

LICENSING AGREEMENT

DATE: _____

PARTIES: DISCWARE CORPORATION, (“Licensor”)
an Oregon Corporation
P.O. Box 179
McMinnville, OR 97128

_____, (“Licensee”)
an _____

RECITALS AND DEFINITIONS:

- A. Licensor is granting to Licensee a ___ year, automatically renewable license for the rights to use TheSecurityGroup.com website and web-based Program(s), pursuant to the price list, Exhibit ‘A’.
- B. The TheSecurityGroup.com website and web-based Program(s)/product(s) and all applications, files and source codes shall hereinafter be collectively referred to as the “Program”.
- C. All exhibits attached hereto are hereby incorporated into this Agreement as if fully set forth therein.

TERMS AND CONDITIONS

1.0 Products Licensed; Liabilities Assumed

- 1.1 **Products Licensed.** Licensor grants to Licensee a non-exclusive, non-transferable, ___ year license, on the terms and conditions set forth in this Agreement, for the following items:

1.1.1 The right to use the Program during the license period.



1.2 **License Limitations.**

1.2.1 Licensors is the exclusive owner of the Program and retains all rights and title to the source codes

2.0 Liabilities Assumed. Licensee agrees to purchase the license on the terms and conditions set forth in this Agreement, and assumes sole responsibility for all liabilities and claims whatsoever that may arise from the use of the Program during the licensing period.

3.0 Licensee will not:

- 3.1 Cause or permit the reproduction, reverse engineering, disassembly or decompilation of the Program;
- 3.2 make the software available to any third party for any purpose.
- 3.3 Recreate or copy any documentation or information from the website or Program.
- 3.4 Violation of any provision(s) of this section shall constitute default, and Licensor shall be immediately entitled, without prejudice to any of its other rights under this Agreement or otherwise, to permanently prevent all further access to the Program.

4.0 Licensing Fee. The license fee(s) are pursuant to the Price List, Exhibit 'A'. Licensee agrees to pay the fees and all other agreed charges under this Agreement plus any applicable taxes to the Licensor as agreed to by the parties, within 30 days of invoicing. Invoicing occurs the date the invoice is mailed or e-mailed to Licensee. Failure of the Licensee to pay in full all charges within the above 30 days shall constitute default. If the licensee defaults in any payments of the Fees, or defaults in any other manner set forth in this Agreement, Licensor, may without prejudice to any of its other rights:

- 4.1 Charge interest on the unpaid amount from the invoice date until the date of actual payment at 18% simple interest per annum.
- 4.2 Prevent all access to the Program until all amounts due by Licensee have been paid in full.
- 4.3 The Licensor may vary any of the Fees by giving Licensee at least 90 days prior written notice. Licensor agrees not to increase any of the Fees during the initial



term of this Agreement. Licensors also agrees not to increase Fees more than 4% annually during any renewal of this Agreement.

4.4 Licensee is responsible for paying all duties or taxes.

5.0 Payment of Licensing Fee. Licensee shall pay Licensors the sums from products subscribed to from Price List (Exhibit 'A') in intervals agreed to by the parties.

6.0 Renewal. This Licensing Agreement shall be renewed automatically every year. Licensors or Licensee must give a Ninety (90) day written notice to the other prior to the expiration date if it wishes to change the terms of, or terminate, the Licensing Agreement.

7.0 Copyright and Trademark Notices. Contents of TheSecurityGroup.com website are Copyright © 2003, 2004 Discware Corporation and/or its suppliers. All Programs contained in TheSecurityGroup.com website or any other Discware site are copyrighted Programs and Discware retains all rights not expressly granted in this Agreement.

8.0 Third Party Account Information. By using the passport option of the Program, Licensee authorizes Discware Corporation and its agents to access third party sites designated by Licensee or on Licensee's behalf, to retrieve information requested by Licensee and Licensee appoints Discware Corporation and its agents as your agent for this limited purpose. Each time Licensee enters Licensee's account login information, Licensee is permitting Discware Corporation and its agents to process Licensee's request and use information submitted by Licensee to accomplish the foregoing. Licensee will choose a password when registering.

8.1 Licensors agrees to not use or divulge any information provided to the website to any third party, for any purpose other than:

- a. Technical support, database management and general operation of the site; and
- b. Preparation of statistics for the review and use of all Licensees pursuant to the terms of the Program.

9.0 Limited Warranty ((Term of Warranty - Deadline for Claims))

9.1 **What is Covered.** During the license period, Licensors warrants to Licensee that the Program is free from defects in material and workmanship under normal use. Licensors further warrants that the Program will perform substantially in



accordance with the user manuals accompanying the Program. Any claim under this Limited Warranty must be made in writing to Lessor during the license period.

- 9.2 **What Licensor Will Do.** Licensor will replace any Program that proves defective in workmanship or materials under normal use. Such Replacement is Licensee's sole and exclusive remedy for any breach of warranty.
- 9.3 **What Licensor Will Not Do.** Licensor does not warrant that the Program meets Licensee's requirements or that the operation of the Program will be uninterrupted or error-free in all circumstances, nor for problems in the interaction of the Program with non-Licensor software.
- 9.4 LICENSEE AGREES THAT THE FOREGOING LIMITED WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES OF LICENSOR, AND LICENSOR DISCLAIMS ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR USE, QUALITY OR PRODUCTIVENESS, OR CAPACITY, OR THAT THE OPERATION OF THE PROGRAM WILL BE ERROR-FREE.
- 9.5 **Limitation of Remedies and Liability.** NEITHER LICENSOR NOR ANY PERSON OR ENTITY INVOLVED IN THE CREATION, PRODUCTION, OR DELIVERY OF THE PROGRAM AND SERVICES RELATED THERETO, OR EQUIPMENT (INCLUDING COMPUTERS AND MACHINES) AND SERVICES RELATED THERETO, SHALL BE LIABLE TO LICENSEE, OR ANY PARTY CLAIMING THROUGH LICENSEE, FOR ANY DAMAGES OR EXPENSES OF ANY TYPE, INCLUDING BUT NOT LIMITED TO ANY LOST PROFITS, LOST SAVINGS, LOST BUSINESS, LOSS OF ANTICIPATED BENEFITS, OR OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES, DIRECT OR INDIRECT, SPECIAL OR GENERAL, ARISING OUT OF THE USE OR INABILITY TO USE THE PROGRAM OR EQUIPMENT, WHETHER ARISING OUT OF CONTRACT, TORT, OR ANY WARRANTY, OR OTHERWISE, AND WHETHER CAUSED BY DEFECT, NEGLIGENCE, BREACH OF WARRANTY, DELAY IN DELIVERY, OR OTHERWISE, EVEN IF LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR FOR ANY OTHER CLAIM BY ANY OTHER PARTY. NO OBLIGATION OR LIABILITY TO ANYONE SHALL ARISE OR FLOW FROM LICENSOR'S RENDERING SERVICE OR TECHNICAL ADVICE IN CONNECTION WITH EQUIPMENT, LICENSOR'S



PROGRAM OR LICENSOR'S SERVICES, INCLUDING, BUT NOT LIMITED TO, LICENSOR INSTALLATION AND TRAINING SERVICES, AND SUPPORT AND MAINTENANCE SERVICES.

IN THE EVENT THAT LICENSOR IS ADJUDGED LIABLE TO SOME EXTENT, THEN LICENSOR'S LIABILITY SHALL NOT EXCEED THE LICENSING FEE PAID BY LICENSEE.

10.0 Dispute Resolution. This Agreement, and all disputes arising directly or indirectly therefrom, shall be governed and construed by Oregon law. All disputes and any litigation arising directly or indirectly out of this Agreement shall be decided in the State Courts of Oregon. Venue for all such disputes and any litigation shall lie in Yamhill County, Oregon.

10.1 **Attorney's Fees.** In a dispute that arises out of this Agreement, the prevailing party, shall be entitled to recover costs, disbursements and reasonable attorney's fees at trial and on any appeal.

11.0 Integration. LICENSEE ACKNOWLEDGES THAT LICENSEE HAS READ THIS AGREEMENT, WHICH COMPRISES THE TERMS AND CONDITIONS IN THIS AGREEMENT, UNDERSTANDS EACH AND EVERY TERM AND CONDITION IN IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS. LICENSEE AGREES THAT THIS AGREEMENT IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN LICENSOR AND LICENSEE AND THAT THIS AGREEMENT SUPERCEDES ALL PRIOR AND CONTEMPORANEOUS AGREEMENTS, PROPOSALS, NEGOTIATIONS, OR DISCUSSIONS, ORAL OR WRITTEN, RELATING TO THE SUBJECT MATTER HEREIN. NO COURSE OF DEALING OR USAGE OF TRADE OR COURSE OF PERFORMANCE SHALL BE RELEVANT TO EXPLAIN OR SUPPLEMENT ANY TERMS EXPRESSED HEREIN. LICENSEE FURTHER AGREES THAT NO REPRESENTATIONS OF STATEMENTS OF ANY KIND, INCLUDING BUT NOT LIMITED TO LICENSOR ADVERTISING PRESENTATIONS, ORAL OR WRITTEN, MADE BY ANY AGENT OR REPRESENTATIVE OF LICENSOR, WHICH ARE NOT STATED HEREIN, SHALL BE BINDING ON LICENSOR OR LICENSEE.

LICENSEE FURTHER UNDERSTANDS AND AGREES THAT IT HAS HAD FULL AND AMPLE OPPORTUNITY TO HAVE THIS AGREEMENT REVIEWED BY LEGAL COUNSEL OF LICENSEE'S CHOICE.



AGREED TO:

LICENSOR
DISCWARE CORPORATION

LICENSEE

By: _____
Michael Elsberry, President

By: _____

Date

Date

Exhibit 'A' – Price List

Setup and Initial WEBex Training 499.00 **
*** Price is \$299.00 for the first 100 dealers*

Monthly Hosting and Maintenance Costs 59.95

Optional Services (pricing per month in addition to your base maintenance costs)

Passport Member ship to SAI WEBnet System Free
(Must have a dealer number and password from SAI)

Alarm Monitoring/Retail Billing System 19.95
Includes access to a private SAI server, access to retail and custom billing options, QuickBooks integration engine and integration reports.

Two-Way QuickBooks integration engine 9.95

Employee Tracking System/Voice Response System 5.99 per tech
This utilizes our main IVR servers on our toll free telephone numbers. You may elect to have your own toll free number for this system at a reduced rate, or you may install an IVR server at your location, at a reduced rate. Contact info@thesecuritygroup.org for more information.



The Security Group Sign Up Information

Company/Corporate Name _____

Mailing Address 1 _____

Mailing Address 2 _____

Mailing Address 3 _____

City _____ State ____ Zip Code _____

Phone Number _____

Fax Number _____

After Hours Phone _____

Mobile Phone (optional) _____

Company Website _____

Administrator Name _____

Administrator Email _____

Billing Frequency (circle one) Monthly Quarterly Semi-Annual Annual

Sponsor Information

Company/Corporate Name _____

Contact _____

Send Completed Package to:

The Security Group
C/o Discware Corporation
P.O. Box 179
McMinnville, OR 97128

