

IOLO2007_1 / Licensing Agreement
MICRO APPLICATION / IOLO TECHNOLOGIES

LICENSING AGREEMENT

CONCLUDED BETWEEN

IOLO TECHNOLOGIES, LLC, a limited liability company registered under the laws of California, having its head office and principal place of business located at 7470 N. Figueroa St., Los Angeles, CA 90041, USA, represented by Noah Rowles, duly authorized
Hereinafter referred to as **DEVELOPER or IOLO TECHNOLOGIES**

AND

MICRO APPLICATION S.A., a company registered under the laws of France, having its principal place of business located at 20-22 rue des Petits-Hôtels, 75010 Paris, France, represented by Mr. Philippe OLIVIER,
Hereinafter referred to as **PUBLISHER or MICRO APPLICATION**

PREAMBLE

MICRO APPLICATION is a multimedia software and computer books publisher. The company IOLO TECHNOLOGIES controls and owns certain rights in PC software, and more particularly on the software which exhaustive list is defined in Exhibit A thereto and grants the right to distribute such product.

PUBLISHER desires to obtain from DEVELOPER and DEVELOPER is willing to grant to PUBLISHER an exclusive license to publish, market and sell the French version of the above software, in the French speaking countries, under the terms and conditions set forth in the present agreement ("the Agreement").

IN CONSIDERATION OF THE FOREGOING, THE PARTIES AGREE AS FOLLOWS:

1 – DEFINITIONS:

For purposes of the Agreement, the following terms shall have the following meaning:

- 1.1 Software shall mean the software product which exhaustive list is defined in Exhibit A thereto. Each Software comprises the software programs in object code form, any other written and other material, if relevant, associated with it, and every element reproduced or performed by executing the software programs such as texts, graphics, pictures, music, sounds, audio-visual effects, which main characteristics and brief description are included in Exhibit A thereto.
- 1.2 Manual shall mean the instruction manual for the Software in electronic format or/and in published written material describing the functions of the Software, its operations and instructions related to its use.
- 1.3 Packaging shall mean the packaging of the Software and Manual, including all elements related to their packing up, such as graphics.
- 1.4 Localized Version shall mean the version of the Software, which all texts (including but not limited to texts on screen, user interface, images and voices) have been translated (including recording of voices if any) into French, and adapted to the Territory in case of need, including the specifications described in Exhibit B thereto. The Localized Version comprises the CD version and the ESD (downloadable) version.
- 1.5 Localized Manual shall mean the instruction manual for the Localized Version on electronic format and/or in published written material describing the functions of the Localized Version, its operations and instructions related to its use, intended to be distributed and/or communicated with the Localized Version, in French.



- 1.6 Localized Packaging shall mean the packaging for the Localized Version and Localized Manual, including all elements related to their packing up such as graphics.
- 1.7 Territory shall mean France and the French speaking countries, Canada excluded.
- 1.8 Advertising Materials shall mean any items intended to ensure the promotion, communication and advertising of the Localized Version, such as insert advertisement, flyers, catalogues, demo versions, web sites, on any medium and format, such as printed written materials, magnetic, optical and digital medium.
- 1.9 New Version shall mean any sequel, prequel, any enhanced, modified or improved version of the Software which results from new developments, including new functionalities and which is intended to be put on the marketplace as is.
- 1.10 A Beta Version shall mean a version of the Localized Version as a whole on Gold Disk medium and electronic files when requested so by PUBLISHER, pressed after and resulting from the localization process, intended to be tested and corrected.
- 1.11 A Gold Master shall mean a non-copy protected and non-encrypted final copy of the Localized Version, on Gold Disk medium and electronic files when requested so by PUBLISHER, with no major bugs remaining to the best of its knowledge, primarily intended to be duplicated for public distribution. DEVELOPER will also provide PUBLISHER with a sufficient quantity of series number or code registration, as requested by PUBLISHER, and upon each specific demand of PUBLISHER in case of need afterwards. Each code registration is unique and will be used only once per end-user license agreement.

Any references to articles, sections, clauses and exhibits shall mean references to articles, sections, clauses and exhibits of this Agreement. Words in the singular include the plural and vice versa and words in one gender include any other gender.

2 – SUBJECT MATTER:

- 2.1 The present Agreement defines the conditions in which DEVELOPER shall grant to PUBLISHER the exclusive rights to translate into French and localize the Software to the Territory. DEVELOPER also grants to PUBLISHER the exclusive right to conceive the Localized Packaging and Localized Manual, and the exclusive rights to exploit (including the right to use, copy, manufacture, package, market, distribute and sell) the Localized Version, Localized Packaging and Localized Manual in compliance with the provisions of the Agreement. Both parties have agreed that DEVELOPER may use, reproduce, distribute market and sell the Localized Version outside of the Territory, in the Retail market only. However, in such event, DEVELOPER will produce a specific gold master retrieving all specifications of PUBLISHER set forth in Exhibit B thereto and with all logos, trademarks, tradenames of PUBLISHER.
- 2.2 PUBLISHER shall have a first option and last right to match the distribution rights to any New Version existing or to be released during the term of the Agreement in the Territory. The first option right shall be exercised as follows: as soon as available, and no later than sixty (60) days prior to the first forecasted release date of any New Version, DEVELOPER shall send to PUBLISHER a complete and accurate description of the related New Version, with a financial proposal.
- 2.3 PUBLISHER shall accept or refuse DEVELOPER proposal in writing or shall send to DEVELOPER a counterproposal. DEVELOPER shall not propose to any third party to distribute the related New Version, as long as PUBLISHER has not sent to DEVELOPER written notices indicated its intent not to distribute the related New Version or PUBLISHER and DEVELOPER have not agreed upon terms of New Version distribution within 30 days after DEVELOPER first notifies PUBLISHER of New Version.
- 2.4 If PUBLISHER sends written notices to DEVELOPER indicating its intent to exploit the related New Version, the Agreement will be amended so that the related New Version will be part of it; the entire Agreement, and more particularly the localization procedure shall apply to the said New Version.
- 2.5 On the contrary, if PUBLISHER sends to DEVELOPER written notices refusing to exploit the related New Version or the parties do not agree upon terms of such distribution within 30 days, DEVELOPER shall freely distribute and/or have any third party, distribute the corresponding New Version within the Territory. DEVELOPER shall not propose to any third party nor have any third party exploit the related New Version

under terms and conditions, including but not limited to financial conditions, better than those proposed at last by or to PUBLISHER. In such event, DEVELOPER shall offer first PUBLISHER the opportunity to match this better proposal.

3 – TRANSLATION AND LOCALIZATION:

- 3.1 Upon Date 1, as indicated in the Delivery Schedule in Exhibit B, DEVELOPER shall provide PUBLISHER with all elements necessary to make the translation of the Software in order to organize the localization process, including but not limited to electronic files of all texts and messages appearing and heard while using the Software (including but not limited to texts on screen, texts of the voices, user interface, music and images, number of words to be translated and recorded) in English, in any suitable format as required by PUBLISHER ("the Localization Kit").
- 3.2 PUBLISHER shall be responsible for the said translations. All translations shall be faithful and accurate with only such modifications from the original edition as may be necessary to achieve a competent and idiomatic translation suitable to the Territory.
- 3.3 PUBLISHER may work with DEVELOPER to perform the translation and localization of the Software; upon PUBLISHER's reasonable request, DEVELOPER shall provide PUBLISHER with the technical assistance necessary to enable PUBLISHER to prepare the translation and localization of the Software. Said assistance shall be rendered by DEVELOPER from its head office, by phone, facsimile or other electronic communication.
- 3.4 Upon Date 2, PUBLISHER shall provide DEVELOPER with the Localization Kit translated and DEVELOPER shall be responsible for the implementation of the translations and localization within the Software, including the specifications described in Exhibit B. In order to meet PUBLISHER's short deadlines for release of the Localized Version, DEVELOPER agrees to implement the said translations and localization in order to send to PUBLISHER the Beta Version on Date 3.
- 3.5 Upon receipt of the said Beta Version, PUBLISHER will test it. PUBLISHER could request DEVELOPER to make any necessary corrections or/and modifications according to the description of the Software defined in Exhibit A and to the PUBLISHER's specifications as defined hereunder. DEVELOPER will make the necessary corrections and/or modifications.
- 3.6 Then, on Date 4 DEVELOPER shall send to PUBLISHER the related Gold Master. Upon receipt of the Gold Master, PUBLISHER will test it. PUBLISHER could request DEVELOPER to make any necessary corrections or/and modifications. DEVELOPER agrees to make the said necessary corrections and/or modifications within a commercially reasonable period of time, but not more than 10 (ten) days turnaround. Should the corrected Gold Master not require any other corrections and/or modifications, PUBLISHER will then send to DEVELOPER its written acceptance of the Gold Master ("Final Acceptance"). The Gold Master will not be deemed approved until Final Acceptance by PUBLISHER.
- 3.7 If DEVELOPER does not realize on time as stated in clause 3.6 the requested corrections, then PUBLISHER and DEVELOPER will work together to agree upon a mutually acceptable period of time required to complete requested corrections. If such period of time cannot be agreed upon, PUBLISHER may, at its own decision, exclude the related Software from the scope of this Agreement or terminate the Agreement under the terms and conditions of clause 14.3 a). In such event, DEVELOPER will reimburse to PUBLISHER all the moneys received from PUBLISHER within the scope of the Agreement, upon the date of termination or the money received for the excluded Software, as the case may be.
- 3.8 PUBLISHER shall not disapprove nor comment more than 1 (one) time on any items that have been previously corrected and modified by DEVELOPER, provided that the modifications and/or corrections requested by PUBLISHER have been made by DEVELOPER in their entirety.
- 3.9 It is understood and agreed by both parties that the rights in and to the French translation and localization of the Software and of all items conceived and created by PUBLISHER under this Agreement, including the Localized Packaging, Manual, Advertising Materials and the dedicated web site defined in clause 7.4 below, shall be owned by PUBLISHER. DEVELOPER shall have the right and license to use, reproduce, distribute, market or sell the Localized Version, Localized Packaging and Localized Manual only, at its own risk and



under its own responsibility, and excluding items pertaining solely to PUBLISHER (logos, EULA, trademarks etc), and only in areas outside the Territory, under the terms and conditions defined in section 2.1 above. DEVELOPER shall not use, reproduce, distribute market or sell the other items defined herein, or have any third party use, reproduce, distribute market or sell any of the said translation and localization or localized items during the term of the Agreement, including any renewal and after the termination or expiration of the Agreement, except within the scope of a written agreement to the contrary signed by both parties.

- 3.10 PUBLISHER shall bear the costs and expenses involved in the French translation and localization of the Software. DEVELOPER shall bear the costs and expenses involved in the implementation of the said translation and localization, including the specifications described in Exhibit B, in the Software.
- 3.11 PUBLISHER will insert on the Localized Packaging, the logo, trademark and copyright notices of DEVELOPER that will be communicated to PUBLISHER and exhaustively listed in the present Agreement (Exhibit C), at the places and under the size dimensions restrictions according to PUBLISHER's house-style book.
- 3.12 The approval process defined in clauses 3.6 and 3.7 will apply to the ESD version.

4 – SCOPE OF THE LICENSE:

- 4.1 For purposes of the Agreement, DEVELOPER shall transfer to PUBLISHER, on an exclusive basis, the whole exploitation rights on the Software, the Localized Version, Packaging and Manual, during the Term, within the Territory, in accordance with applicable laws, and more particularly:
- 4.1.1 **Under the reproduction right:**
- a) To reproduce the Localized Version, the Localized Packaging and the Localized Manual or have them reproduced, in whole or in part, on any media (such as paper, optical, magnetic, digital media), within the scope of the exploitation of the Localized Version and any other operation relating to the promotion and advertising of the Localized Version;
 - b) To distribute any copy or duplicate of the Localized Version, the Localized Packaging and the Localized Manual in whole or in part, for the purpose of exploiting the Localized Version;
 - c) PUBLISHER shall be able to grant to any third party, within the Territory, and should the occasion arise, by means of sub-license, any authorization to reproduce and/or exploit the Localized Version in whole or in part, within the limits of the rights transferred hereunder.
- 4.1.2 **Under the performance rights:**
- a) To perform and publicly perform the Localized Version, in whole or in part, for free or for a fee, for the purpose of exploiting, providing information on, promoting and advertising the Localized Version;
 - b) To broadcast the Localized Version, whatever is the telecommunication mean, current or future, exclusively for the purpose of exploiting the Localized Version. This right shall include the right to broadcast the Localized Version in French or/and foreign networks, public or private, such as Internet and the World Wide Web.
- 4.1.3 **Under the derivative rights:**
- a) To adapt, modify, translate or have adapted, modified, translated any part of the Software in order to realize and conceive the Localized Version;
 - b) To use, arrange, modify, translate or have used, arranged, modified, translated any part of the Software, the Localized Version, the Packaging and Manual, solely for the purpose of realizing and conceiving the Localized Packaging, Localized Manual and Advertising Materials.
- 4.2 PUBLISHER agrees not to modify, alter, adapt, translate, reverse-engineer, decompile, disassemble or attempt to discover the source code of the Software or any portion thereof in any way, without the prior written consent of DEVELOPER.
- 4.3 PUBLISHER agrees that DEVELOPER has no limitations to distribute the Software, Packaging and Manual outside of the Territory. DEVELOPER agrees however to compete fairly with PUBLISHER.



5 – MARKETING METHODS:

- 5.1 PUBLISHER is free to exploit the Localized Version by any means, as it thinks will fit, in any distribution channels, and retains the right to choose freely the sales marketing strategy, including but not limited to sell via telecommunications networks (including by downloads through electronic means), the sale in any trade channel, the rental, the lending, the sales through arrangements with original equipment manufacturers (OEM), through bundle deals, covermount deals and through compilations.
- 5.2 PUBLISHER is free to set the price, in all circumstances, at which the Localized Version is sold. However, both parties agree to a suggested retail price ("SRP") as defined in Exhibit D. PUBLISHER will be able to modify such SRP and/or to republish the Localized Version under another range of product, except during the first (6) six months from first release of the Localized Version in the Territory, by sending DEVELOPER 10 (ten) day prior written notices. PUBLISHER may wish to modify the SRP and/or to republish the Localized Version under another range of product during the first 6 (six) months from first release for the Localized Version in the Territory, in order to increase sales of the Localized Version. In such event, PUBLISHER will ask for DEVELOPER written consent, which shall not be unreasonably withheld. If DEVELOPER fails to respond to PUBLISHER within 5 (five) day from PUBLISHER's request, the modified SRP and/or republishing operation will be deemed approved. Any changes of the SRP below 7 (seven) Euros VAT incl. will request DEVELOPER prior written consent in each instance.
- 5.3 Notwithstanding any mention of a SRP in the Agreement, both parties understand and agree that PUBLISHER can not legally enforce its distributors and retailers to apply such suggested retail price.
- 5.4 PUBLISHER will provide technical support to end-users of the Localized Version the same as it does to end-users of the other software products included in its product list. DEVELOPER shall supply PUBLISHER with any information, documentation, database or any other elements necessary for PUBLISHER to provide technical support on the Localized Version to end-users, in a timely manner.

6 – PACKAGING AND MANUAL:

- 6.1 PUBLISHER will conceive, realize, reproduce, manufacture and distribute the Localized Packaging and the Localized Manual. To this end, PUBLISHER may choose and retain any component of the Packaging and/or Manual, as it thinks will fit.
- 6.2 PUBLISHER reserves the right to choose the name under which the Localized Version will be released. PUBLISHER is free to guarantee by all legal means the protection of any name or names thus selected, DEVELOPER having no rights to this name or names. DEVELOPER also understands and agrees that PUBLISHER currently releases software within the scope of specific house-style books, in order to optimize distribution of the products and create consumer loyalty. Consequently, PUBLISHER may release the Localized Version under any of PUBLISHER's current house-style books, house-style packaging including house-style installation set-up for the software programs.
- 6.3 DEVELOPER will review and approve the Localized Packaging. In case of silence of more than 5 (five) business days from the submission of the Localized Packaging by PUBLISHER to DEVELOPER, the submitted Localized Packaging will be deemed approved. In case of disapproval, DEVELOPER shall state the exact corrections that have to be made for approval. DEVELOPER will use its best efforts to ensure required changes by PUBLISHER shall not adversely affect PUBLISHER's production and release schedules and will also use its best efforts not disapprove more than 1 (one) time any items that have been previously corrected and modified by PUBLISHER. Notwithstanding anything to the contrary herein, DEVELOPER understands and agrees that PUBLISHER currently releases software within the scope of specific house-style books, in order to optimize distribution of the products and create consumer loyalty. Consequently, PUBLISHER may release the Localized Version under any of PUBLISHER's current house-style books, house-style packaging including house-style installation set-up for the software programs; items of PUBLISHER's house style book and installation set-up will not be subject to DEVELOPER's review and approval herein.
- 6.4 DEVELOPER agrees to provide PUBLISHER with items of any nature that could be necessary by PUBLISHER for the conception, realization and manufacture of the Localized Packaging and the Localized Manual, including the PEGI rating, if any. Any items supplied by DEVELOPER are provided to PUBLISHER.

at no cost for PUBLISHER. More particularly, DEVELOPER agrees to provide PUBLISHER with text and design files of the Manual and Packaging in any reasonable format suitable to PUBLISHER upon Date 5 in the Delivery Schedule.

7 – PROMOTION, ADVERTISING, PRESS RELATION:

- 7.1 PUBLISHER shall solely deal with the marketing, promotion, advertising and press relation related to the Localized Version in the Territory. PUBLISHER shall solely determine the time when and the manner in which it will market, promote, communicate and advertise the Localized Version, in the Territory.
- 7.2 PUBLISHER shall conceive or have any third party conceive and/or realize and manufacture all Advertising Materials.
- 7.3 DEVELOPER shall collaborate and provide PUBLISHER with any items that could be necessary for PUBLISHER for the conception, realization, and manufacture of the Advertising Materials, at no cost for PUBLISHER. More particularly, DEVELOPER will provide PUBLISHER with a trial version of the Software and of the Localized Version, upon Date 6 in the Delivery Schedule.
- 7.4 It is understood and agreed by both parties that PUBLISHER will conceive, publish and manage a specific and dedicated web site for the promotion, communication and distribution of the Localized Version in the Territory, adapted from the DEVELOPER web site www.iolo.com. DEVELOPER will provide PUBLISHER with any items that may deem necessary by PUBLISHER to conceive and publish this dedicated web site, including but not limited to sources of the www.iolo.com web site. The related domain name will be decided and chosen jointly by PUBLISHER and DEVELOPER, registered and maintained by DEVELOPER and at its own expenses, and will be the exclusive property of DEVELOPER, to be used by PUBLISHER within the scope of this agreement under exclusive license from DEVELOPER.

8 – REMUNERATION – PAYMENT:

8.1 Royalty in principle:

As consideration for the rights granted hereunder, PUBLISHER will pay to DEVELOPER a royalty fee per unit sold as defined in Exhibit D thereto for Retail; A Localized Version is regarded as sold when the payment has already been received by PUBLISHER.

This royalty is exclusive of any other remuneration.

8.2 Specific royalties :

- a) In case of bundle or OEM or sales through compilation or any sale operation, the royalty fee will be agreed by both parties, on a case-by-case basis. In case of bundle(s) and compilation, the royalty fee shall be in proportion to the number and value of the products included in the aforementioned bundle(s) or compilation. In each case, these deals will be agreed upon by the parties on a case-by-case basis.
- b) In case of sales by downloads, including through the Internet, the royalty fee will be a royalty fee per unit sold as defined in Exhibit D thereto for ESD.

Each specific royalty is exclusive of any other remuneration.

8.3 Advance:

As an advance on the royalty provided for above, PUBLISHER will pay to DEVELOPER an amount defined for each Localized Version in Exhibit D thereto ("the Advance"), payable as follows:

- 1/3 (one third) upon signing of the Agreement;
- 1/3 (one third) upon Final Acceptance of the Gold Master;
- 1/3 (one third) within 30 (thirty days) from public release of the Localized Version.

Each payment will be made within 15 (fifteen) days from receipt by PUBLISHER of the corresponding invoice issued by DEVELOPER upon corresponding event above. The Advance will thereafter be deducted from the royalties payment due to DEVELOPER each quarter, until full reimbursement.

8.4 Payment:

- 8.4.1 The royalty reports will be made up quarterly, within 30 (thirty) days from the end of each calendar quarter and sent to DEVELOPER. DEVELOPER will then issue a related invoice (by fax, or mail) referring to the Agreement and will send it to PUBLISHER. Payments are to be made within 10 (ten) business days from receipt of the related invoice.
- 8.4.2 The first report will be sent within 30 (thirty) days from the end of the second calendar quarter following first release of the Localized Version including the calendar quarter during which the Localized Version has been released.
- 8.4.3 In order to take into account returns of the Localized Version, in the retail market, PUBLISHER will calculate the first quarterly royalty payment based on 75% (seventy-five percent) of the total units of Localized Version sold. The balance due to DEVELOPER, if any, will be paid by PUBLISHER upon each change of SRP and cleared upon termination of the Agreement.
- 8.4.4 Any sums that could be due by DEVELOPER to PUBLISHER within the scope of the Agreement will set-off against the royalty payments and will be balanced upon the termination of the Agreement.
- 8.4.5 Payment will be made in Euro, by wire transfer in DEVELOPER's name to the account which address and bank details are defined in Exhibit D. DEVELOPER will inform PUBLISHER of any modification of the bank details defined in Exhibit D by giving PUBLISHER 10 (ten) business days prior written notice.
- 8.4.6 As PUBLISHER will distribute several software products owned by DEVELOPER, both parties agree upon a "Global Report" and cross-collateralization for all the software products owned by DEVELOPER and exploited by PUBLISHER.
- 8.4.7 As DEVELOPER is located in the United States of America and according to the Tax Convention concluded between United States of America and France on August 31st, 1994, DEVELOPER may be exonerated from the French tax on the above mentioned payment. In order to be exonerated from the French withholding tax, DEVELOPER shall provide PUBLISHER with the forms 5000 and 5003 RF-3 EU exonerating DEVELOPER from withholding tax, duly filled out and signed by DEVELOPER and the fiscal administration upon which DEVELOPER depends. Such form shall be provided to PUBLISHER at the latest upon the date of the first payment mentioned in the Agreement and upon the first payment of each calendar year. If DEVELOPER fails to provide PUBLISHER with such forms on the dates above mentioned, the Tax Convention will not apply. Consequently, DEVELOPER's compensation will be subject to withholding tax of 33 1/3 (thirty three and one third) or any other revised rate as may be applicable under the August 31st, 1994 Tax Convention and / or the French legislation. In order to help DEVELOPER and for the first calendar year's payment, PUBLISHER will provide DEVELOPER with a blank form and an explanatory notice. After PUBLISHER has received from DEVELOPER such forms and after the payment has been made to DEVELOPER, PUBLISHER should also provide the forms 5000 and 5003 RF-3 EU to the French fiscal administration upon which PUBLISHER depends.

9 – WARRANTY – RESPONSIBILITY – PROPERTY:

- 9.1 DEVELOPER represents and warrants that it has exclusive proprietary rights to the Software, the Localized Version (except to the French translations and items conceived by and/or pertaining to PUBLISHER), the Packaging and the Manual and to any other items that may be provided to PUBLISHER within the scope of the Agreement, or has obtained these rights from third parties, in accordance with applicable laws, necessary to grant PUBLISHER these rights, including but not limited to all rights regarding the works included in the Software and/or in the Localized Version, such as musical works. DEVELOPER represents and warrants that the Software and the Localized Version are accurate and in normal working order, that they are original and that they contain no unauthorized reproduction in whole or in part of any pre-existing protected work (e.g.: patent bearing tools, images, logos etc...). DEVELOPER also represents and warrants that it has full power



and authority to enter into the Agreement, and more particularly with regards to the grant of rights referred herein. DEVELOPER warrants PUBLISHER against any disturbance of possession relating to the rights granted within the scope of the Agreement, from any third party, natural or legal person, such as, but not limited to, any collective management companies.

- 9.2 DEVELOPER represents and warrants that PUBLISHER shall not be asked for any other remuneration than the one defined in the section 8 of the Agreement, regarding the exploitation of the Software, the Localized Version, the Packaging and the Manual and of any other items that may be provided to PUBLISHER. To this respect, DEVELOPER represents and warrants that it shall take in charge, and pay directly to the related third parties if any, the whole rights to be paid in reproduction of any works included in the Software and/or in the Localized Version.
- 9.3 PUBLISHER represents and warrants that it has full power and authority to enter into the Agreement and to perform its obligations under the Agreement, including market, distribute and sell the Localized Version in the Territory.
- 9.4 If the Software and/or the Localized Version (except the French translations and items conceived by and/or pertaining to PUBLISHER) and/or any other items provided to PUBLISHER becomes the subject of a claim for infringement of a third party intellectual property rights or any other claim instituted against PUBLISHER and/or any of its partners, licensees or distributors, DEVELOPER will indemnify PUBLISHER and its partners, licensees or distributors against such claim, at its own expense, including attorneys fees.
- 9.5 If an injunction is obtained against PUBLISHER use of the Software, of the Localized Version or of any other items supplied by DEVELOPER to PUBLISHER pursuant to the Agreement, DEVELOPER shall obtain for PUBLISHER and its partners, licensees or distributors, the right to continue using the Software, Localized Version or concerned item, or rapidly replace or modify it or them so that it/they become(s) non litigious. However, if DEVELOPER could not modify and/or correct the litigious item within 30 (thirty) days from the injunction mentioned in this clause 9.5, PUBLISHER shall have the right to terminate the Agreement upon the expiration of the 30 (thirty) days period above mentioned; and this, without prejudice to the damages that could be claimed by PUBLISHER.

10 – COMPLIMENTARY COPIES:

The parties agree to define complimentary copies as follows:

- DEVELOPER copies. These are 10 (ten) complimentary copies attributed and sent to DEVELOPER upon public release of the Localized Version.
- PUBLISHER copies. These are copies set-aside solely for press, promotion, advertising, sales, and copyright registration. The number of PUBLISHER copies is discretionary.

11 – SOFTWARE UPDATES:

- 11.1 For purposes of the Agreement, an update shall mean any modifications, corrections or additions performed by DEVELOPER on Software to fix defects or bugs, or provide minor functionality enhancements and do not change the overall utility, functional capability or application of the Software and/or of the Localized Version. All updates are expressly covered by the terms and conditions of the Agreement. DEVELOPER agrees to carry out updates of the Software and of the Localized Version without payment of any additional royalty or fee.
- 11.2 PUBLISHER reserves the right not to update and to pursue the exploitation of the current version. Whatsoever happens, PUBLISHER remains free to decide whether or not to distribute the Localized Version, even after Final Acceptance. PUBLISHER will not be held liable for such a decision, DEVELOPER regaining all its rights on the Localized Version and keeping all money that may have been paid by PUBLISHER under the Agreement.

12 – NON-COMPETITION:

DEVELOPER will not submit to any other publishers or distributors other than PUBLISHER the Software or a software or partial software concerning the same subject likely to compete directly with the subject matter of the present exclusive Agreement, during the Term, within the Territory.

13 – CONFIDENTIALITY:

- 13.1 Each party understands and agrees that it may receive from the other party, within the scope of the performance of the Agreement, any information, document or data of any nature, in writing or in any other tangible form, considered by the disclosing party as confidential.
- 13.2 Therefore, each party shall keep such information in confidence with the same degree of care that it uses for its own proprietary information.
- 13.3 PUBLISHER and DEVELOPER shall not disclose such confidential information or the content of the present Agreement, without the prior written consent of the other party, and shall take all adequate steps to ensure that no third party shall have access to such confidential information.

14 – DURATION AND TERMINATION:

- 14.1 The Agreement is concluded upon the date of signing by both parties ("Effective Date"). It will be effective for a period of 3 (three) years from first release of the Localized Version by PUBLISHER ("the Term"). It will be automatically renewed after the initial Term and each year thereafter, except if terminated by either party sending a 180 (one hundred eighty) days written notice prior to the expiration of the initial Term or of any other renewal Term.
- 14.2 Notwithstanding cases of termination described in the Agreement, any party may terminate the Agreement for a material breach by the other party of its duties and obligations under the Agreement after such material breach remains uncured for a period of 30 (thirty) days from the date the terminating party delivers written notice to the other party of its intention to terminate the Agreement for breach. Such notice shall include a specific description of any and all breaches sufficient to provide the breaching party the opportunity to cure.
- 14.3 The Agreement may also be terminated by PUBLISHER at any time upon 30 (thirty) days prior written notice to DEVELOPER:
 - a) If DEVELOPER fails in the timely realization of the requested correction as indicated in clause 3.6; or
 - b) in instances of important changes of the economic or statutory status of DEVELOPER, such as an acquisition or change of direct or indirect control of DEVELOPER by any third party.
- 14.4 The Agreement may also be terminated by either party if the other Party becomes insolvent or enters into liquidation, bankruptcy proceedings, ceases operations or is dissolved, subject to the applicable regulations in the United States of America and in France.
- 14.5 Articles 9, 13 and followings shall survive the termination or expiration of the Agreement.
- 14.6 PUBLISHER reserves the right to sell any existing stock of the Localized Version remaining upon termination of the Agreement, for a maximum period of 180 (one-hundred eighty) days, on a non-exclusive basis. DEVELOPER will receive royalty for these sales as stated in the Agreement.

15 – LAW – DISPUTES:

- 15.1 The present Agreement is made under and shall be governed by French Law.
- 15.2 PUBLISHER and DEVELOPER hereby declare their intention to reach an amicable arrangement for any difficulty arising out or in relation with the Agreement.
- 15.3 Any dispute arising from or in connection with the Agreement shall be submitted to the Courts of competent jurisdiction in Paris, France.

16 – MISCELLANEOUS:

- 16.1 **MICRO APPLICATION and IOLO TECHNOLOGIES acknowledge they fully understand English and the terms and conditions of this Agreement. / MICRO APPLICATION et IOLO TECHNOLOGIES reconnaissent qu'ils comprennent pleinement l'anglais et les termes de ce contrat.**
- 16.2 The Agreement, including its exhibits, sets forth the complete and exclusive understanding between DEVELOPER and PUBLISHER. It supersedes all offers or prior agreement, oral or written, relating to the same subject. All additions and modifications to the Agreement must be made by a written instrument duly executed by representatives of DEVELOPER and PUBLISHER.
- 16.3 If any provision of the Agreement is held invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect.
- 16.4 Any waiver by any party of any provision of the Agreement shall not be construed as a waiver of any other provision of the Agreement.
- 16.5 The Agreement has been concluded specifically between DEVELOPER and PUBLISHER. It shall not be assigned, whether entirely or in part, free of charge or against payment, without the prior written authorization of the other party.

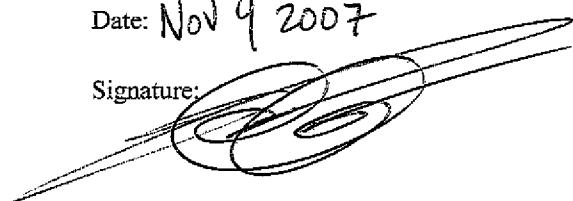
Signed in Paris, France, in 2 (two) originals of 12 pages including 2 pages of Exhibits.
And Signed in Los Angeles, US, in 2 (two) originals of 12 pages including 2 pages of Exhibits

IOLO TECHNOLOGIES

Name: Noah Rowles
Title: President and CEO

Date: Nov 9 2007

Signature:



MICRO APPLICATION

Name: Philippe OLIVIER
Title: President & CEO

Date: 5/11/2007

Signature:

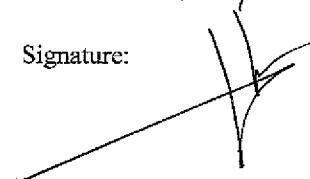


EXHIBIT A

DESCRIPTION OF THE SOFTWARE

SOFTWARE TITLES - LAST VERSION AVAILABLE IF DIFFERENT:

1. System Mechanic® 7 Professional
2. System Mechanic® 7
3. Iolo System Shield® 3 Internet Security™
4. Iolo Antivirus™
5. Iolo Personal Firewall™
6. DriveScrubber® 3
7. Search and Recover™ 4

For each Software, a description of the main characteristics and features, a technical description of the software, including the technical requirements, volume of words to be translated and volume of words to be recorded if any is to be provided by DEVELOPER within 20 business days from Effective Date.

EXHIBIT B

SPECIFICATIONS FOR THE LOCALIZED VERSION

For the Localized Version, PUBLISHER will send to DEVELOPER all its recommendations regarding the setup process (default folders, program group, eula, readme, etc..) and will provide DEVELOPER with all corporate necessary stuffs (animated logo, fixed logo, url, etc...).

Delivery Schedule for each Software, to be completed within 20 business days from Effective Date

	Delivery Dates
Date 1	xxx
Date 2	xxx
Date 3	xxx
Date 4	xxx
Date 5	xxx
Date 6	xxx



EXHIBIT C

DEVELOPER'S LOGO, TRADEMARKS AND COPYRIGHTS NOTICES

To be provided by DEVELOPER within 20 business days from Effective Date

EXHIBIT D

ADVANCE, SRP, ROYALTIES AND BANK DETAILS OF DEVELOPER

Localized Version of:	Advance	SRP in € VAT included	Royalties Retail	Royalties ESD
System Mechanic® 7 Professional	10.000 € (ten thousand euros)	49,95 €	5,74 €	16,71 €
System Mechanic® 7	10.000 € (ten thousand euros)	39,95 €	4,59 €	13,36 €
Iolo System Shield® 3 Internet Security™	10.000 € (ten thousand euros)	39,95 €	4,59 €	13,36 €
Iolo Antivirus™	3.000 € (three thousand euros)	29,95 €	3,44 €	10,02 €
Iolo Personal Firewall™	2.000 € (two thousand euros)	29,95 €	3,44 €	10,02 €
DriveScrubber® 3	2.000 € (two thousand euros)	19,95 €	2,29 €	6,67 €
Search and Recover™ 4	3.000 € (three thousand euros)	29,95 €	3,44 €	10,02 €
	Total: € 40,000 (forty thousand euros)			

BANK DETAILS :

Accurate bank details including an IBAN and a SWIFT codes to be provided by DEVELOPER within 20 business days from Effective Date.

