

SILVERCARROT, INC.
DISTRIBUTION AGREEMENT

This Distribution Agreement (the "Agreement") is entered into as of this 23 day of May, 2006 (the "Effective Date"), by and between SilverCarrot Inc. ("SC"), a Delaware corporation having its offices at 132 West 36th Street, Ninth Floor, New York, NY 10018; and Morgan LTD. ("Distributor"), a _____ corporation having its offices at _____, _____, _____ (each a "Party", or collectively the "Parties").

DEFINITIONS:

"Offers" means electronic consumer registrations, co-registrations, offers, surveys, and lead generation means and processes created and owned by SC, which shall be distributed by Distributor pursuant to this Agreement.

"Web Site" means any Internet web sites, web pages, or URLs owned or operated by Distributor.

"Registration Product" means the integration of the Offers and Web Site, for electronic distribution of the Offers, which will be made available by Distributor to users worldwide, in accordance with this Agreement.

"Revenue" is the portion of revenue generated by the Offers distributed pursuant to this Agreement in connection with the Registration Product, as recorded by SC.

DURATION: The term of this Agreement (the "Initial Term") shall be one (1) year commencing on the Effective Date. After the expiration of the Initial Term, this Agreement shall automatically renew for successive one (1) year periods (each a "Renewal Term" and together with the Initial Term, the "Term") unless terminated by either Party, with or without cause, by written notice received by the non-terminating Party at least thirty (30) days prior to the commencement of the applicable Renewal Term.

SURVIVAL: The provisions of this Agreement entitled: Confidentiality, Content and Trademark Ownership, Limitation of Liability, Representations and Warranties, Indemnification, and any provision that by its terms survives termination of this Agreement, shall survive termination of this Agreement.

ENTIRE AGREEMENT AND AMENDMENTS: This Agreement covers all obligations between SC and Distributor. No modification or amendment of this Agreement shall be effective unless in writing and signed by the Parties.

DISTRIBUTOR OBLIGATIONS:

(1)Distributor shall distribute the Offers with some or all of its Web Sites. Such distribution will be made in the form of a Registration Product. (2)SC must approve all aspects of the Registration Product related to the Offers. Distributor shall distribute the Registration Product only in the format approved by SC.

SC OBLIGATIONS:

(1)SC shall provide Distributor with the Offers in a form suitable for distribution. At no charge to Distributor, SC may further provide Distributor with any modifications, updates or improvements to the Offers.
(2)SC shall compensate Distributor during the Term for Offers distributed by Distributor pursuant to this Agreement, on the following terms: fifty percent (50%) of collected monthly Revenue ("Revenue Share"). Revenue Share payments shall be due thirty (30) days from the end of the calendar month in which such Revenue is collected.
(3)During the Term, SC shall provide to Distributor monthly Revenue and collection reports within thirty (30) days from the end of the calendar month in which such Revenue is generated.

LICENSE: Subject to the terms and conditions in this Agreement, SC hereby grants Distributor a non-exclusive, non-transferable, non-sublicenseable worldwide license to use, copy, and display the Offers for the exclusive purpose of integrating the Offers into the Registration Product and distributing the Registration Product in accordance with the terms and conditions of this Agreement.

CONFIDENTIALITY: The Parties agree not to disclose to any third parties the terms and conditions of this Agreement, or any non-public proprietary business information that is shared by the Parties in the course of their discussions or in connection with working together in the context of this Agreement.

CONTENT AND TRADEMARK OWNERSHIP: Each of SC and Distributor will retain all rights, title and

interest in and to their respective content, products, technology, trademarks, service marks and trade names worldwide. Neither Party may: (a) modify or create any derivative works of the other Party's product or documentation, (b) decompile, disassemble, reverse engineer, or otherwise attempt to derive the source code for the other Party's product, or (c) redistribute, sublicense, or otherwise transfer rights to the other Party's product. Nothing contained in this Agreement shall be construed as granting either Party any intellectual property or other rights in the other Party's products or services except as specifically provided herein.

INDEPENDENT CONTRACTORS: The relationship created by this Agreement is one of independent contractors, and not partners, franchisees or joint ventures. No employees, consultants, contractors or agents of one Party are employees, consultants, contractors or agents of the other Party, nor do they have any authority to bind the other Party by contract or otherwise to any obligation, except as expressly set forth herein. The Parties will not represent to the contrary, either expressly, implicitly or otherwise.

INDEPENDENT PRODUCTS: The relationship created by this Agreement is a relationship for the distribution of independent products to consumers. No product of one Party is the product of the other Party. The Offers and the Web Site that are distributed as a Registration Product are the independent products of the Parties and each Party is solely responsible for the functionality, user interfaces, maintenance, upgrades, operation and management of its own product. The Parties will not represent to the contrary, either expressly, implicitly or otherwise.

LIMITATION OF LIABILITY: EXCEPT FOR THE PARTIES' RESPECTIVE INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, In no event will either Party be liable to the other Party for any consequential, incidental, indirect, special, OR EXEMPLARY damages, SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS OR LOST BUSINESS (even if such party has been ADVISED of the possibility of such damages), as a result of: (X) the use of (OR THE INABILITY TO USE) THE OFFERS or WEB SITE (AS APPLICABLE), or REGISTRATION Product, (Y) UNAUTHORIZED ACCESS TO OR ALTERATION OF USER'S TRANSMISSIONS OR DATA, OR (Z) THE PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AGREEMENT.

REPRESENTATIONS AND WARRANTIES: Each Party represents and warrants to the best of its knowledge that its products do not infringe any copyright, trademark, patent or other intellectual property rights of any third parties, and that its performance hereunder will not conflict with any duties owed to, or rights held by, any third parties. Each Party represents that it owns all legal rights to all intellectual property and other assets related to the Offers or Web Site, as applicable, and that such legal rights are free and clear and unencumbered by any claims by any other entity. Each Party further represents that it has the full right and authority to enter into and perform this Agreement.

The Parties make no Warranty regarding any third party goods or services purchased or obtained through the Offers or Web Site (as applicable) or any transactions entered into through the Offers or Web Site (as applicable).

INDEMNIFICATION: Each Party agrees to indemnify and hold harmless the other Party, and their respective directors, members, governors, employees, officers, agents, successors, and assigns, from any and all claims arising from breaches of any representations or warranties hereunder.

PROHIBITION AGAINST ASSIGNMENT: Neither this Agreement nor any rights, licenses or obligations hereunder, may be assigned by either Party without the prior written approval of the non-assigning Party. Notwithstanding the foregoing, either Party may assign this Agreement, together with all of its rights and obligations hereunder, as part of a merger, reorganization, change in its ownership or control, or the sale or transfer of all or substantially all of its assets, without the other Party's consent. Any attempted assignment in violation of this clause will be void and without effect. Subject to the foregoing, this Agreement will benefit and bind the Parties' successors and permitted assigns.

GOVERNING LAW: This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York, without regard to its conflict of law provisions, as applied to agreements entirely entered into and to be performed in New York. Any action relating to this Agreement shall be brought in the state or federal courts located in New York County, and each Party hereby submits to the exclusive jurisdiction and venue thereof.

NOTICES: Notices from one Party to the other shall be provided in any of the following ways: (i) by first class registered U.S. mail, (ii) by overnight delivery service, or (iii) by facsimile with confirmation of receipt, to the address first set forth above and/or to the facsimile number provided by one Party to the other. Each Party shall be responsible for notifying the other Party of any change in its business address, telephone number or facsimile number.

WAIVER: The failure of either party to exercise or enforce any of its rights under this Agreement will not act as a waiver, or continuing waiver, of such rights. Waiver or modification of this Agreement shall be effective only if made in writing and signed by both Parties.

COUNTERPARTS: This Agreement may be signed by facsimile and in counterparts by Distributor and SC, each of which counterpart shall be deemed an original and all of which counterparts when taken together, shall constitute one and the same instrument.

HEADINGS: The section headings used in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of any term or provision.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

SilverCarrot Inc.

By: _____

Name: Bill Bevis

Title: Account Executive

DISTRIBUTOR

By: _____

Name: _____

Title: