereby accepts, a royalty-bearing, revocable, non-exclusive, non-transferable license, with a limited sublicense right, for the fee set forth in Exhibit A ("Licensee Pricing and Payment Terms"), to distribute the Software, including the API to the Software only as provided in Section 2.1.1.

2.1.3   LICENSEE SHALL NOT COPY, PUBLISH, SUBLICENSE OR DISTRIBUTE STAND-ALONE VERSIONS OF THE SOFTWARE OR THE DOCUMENTATION, OR COPY, PUBLISH OR DISTRIBUTE THE SOFTWARE OR DOCUMENTATION EXCEPT IN CONNECTION WITH THE PRODUCTS AS PROVIDED HEREUNDER. LICENSEE AGREES THAT A VIOLATION OF THIS PROVISION SHALL CONSTITUTE A MATERIAL BREACH OF THIS AGREEMENT BY LICENSEE, AND SHALL ENTITLE PHATWARE TO TERMINATE THIS AGREEMENT IMMEDIATELY.

2.1.4   Except as expressly stated in this Agreement, no rights to the Software or Documentation, or to any intellectual property rights associated with them, are conferred upon Licensee by this Agreement, by implication, estoppel, conduct of the parties or otherwise. LICENSEE SHALL ENSURE THAT EACH SUBLICENSEE, RESELLER AND END USER RECEIVES A COPY OF THE END USER SOFTWARE LICENSE, WITH ITS TERMS AT LEAST AS RESTRICTIVE AS THE TERMS IN THE FORM END USER LICENSE AGREEMENT ATTACHED HERETO AS EXHIBIT B AND MADE A PART HEREOF, OR SUCH OTHER FORM OF END USER SOFTWARE LICENSE AS PHATWARE SHALL APPROVE IN WRITING IN ADVANCE. THIS IS A MATERIAL REQUIREMENT OF THIS AGREEMENT, AND FAILURE BY LICENSEE TO PROVIDE A COPY OF SUCH END USER SOFTWARE LICENSE TO EACH OF ITS SUBLICENSEES, RESELLERS AND THEIR END USER CUSTOMERS SHALL CONSTITUTE A MATERIAL BREACH OF THIS AGREEMENT BY LICENSEE, AND SHALL ENTITLE PHATWARE TO TERMINATE THIS AGREEMENT IMMEDIATELY.

2.2   Demonstration.   Licensee may, in its discretion, demonstrate the Software to potential sublicensees, Resellers and End Users by use of copies of the Software and Documentation reproduced by Licensee hereunder, subject to the limitations set forth in Exhibit A hereto.

2.3   Limited Right to Use Trademarks. PhatWare hereby grants to Licensee a royalty-free, revocable, non-exclusive, non-transferable license to use the PhatWare®, and WritePad®, the trademarked PhatWare logo, or such other trademarks as PhatWare may designate from time to time

(the "Trademarks"), on copies of the Software and Documentation made by Licensee pursuant to this Agreement, and in Licensee's promotional literature for the Products. Licensee's use of the Trademarks shall, in all events, be subject to PhatWare's prior review and approval. Licensee may sublicense the Trademarks to its sublicensees and Resellers of the Software, subject to written sublicense agreements at least as restrictive as this Section 2.3. Licensee, its sublicensees and their Resellers may use PhatWare trademarks, logos, copyright notices and other marketing materials in the Product documentation, on the Web site, in marketing literature and in advertising.

        2.3.1   Licensee's Use. Licensee's use of the Trademarks shall be in accordance with applicable trademark law and PhatWare's policies regarding advertising and trademark usage as established and amended from time to time at PhatWare's sole discretion. Licensee shall not use any other trademark or service mark in proximity to any of the Trademarks or combine the marks in a manner that would create a combination mark or a single commercial impression.

        2.3.2   Trademark Obligations. Licensee agrees that whenever any of the Trademarks is used in advertising or in any other manner, it shall clearly indicate PhatWare as the owner of each such Trademark. Licensee shall not do any act or omit to do any act, or contest or in any way impair or reduce PhatWare's right, title, and interest in and to the Trademarks. Licensee understands and agrees that use of the Trademarks in connection with the Products shall not create any right, title, or interest, in or to the use of the Trademarks and that all such uses and goodwill associated with the Trademarks shall inure to the benefit of PhatWare.

        2.3.3   Quality. Licensee shall cooperate with PhatWare in facilitating PhatWare's monitoring and control of the nature and quality of copies of the Software and Documentation made by Licensee, and to supply PhatWare with specimens of Licensee's use of the Trademarks upon request. Should PhatWare notify Licensee in writing that Licensee's use of the Trademarks does not conform to the standards set by PhatWare, Licensee shall promptly bring such use into conformance and provide PhatWare with specimens of such conforming use. Failure to promptly conform to PhatWare's instructions shall constitute a material breach of this Agreement by Licensee.

        2.3.4   Infringement Proceedings. PhatWare shall have the sole right and discretion to bring legal or administrative proceedings to enforce its rights in the Trademarks, including actions for trademark infringement or unfair competition proceedings involving the Trademarks.

3.   DELIVERY.

      PhatWare shall deliver Software and specified Documentation to Licensee as indicated in this section:
-   English language versions of the Software for _____ (platform) - within fifteen (15) days of the Effective Date

4. WARRANTY AND DISCLAIMERS.

4.1 Limited Warranty. PhatWare warrants that the Software shall perform according to the applicable Feature List for a period of ninety (90) days from the date of delivery of the respective PhatWare Deliverables to Licensee. If the Software does not perform according to the corresponding Feature List, within such warranty period, PhatWare may, at its option, either modify or replace the master copy of such Software program so that it complies with the applicable Feature List. PhatWare does not warrant that the functions contained in the Software will meet any requirements of Licensee, its sublicensees, Resellers or their End User customers, or that operation of the Software shall be uninterrupted or error free. Licensee shall have no other remedy against PhatWare arising from or in connection with this limited warranty.

4.2 Disclaimers. EXCEPT AS EXPRESSLY SET FORTH IN SECTIONS 4.1 AND 4.4 OF THIS AGREEMENT, PHATWARE MAKES NO OTHER WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, RELATING TO THE PHATWARE DELIVERABLES, THE SOFTWARE OR THE DOCUMENTATION AND EXPRESSLY EXCLUDES ANY WARRANTY OR REPRESENTATION OF NON-INFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY. NO PERSON IS AUTHORIZED TO MAKE ANY OTHER WARRANTY OR REPRESENTATION CONCERNING THE PERFORMANCE OF THE SOFTWARE OTHER THAN AS PROVIDED IN THE DOCUMENTATION. LICENSEE SHALL MAKE NO OTHER WARRANTY OR CONDITION, EXPRESS OR IMPLIED, ON BEHALF OF PHATWARE.

4.3 Indemnification by Licensee. Licensee shall indemnify, defend and hold PhatWare harmless from any third party claims, damages or liabilities (inclusive of PhatWare's attorneys' fees) which result from or are based on (i) negligence, misrepresentation, or error or omission on the part of Licensee or its representatives or (ii) Licensee's distribution of the Software with the Products, including but not limited to any alleged violation of any local consumer warranty laws or public policies, or (iii) infringement of any copyright, patent, trademark or trade secret as a result of Licensee's design, assembly or manufacture of the Products or Licensee's use of the Software with the Products other than according to the Documentation. To qualify for such defense and indemnification PhatWare must: (i) give Licensee prompt written notice of any such claim and (ii) allow Licensee to control, and fully cooperate with Licensee in, the defense and all related settlement negotiations.

4.4 Indemnification by PhatWare. PhatWare shall indemnify, defend and hold Licensee harmless from any third party claims, damages or liabilities (inclusive of Licensee's attorneys' fees) which result from or are based on infringement of any copyright or patent as a result of Licensee's use of the Software according to the Documentation when bundled with the Products. To qualify for such defense and indemnification Licensee must: (i) give PhatWare prompt written notice of any such claim and (ii) allow PhatWare to control, and fully cooperate with PhatWare in, the defense and all related settlement negotiations. PhatWare shall have no indemnification obligation under this provision for any claim arising as a result of any combination of the Software with any Licensee or third party hardware or software.

5. ROYALTY, PAYMENTS AND MANUFACTURING COSTS.

5.1 Royalty. The per unit royalties for the license to publish and distribute or sublicense copies of each Software program by Licensee under this Agreement shall be as set forth in Exhibit A. Such per unit royalties shall be due and payable once each calendar quarter, within thirty (30) days after the close of such quarter, and shall cover all units of the Software shipped with the Products during such calendar quarter, whether or not Licensee has received payment for all such shipments. Each quarterly royalty payment shall be accompanied by a report summarizing the number of units of

PhatWare ___

the Software programs (i) reproduced during that quarter, (ii) held in inventory as of the end of the quarter, and (iii) shipped during the quarter, and the amount of royalties due and payable.

5.2   Advance Royalty. Licensee shall pay PhatWare a non-refundable Advance Royalty (if any) under the terms set forth in Exhibit A, which advance shall be credited against per unit royalties due under Exhibit A until exhausted. Thereafter, Licensee shall pay royalties to PhatWare as provided in Section 5.1 above.

5.3   Minimum Royalty Commitment. Licensee agrees that, during the term of the Agreement or such other period as specified in Exhibit A, it shall pay PhatWare at least the Minimum Royalty Commitment (if any) amount specified therein. In the event that such amount is not paid in full to PhatWare within the specified period, Licensee shall pay the balance due PhatWare within 30 days after the end of the applicable period.

5.4   Taxes and Fees. Each party shall be responsible for any and all taxes, duties and other governmental assessments against it arising from or related to this Agreement.

5.5   Manufacturing Costs. Licensee shall be solely responsible for all expenses incurred in: (i) reproducing and installing the copies of the Software and Documentation and related material costs; and (ii) distributing the Software with the Products.

5.6   Right of Audit. Licensee shall maintain a complete, clear, accurate record of: (i) the number of units of Software published and distributed by Licensee with the Products or sublicensed for distribution with the Products and (ii) any other information which may be required to determine whether Licensee is paying the correct royalty hereunder. To ensure compliance with the terms of this Agreement, PhatWare shall have the right to inspect and audit at PhatWare's expense of all relevant accounting and sales books and records of Licensee conducted during regular business hours at Licensee's offices and in such manner as not to interfere with Licensee's normal business activities. In no event shall such audits be made more frequently than every twelve (12) months. If such inspections should disclose any underpayment of royalties, Licensee shall promptly pay PhatWare such amount, together with interest thereon at the rate of one and one-half percent (1.5%) per month or the maximum interest rate allowed by law, whichever is lower, from the date on which such amount became due. In the event of underpayment of an amount greater than five percent (5%) of the total amounts due, Licensee shall bear the costs of the audit.

6.   LICENSEE'S MARKETING OBLIGATIONS.

6.1   Promotion and Attribution. Licensee shall use its commercially reasonable efforts to promote and market the Software in connection with sales of the Products to Resellers for sale to End User customers within the Territory. When referring to the Software in advertising and promotional literature, Licensee and its sublicensees shall use the following attribution language:

"WritePad®. Copyright © 2008-2013 PhatWare® Corp. All rights reserved."

6.2   Publicity. The parties may issue a joint press release immediately upon Licensee's public launch announcement. The parties agree to cooperate on further press statements and publicity relating to significant events during their relationship, and neither party shall unreasonably withhold its consent to the issuance of any proposed press statement submitted for approval by the other.

7.   TECHNICAL SUPPORT.

PhatWare shall provide technical support of the Software that is required by Licensee authorized VARs and ISVs and by Licensee development team on a best efforts basis. Such support shall be provided by e-mail to Licensee authorized VARs and ISVs. Technical support to Licensee authorized VARs and ISVs shall be restricted to current product features and shall not include engineering or development support. Technical support to the Licensee development team may be provided by a combination of meetings, phone or e-mail support. Paid engineering or development support can be provided on the per incident basis at the then current hourly support fee. SDK pricing may included pre-paid engineering or development support as specified in the Exhibit A.

8.   OWNERSHIP OF PROPRIETARY RIGHTS.

8.1   Ownership by PhatWare.   Licensee acknowledges that the Software and the Documentation, including the structure, sequence and organization of the Software, is proprietary to PhatWare and that PhatWare retains exclusive worldwide ownership of the Software and the Documentation and all proprietary rights associated with the Software and the Documentation in all formats and for all media currently in existence or which come into existence in the future. All rights to the Software, including without limitation patents, copyrights, trade secrets, trade names, trademarks (whether registered or unregistered), and all other rights, franchises or licenses with respect to the Software and the Documentation, remain the sole and exclusive property of PhatWare and PhatWare will be free to exploit such rights without limitation.

8.2   No Modification or Reverse Engineering.   Licensee shall not modify, enhance or make derivative works of the Software or Documentation or sublicense any rights to the Software or the Documentation except as specifically authorized by this Agreement.

9.   CONFIDENTIAL INFORMATION.

9.1   Application.   The terms of this Section 9 shall not apply to the parties in any respect and shall be considered void only if a separate Nondisclosure or Confidentiality agreement has been signed by the parties concurrent with or earlier than this Agreement, and such agreement shall be incorporated into this Agreement by this reference.

9.2   Non-Disclosure.   Each party (the "Recipient") acknowledges that it may acquire information and material that is the other party's (the "Discloser") confidential, proprietary information and which contains the Discloser's trade secrets (the "Confidential Information").   The Recipient shall use the same care and discretion, but no less than reasonable care, to avoid disclosure, publication or dissemination of such Confidential Information as it uses with its own similar information that it does not wish to disclose, publish or disseminate and not to use it in any way, commercially or otherwise, and not to allow any other third party access to it, either before or after termination of this Agreement, without the prior written consent of the Discloser. The Recipient shall limit the disclosure of the Discloser's Confidential Information to the Recipient's employees with a need to know who: (i) have been advised of the confidential nature thereof; and (ii) are under an express written obligation to maintain such confidentiality.

9.2   Exceptions.   Notwithstanding the above provisions, the obligations of the Recipient with respect to the Discloser's Confidential Information shall not apply to information if: (i) it has been published or is otherwise readily available to the public other than by breach of this Agreement; (ii) it has been rightfully received by the Recipient from a third party without confidential limitations; (iii) it has been independently developed for the Recipient by personnel having no access to the Confidential

Information; (iv) it was known to the Recipient prior to its first receipt from the Discloser; or (v) it has been disclosed by the Discloser to a third party without restrictions on disclosure. In addition, Licensee's marketing of the Products (including Documentation), which may inherently disclose PhatWare's Confidential Information, shall not itself be deemed a breach of this Agreement.

10.   CONSEQUENTIAL DAMAGES WAIVER.

IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY KIND (INCLUDING LOST PROFITS) REGARDLESS OF THE FORM OF ACTION WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT PRODUCT LIABILITY OR OTHERWISE, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING, LICENSEE SHALL BE SUBJECT TO A CLAIM FOR LOST PROFITS ARISING FROM LICENSEE'S VIOLATION OF SECTION 2 OF THIS AGREEMENT.

11.   LIMITATION OF LIABILITY.

Notwithstanding any other provisions of this Agreement, PhatWare's aggregate cumulative liability to Licensee under this Agreement shall be limited to the total amount of payments made to PhatWare pursuant to Exhibit A under this Agreement as of the date of the imposition of such liability, except as provided in Section 4.4 of the Agreement.

12.   TERM OF AGREEMENT.

The term of this Agreement shall commence on the Effective Date and, unless sooner terminated in accordance with the terms of this Agreement, shall continue for two (2) calendar years. The term may be renewed or extended upon the mutual agreement of the parties.

13.   TERMINATION.

13.1   With Cause. Either party may terminate this Agreement upon at least thirty (30) days written notice of a material breach of this Agreement to the other party if such breach is not cured within such thirty (30) day period; provided, however, that PhatWare may terminate this Agreement immediately upon notice to Licensee if PhatWare determines, in its sole reasonable discretion, that Licensee's material breach is not susceptible of being cured by Licensee.

13.2   Either party may terminate this Agreement immediately upon written notice to the other party if such other party (i) becomes insolvent, (ii) has bankruptcy proceedings instituted against it, (iii) admits its inability to pay its debts as they become due, (iv) ceases to function as a going concern or (v) makes a general assignment for the benefit of its creditors.

13.3   Rights Upon Termination. Upon termination or expiration of this Agreement:
13.3.1   All licenses granted herein to Licensee shall immediately terminate; provided that, subject to the provisions of Section 13.3.2, Licensee shall have the right to distribute the any remaining copies of the Software and Documentation included with the Products then in Licensee's inventory. Upon termination or expiration of this Agreement, Licensee shall promptly destroy or return to PhatWare the original PhatWare Deliverables; provided that Licensee may keep up to three (3) copies of the Software for customer support purposes only.

13.3.2   The payment of all Royalties actually or potentially due under Exhibit A which have not yet been paid by Licensee to PhatWare as of the termination date of this Agreement shall, upon termination or expiration, automatically be accelerated so that all royalties shall become due and payable within thirty (30) days of the effective date of termination or expiration, even if longer payment terms had been provided previously.

14.   MISCELLANEOUS.

14.1   Notices. All notices permitted or required under this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written notification of receipt; (iii) by telecopy or facsimile transmission when confirmed by telecopier or facsimile transmission; or (iv) by certified or registered mail, return receipt requested, upon written notification of receipt. All notices must be sent to the address of the applicable party first set forth above or to such other address that the receiving party may have provided for the purpose of notice in accordance with this Section.

14.2   Force Majeure. Neither party shall be liable hereunder by reason of any failure or delay in the performance of its obligations hereunder (except for the payment of money) on account of strikes, shortages, riots, insurrection, fires, flood, storm, explosions, acts of God, war, governmental action, labor conditions, earthquakes, or any other cause which is beyond the reasonable control of such party.

14.3   Waiver. The failure of either party to require performance by the other party of any provision hereof shall not affect the full right to require such performance at any time thereafter; nor shall the waiver by either party of a breach of any provision hereof be taken or held to be a waiver of the provision itself.

14.4   Severability.   In the event that any provision of this Agreement shall be unenforceable or invalid under any applicable law or be so held by applicable court decision, such unenforceability or invalidity shall not render this Agreement unenforceable or invalid as a whole.

14.5   Injunctive Relief. Notwithstanding any other provisions of this Agreement, a breach of the provisions of this Agreement by one party may cause the other party irreparable damage for which recovery of money damages would be inadequate, and such damaged party shall therefore be entitled to seek timely injunctive relief to protect its rights under this Agreement in addition to any and all remedies available at law.

14.6   Controlling Law. This Agreement shall be governed in all respects by the laws of the State of California as such laws are applied to agreements entered into and to be performed entirely within California between California residents.

14.7   Dispute Resolution. Subject to the provisions of Section 14.5 of this Agreement, any dispute, controversy or claim arising out of or in relation to this Agreement or at law, or the breach, termination or invalidity thereof, that cannot be settled amicably by agreement of the parties hereto, shall be finally settled by arbitration in accordance with the arbitration rules of the American Arbitration Association then in force by three (3) arbitrators appointed in accordance with said rules; provided, however, that arbitration proceedings may not be instituted until the party alleging breach of this Agreement by the other party has given the other party not less than sixty (60) days to remedy any alleged breach and the other party has failed to do so. The place of arbitration shall be San Jose, California. All documents and agreements relative to any such dispute shall be read, interpreted and construed from the English versions thereof. The award rendered shall be final and binding upon both parties. Judgment upon the award may be entered in any court having jurisdiction or application may be made to such court for judicial acceptance of the award and/or an order of enforcement as the case may be.

14.8   No Agency. Nothing contained herein shall be construed as creating any agency, partnership, or other form of joint enterprise between the parties.

14.9   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 Section or in any way affect such Section.

14.10   Subcontracting and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Licensee shall not assign any of its rights nor delegate any of its obligations under this Agreement to any third party without the express written consent of PhatWare, which consent shall not be unreasonably withheld. Any act in derogation of the foregoing shall be null and void.

14.11   Export. Licensee 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 Software in any form. Licensee agrees that it will not export or reexport the Software or Documentation in any form without the appropriate United States and foreign government licenses.

14.12   Survival.   The rights and obligations contained in Section 4 ("Warranty and Disclaimers"), Section 5 ("Royalty, Payments and Manufacturing Costs"), Section 7 ("Technical Support"), Section 8 ("Ownership of Proprietary Rights"), Section 9 ("Confidential Information"), Section 10 ("Consequential Damages Waiver"), Section 11 ("Limitation of Liability"), Section 13 ("Termination"), Section 14.5 ("Injunctive Relief"), Section 14.6 ("Controlling Law"), Section 14.7 ("Dispute Resolution"), Section 14.11 ("Export") and this Section 14.12 ("Survival") shall survive any termination or expiration of this Agreement.

14.13   Time of Essence. The parties acknowledge and agree that time is of the essence under this Agreement, including, without limitation, the payment of the Advance.

14.14   Entire Agreement. This Agreement (including Exhibits) is the entire agreement between the parties regarding its subject matter. It supersedes all prior proposals, agreements, or other communications between the parties, oral or written, regarding such subject matter. This Agreement shall not be modified unless done so in a writing signed by officers of both PhatWare and Licensee.

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this Agreement.

PhatWare Corp.,

BY:

_____

NAME:

_____

TITLE:

_____

DATE:

_____

LICENSEE

BY:

_____

NAME:

_____

TITLE:

_____

DATE:

_____

EXHIBIT A

LICENSEE PRICING AND PAYMENT TERMS

Licensee shall pay royalties for the licenses granted in this Agreement according to the following schedule:

1. Advance Royalty: $999.00 (one nine hundred and ninety nine dollars, includes first 2,000 runtime licenses and 3 hours/incidents of engineering support). Advance royalty must be paid before the Product is shipped to customers.

2. Licensee shall pay PhatWare the following per unit royalties for the distribution by Licensee of each unit of the Software:

    First 2,000 licenses is included with the advance royalty fee
    2,001 … 10,000 units at $0.25 per unit
    10,001 … 50,000 units at $0.20 per unit
    50,001 … 100,000 units at $0.16 per unit
    100,001 … 500,000 units at $0.13 per unit
    500,001+ units at $0.10 per unit

Such royalties shall be paid for every unit of the Software shipped with the Product, whether or not Licensee received payment for such unit of the Product. Notwithstanding the foregoing, per unit royalties for the units of Product returned to Licensee by End Users or Resellers, shall be credited back to Licensee against royalties for future product shipments.

3. Minimum Royalty Commitment*: _____

The additional royalty amount, if any, is due 30 days after the end of the fourth calendar quarter of year _____.

EXHIBIT B

END-USER SOFTWARE LICENSE

GRANT. PhatWare Corporation, with its principal place of business at 1314 S. Grand Blvd, Ste. 2-175 Spokane, WA 99202 ("PhatWare") hereby grants to you a non-exclusive license to use the WritePad SDK (the "Software") and accompanying documentation ("Documentation") on the following terms:

You may:
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(i) use the Software on any single computer; (ii) use the Software on a second computer so long as the first and second computers are not used simultaneously; and (iii) make a copy of the Software for archival purposes, provided any copy contains all of the original Software's proprietary notices. The Software is in "use" when it is loaded into RAM, installed on a hard disk, or installed on another storage device.

You may not:
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(i) modify, translate, reverse engineer, decompile, disassemble, create derivative works based on the Software, or any portion thereof, or Documentation; or attempt to increase the functionality of the Software in any manner; (ii) copy the Software (except for back-up purposes) or Documentation; (iii) rent, lease, or otherwise transfer rights to the Software or Documentation; or (iv) remove any proprietary notices or labels on or in the Software or Documentation.

SOFTWARE If you receive your first copy of the Software electronically, and a second copy on media, the second copy may be used for archival purposes only. This license does not grant you any right to any enhancement or update.

TITLE. Title, ownership rights, and intellectual property rights in and to the Software and Documentation shall remain in PhatWare and/or its suppliers. The Software is protected by the copyright laws of the United States and international copyright treaties. Title, ownership rights, and intellectual property rights in and to the content accessed through the Software is the property of the applicable content owner and may be protected by applicable copyright or other law. This License gives you no rights to such content.

LIMITED WARRANTY. Manufacturer warrants that the Software will perform substantially in accordance with accompanying written materials for a period of ninety (90) days from the date of receipt. Any implied warranties on the Software are limited to ninety (90) days. Some states/jurisdictions do not allow limitations on duration of an implied warranty, so the above limitation may not apply to you.

CUSTOMER REMINDERS. Manufacturer's and its suppliers' entire liability and your exclusive remedy shall be, at Manufacturer's option, either (a) return of the price paid, or (b) repair or replacement of the Software that does not meet the above limited warranty and which is returned to Manufacturer with a copy of your receipt. This limited warranty is void if failure of the Software has resulted from accident, abuse, or misapplication. Any replacement Software will be warranted for the remainder of the original warranty period or ninety (90) days, whichever is longer.

NO OTHER WARRANTIES. EXCEPT AS EXPRESSLY PROVIDED IN THE LIMITED WARRANTY SECTION ABOVE, THE SOFTWARE IS PROVIDED TO THE END USER "AS IS" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESSED OR LIMITED, INCLUDING,

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BUT NOT LIMITED TO, WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, AND/OR FITNESS FOR A PARTICULAR PURPOSE. THE ENTIRE RISK OF THE QUALITY AND PERFORMANCE OF THE SOFTWARE IS WITH YOU.

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