

eText typeSmart Software

Reseller, Affiliate and Distribution Agreement

General Understandings

META Consultants Pty Ltd trading as META Innovation ("META") is the Developer and Owner of all rights to the eText typeSmart suite of software products and associated documentation ("eText typeSmart Software") identified in Appendix A of this Agreement.

META desires to enter into a Reseller and Distribution Agreement with the Reseller whereby the Reseller will be responsible for reselling such packaged Software Products to Retail Dealers and directly to End-User customers in accordance with the terms and conditions of this Agreement.

Reseller desires to obtain the right to resell META's eText typeSmart Software in accordance with the terms of this Agreement by means of reselling, publishing, replication or distribution of the product as applicable according to this Agreement.

The conditions of this Reselling and Distribution Agreement are agreed as follows:

1. Definitions

Software in the particular sense means the executable program for META's eText typeSmart Software identified in Appendix A, including all subsequent versions thereof provided to Reseller pursuant to this Agreement.

Documentation means all collateral materials normally provided from time to time by META to End Users for use of the Software (such as instruction/user manuals, templates, overlays, quick reference guides, brochures, data sheets, and registration cards), that are identified on Appendix A, and all subsequent versions thereof provided to Reseller pursuant to this Agreement.

Product means a copy of the Software, Documentation, End-User Agreement and Reseller Materials, if any, packaged together in accordance with this Agreement.

Reseller means the entity undertaking the reselling, publishing, replication or distribution of the product according to this Agreement.

Reseller Materials means printed and/or computer readable materials provided by Reseller for inclusion in a package containing the Software, Documentation, and End-User Agreement, which materials have been approved in advance, in writing, by META.

End User means a person or entity that acquires a Product for use rather than resale or distribution.

End-User Agreement means the written license agreement attached to the Software Documentation that governs the use of the Software by End Users, and which is to be included with each copy of the Software packaged by Reseller hereunder.

Retail Dealer means a third party who acquires Products from Reseller or Distributor pursuant to a Retail Dealer Agreement that complies with the requirements of this Agreement, and that grants such party the right to distribute Products to End User customers, but without the right to license any other dealers or distributors without the prior agreement of META.

META Trademarks means the trademarks, trade names, and logos used by META and identified on Appendix A.

Market Area means the region or regions and the End-User sections of the market agreed as being the target area of attention and effort in marketing and selling. The Primary Market Area is defined as receiving immediate attention and highest priority of timetable and allocation of resources. The Secondary Market Area is defined as receiving a relatively lower priority.

2. License

2.1 Rights Granted to Reseller

META grants Reseller a non-exclusive license and right to:

- (a) reproduce the Software, Documentation, and the End-User Agreement;
- (b) modify the Documentation to incorporate Reseller's name, subject to the prior approval of META;
- (c) package the Software, Documentation, Reseller Materials and the End-User Agreement in the manner specified by META;
- (d) utilize the META Trademarks in connection with the replication of the Software, printing of the Documentation, and packaging and distribution of the Products, in the manner specified by META; and
- (e) distribute the Products to Retail Dealers in the Market Area for further distribution to End Users in the Market Area, and direct to End Users in the Market Area, subject to the restrictions set forth in this Agreement.

2.2 Rights Reserved to META

Reseller acknowledges that the Software and Documentation are the property of META or its licensors and that Reseller has no rights in the foregoing except those expressly granted by this Agreement.

Nothing herein shall be construed as restricting META's right to sell, lease, license, modify, publish or otherwise distribute the Software or Documentation, in whole or in part, to any other person.

3. Reseller Marketing Obligations

3.1 Marketing Efforts

Reseller agrees to use its best efforts to market, promote, resell by sub-license, and distribute the most current version of the Software. Reseller agrees to advertise the

Software in appropriate commercial media, to identify and contact potential End-Users using direct mailings and other reasonable means, and to accurately advise potential End-Users on the specifications, selection, use, and functionality of the Software in accordance with the Documentation.

3.2 eText typeSmart Software Marketing Plan and Review

Reseller agrees, through mutual agreement with META, to create and execute a detailed plan for the marketing and sub-licensing effort it will undertake as a Reseller for the Software. Copies of such plan will be sent to META within twenty (20) days of the date of this Agreement.

The Plan shall indicate target sales revenues to be achieved by the indicated milestone dates relating to the Term of this Agreement.

The performance of the Reseller pertaining to this Agreement shall be jointly reviewed to provide the optimum benefit of this Agreement to both parties. This review shall be in the three-month period following the milestone date relative to the intent of the Marketing Plan and the following criteria:

- a. Sales revenue achieved
- b. Marketing effort and resources applied
- c. After-sales follow-up
- d. Collection of dealer and End-User satisfaction data

As part of the Review, any mutually agreed decisions and action will be duly noted and the responsible party shall be reasonably required to implement these and the Marketing Plan updated if appropriate.

3.3 Market Area

The marketing and selling effort is to be applied by the Reseller to the Market Area according to the Primary and Secondary Primary Market Areas as indicated in Section 17.1 of this Agreement and other details provided in the Marketing Plan.

Sales inquiries received directly by META via the Internet, Trade Expos or other general promotion organised by META shall be directed to the Reseller best identifiable as being applicable to the agreed Market Area unless indicated and agreed in the Marketing Plan to be handled directly by META.

3.4 Production and Distribution

Reseller shall replicate, re-publish or accept delivery of the sale-able Product depending on the means of production identified in Section 17.2 of this Agreement and distribute as described in the eText typeSmart Marketing Plan.

3.5 End User Transaction and Registration

Reseller shall have sole discretion to set the license fee charged to End Users and terms of payment for the Software.

Reseller shall collect and safely store the Registration information of the End User licensee. This information shall be securely backed-up and stored and shall become the property of META on the cessation of this agreement for any reason.

3.6 Dealer and End User Data

The Reseller shall use their best endeavours to collect Dealer and End User satisfaction data by means of mutually-agreed surveys and the collection of copies of Progress Record files generated by the Software. This data shall be readily identifiable as to its source and include names, addresses, phone or fax number and email addresses.

This data shall be the confidential joint property of the parties during the currency of this agreement and become the sole property of META on the cessation of this agreement for any reason.

META agrees to keep customer information strictly confidential and make no contact with the Dealer or End-User during the currency of this agreement, unless prior authorisation in writing is provided by Reseller.

On termination of the agreement for any reason META has the right to make contact with the Dealer or End-User solely for the purposes of selling further eText typeSmart product or upgrades, assessing satisfaction or other reasonable purposes pertaining to market development of the product.

4. Reproduction By Reseller

4.1 Reproduction and Packaging

If included in the agreed Marketing Plan, the Reseller agrees to accurately replicate the Software and print the Documentation provided by META, to apply labels to the Software disks in the form specified by META, and to package these items as specified by META.

4.2 META Trademarks and Legends

Reseller shall include copies of the META Trademarks, copyright notices and other proprietary rights legends, on all copies of the Documentation and Software disk labels that it prints, in the manner specified by META. If Reseller wants to modify the use of a META Trademark, a copyright notice or proprietary rights legend, or include its own trademark, trade name, copyright notice or proprietary rights legend, Reseller shall obtain META's prior written approval of the proposed modification before implementing it.

4.3 Subcontracting

Reseller may subcontract to third parties such portions of the reproduction, printing, and packaging of the Software, Documentation, End-User Agreements, and Reseller Materials as Reseller may, in its discretion, determine; provided, however, that Reseller remains primarily liable, for the performance of any such subcontractor and that any replication of the Software may be subcontracted only to parties who have been previously approved by META and who agree in writing to be bound by the confidentiality provisions of this Agreement.

5. Distribution By Reseller

5.1 Inventory

Reseller will maintain an inventory of Products sufficient to serve adequately the needs of its Retail Dealers and End User customers.

5.2 Packaging

Reseller will distribute the Products only as packaged in accordance with this Agreement, with all packaging, warranties, disclaimers and End -User Agreements intact. Reseller will make copies of the current End-User Agreement available to its Retail Dealers and End User customers.

5.3 Product Returns

Reseller agrees to honor any refund requests received from its Retail Dealers or End User customers pursuant to the terms of the End-User Agreement relating to Products distributed by Reseller.

5.4 Cost of Distribution

All costs relating to replication, packaging, and distribution of the Software and Documentation shall be borne by Reseller.

5.5 Prices

Reseller is free to determine its own prices for the Products to its Retail Dealers and End User customers.

5.6 Retail Dealer Agreements

Reseller may establish Retail Dealers for the Products, and sell Products to such Retail Dealers for resale to End Users in the Market Area, on such terms and conditions as may be determined by Reseller, provided however, that each Retail Dealer Agreement shall include the Retail Dealer Terms attached hereto as Appendix B.

5.7 End-User Support

Reseller will provide support to the Dealers or End Users of the Software to be distributed hereunder, in accordance with its then-current published software support policy if any. This includes first-line support in relation to the normal installation and use of the product. Any technical issues reasonably beyond normal computer use shall be passed to META for resolution.

6. META's Delivery Obligations

6.1 Initial Deliverables

META will deliver the current version of the Software and Documentation to Reseller immediately following execution of this Agreement. META will provide Reseller with copies of the Software on master diskettes or in another mutually agreeable computer

readable form that can be reproduced by Reseller, and one copy of the Documentation in either camera ready copy or computer readable form. META will also provide Reseller with the format for the diskette labels to be applied to the diskettes containing the Software, and the packaging to be used for the Software.

6.2 New Versions

META shall provide Reseller with copies of all new releases, updates, or revisions of the Software and Documentation within a reasonable time after each such release is made generally available by META. META will notify Reseller of its plans for each new release, update, or revision of the Software or Documentation within a reasonable time prior to such release.

6.3 New Products

Reseller understands and acknowledges that META continues to review software products available on the market and to conduct its own research and development activities with respect to the internal development of such new products.

META makes no representations or warranties with respect to the continued availability of any of the Software covered by this Agreement, or the nature or availability of any future modifications, updates, or enhancements thereto.

Similarly, META makes no representations with respect to any new product offerings it may make in the future, the compatibility of such products with the Software covered by this Agreement, or the availability of such new products to Reseller.

7. META's Support Obligations

7.1 Technical Support

Any technical issues reasonably beyond normal computer use and the Reseller first-line support as described in Section 5.7 shall be passed to META for resolution.

7.2 Support for Reseller

META will provide Reseller, without charge, such technical information, current maintenance documentation, email and telephone assistance as is necessary to enable Reseller to effectively reproduce, package, distribute and support the Software. Reseller is not entitled to the source code for the Software.

7.3 Reseller Training

Within thirty (30) days of the date of this Agreement, Reseller agrees to attend Software education classes at META's designated site to assist and train Reseller's employees in the marketing and use of the Software. Thereafter additional training will be available at Reseller's option. All training shall be provided at META's then-current charges. All out-of-pocket travel and lodging expenses incurred are the responsibility of the Reseller.

8. META's Warranties

8.1 Authority

META represents that it has the right and authority to enter into this Agreement and to grant to Reseller the rights to the Software and Documentation granted in this Agreement.

8.2 Media

META warrants to Reseller that the media on which the Software is delivered to Reseller is free from defects in material and workmanship. META agrees to replace any media delivered to Reseller that proves defective.

8.3 Non-infringement

META warrants to Reseller that the reproduction and distribution of the Software and Documentation by Reseller, the marketing and distribution thereof by its Retail Dealers, and the use of the META Trademarks in connection therewith, will not infringe upon or misappropriate the proprietary rights of any third party.

8.4 End User Warranties

META will provide a warranty for the End Users of the Software as set forth in the End-User Agreement attached as Appendix B. Reseller is not authorized to make any other warranties on META's behalf.

8.5 Disclaimer

The foregoing are the only warranties made by META. META specifically disclaims all other warranties, express or implied, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose.

9. Reseller Warranties

9.1 Authority

Reseller represents that it has the right and authority to enter into this Agreement.

9.2 Replication

Reseller represents and warrants that it will accurately replicate the Software and Documentation, and that all diskettes containing any portion of the software that are distributed by Reseller will not contain any viruses, worms, date bombs, time bombs, or other code that is specifically designed to cause the software to cease operating or to damage, interrupt, or interfere with any End User's Software or data.

10. Royalties and Payments

10.1 Amount

Reseller will pay META a Royalty in accordance with the Royalty Schedule specified in Section 17.3 of this Agreement, for each copy of a Product delivered to a Retail Dealer or an End User by Reseller, provided, however, that no Royalty shall be due for copies of Products returned to Reseller for refund in accordance with the End-User Agreement, or because of defects or errors, regardless of source.

10.2 Taxes

Reseller will pay, or require its Retail Dealers or End User customers to pay, all federal, state, provincial and local taxes designated, levied, or based upon the sale of Products by Reseller.

10.3 Payment and Reports

Within twenty (20) days after the end of each month, Reseller will remit to META the Royalty due on copies of Products delivered by Reseller to Retail Dealers and to End User customers during the immediately preceding month, and provide META with a written report (the "Report"), specifying the number of copies of Products that Reseller has shipped during the immediately prior month and the calculation of the amounts due to META in connection therewith.

10.4 Book and Records

Reseller agrees to maintain adequate books and records relating to the production, packaging and shipping of Products to Retail Dealers and End User customers. Such books and records shall be available at their place of keeping for inspection by META or its representative, for the purpose of determining whether the correct Royalties have been paid to META in accordance with the terms of this Agreement, and whether Reseller has otherwise complied with the terms of this Agreement.

META shall have the right to conduct such an audit upon ten (10) days advance notice twice each year. In the event such an audit discloses an underpayment of more than five percent (5%), then Reseller shall pay the costs of such audit.

10.5 Failure to Pay

Any Royalty payment or part of a payment that is not paid when due shall bear interest at the rate of 1.5% per month, or at the highest contract rate allowed by law, whichever is less, from its due date until paid. Failure of Reseller to pay any Royalties or other charges when due shall constitute sufficient cause for META to immediately suspend its performance hereunder and/or to terminate this Agreement.

10.6 Security Interest

To secure Reseller's obligations under this Agreement, Reseller grants META a security interest in its accounts, receivables, general intangibles, contract rights, chattel paper, and proceeds.

Reseller agrees to furnish META duly signed financing statements covering such collateral and such other documents as META requests in order to perfect and maintain the priority of its security interest.

11. Confidentiality

Reseller acknowledges that, from time-to-time, it may be exposed to certain information concerning the Software and proposed new versions of the Software which is META's confidential and proprietary information and not generally known to the public ("Confidential Information").

META acknowledges that, from time-to-time, it may be exposed to certain commercially-sensitive information concerning the business of the Reseller.

Each party agrees that it will take appropriate steps to protect such Confidential Information from unauthorized disclosure, that it will not disclose such Information to any third party, and that it will not use any Confidential Information (other than as authorized by this Agreement) without the prior written consent of the other party.

The obligations of each party with respect to Confidential Information shall continue for the shorter of three (3) years from the date of termination of this Agreement, or until such information becomes publicly known other than by breach of this Agreement by the other party.

12. Trademarks owned by META

12.1 Use

Reseller acknowledges that the eText and typeSmart trademarks and logos are owned solely and exclusively by META, and agrees to use the trademarks only in the form and manner and with appropriate legends as prescribed by META.

Reseller agrees not to use any other trademark or service mark in connection with any of the trademarks owned by META without prior written approval of META. Reseller agrees to mark all advertising and other uses of the eText and typeSmart Trademarks with a legend indicating the eText and typeSmart Trademarks are the property of META and that they are being used under license from META, together with any other legends or markings which may be required by law.

If re-publishing is permitted expressly under Section 17.1 of this Agreement, the Reseller may substitute the META logo with the logo of the reseller provided prior approval is provided as to the exact appearance and use of the substitution.

12.2 META Review

From time to time as META shall reasonably request, Reseller shall furnish to META for its examination a copy of all Product packaging, diskette labels, and Documentation, as well as advertising, brochures, and other materials used in connection with the marketing of the Software.

12.3 Notices

Reseller shall not remove, alter, cover or obfuscate any copyright notice or other proprietary rights notice placed in or on the Software or Documentation by META, whether in machine language or human readable form.

13. Indemnification

13.1 By META

META will defend, indemnify and hold Reseller harmless from and against any and all liabilities, losses, damages, costs and expenses (including legal fees and expenses) associated with any claim or action brought against Reseller for actual or alleged infringement of any patent, copyright, trademark, service mark, trade secret or other property right based upon the duplication, sale, license or use of the Software or Documentation by Reseller in accordance with this Agreement, provided that Reseller promptly notifies META in writing of the claim and allows META to control, and fully cooperates with META in, the defense and all related settlement negotiations.

META shall have no liability for any settlement or compromise made without its consent. Upon notice of an alleged infringement, or if in the META's opinion such a claim is likely, META shall have the right, at its option, to obtain the right for Reseller to continue to exercise the rights granted under this Agreement, substitute other computer software with similar operating capabilities, or modify the Software so that it is no longer infringing. In the event that none of the above options are reasonably available, in META's sole opinion, META may terminate this Agreement.

13.2 By Reseller

Reseller shall indemnify and hold META harmless from and against any and all liabilities, losses, damages, costs and expenses (including legal fees and expenses) associated with any claim or action brought against META that may arise from Reseller's improper or unauthorized replication, packaging, marketing, distribution, installation, or support of the Software, including claims based on representations, warranties, or misrepresentations made by Reseller, inadequate installation, support or assistance by Reseller, or any other improper or unauthorized act or failure to act on the part of Reseller.

14. Limitation of liability

META's liability to the Reseller shall be limited to direct damages and, except as provided in the section titled "indemnification," shall not exceed the amount of the license fees paid by Reseller to META hereunder. In no event will META be liable for incidental, special, or consequential damages (including lost profits) suffered by Reseller, even if it has previously been advised of the possibility of such damages.

15. Term And Termination

15.1 Term

This Agreement will continue in effect for the term specified in Section 17.4 from the date hereof ("Initial Term"). Upon expiration of the Initial Term and each Renewal Term thereafter, this Agreement will be automatically renewed for an additional one (1) year term ("Renewal Term") unless terminated by either party upon ninety (90) days' notice prior to the expiration of the Initial Term or any Renewal Term.

15.2 Termination for Breach

Either party may terminate this Agreement prior to the expiration of any Term in the event of a material breach of the terms or conditions of this Agreement by the other party which breach is not cured within thirty (30) days of written notice from the party not in breach.

In addition to these rights of termination, each party will have the right, in the event of an uncured breach by the other party, to avail itself of all remedies or causes of action, in law or equity, for damages as a result of such breach.

15.3 Effect of Termination

Upon termination of this Agreement for any reason, Reseller will immediately cease duplication of the Software and Documentation, and will return to META, at Reseller's expense, the master versions of all Software, Documentation, and Confidential Information of META. Reseller shall remit all Royalties and other fees due to META within 10 days of such termination.

15.4 Effect on End Users

Termination by either party will not affect the rights of any End User under the terms of the End-User Agreement.

16. General Provisions

16.1 Assignment

This Agreement may not be assigned by Reseller or by operation of law to any other person, persons, firms, or corporation without the express written approval of META.

16.2 Notices

All notices and demands hereunder shall be in writing and shall be served by personal service or by mail at the address of the receiving party set forth in this Agreement (or at such different address as may be designated by such party by written notice to the other party). All notices or demands by mail shall be by certified or registered mail, return receipt requested, or by nationally-recognized private express courier, and shall be deemed complete upon receipt.

16.3 Governing Law

This Agreement shall be governed by and construed in accordance with the substantive laws of the State or Province or Country as specified in Section 17.5.

16.4 Relationship of the Parties

Each party is acting as an independent contractor and not as an agent, partner, or joint venturer with the other party for any purpose. Except as provided in this Agreement, neither party shall have any right, power, or authority to act or to create any obligation, express or implied, on behalf of the other.

16.5 Force Majeure

Neither party shall be responsible for delays or failure of performance resulting from acts beyond the reasonable control of such party. Such acts shall include, but not be limited to, acts of God, strikes, walkouts, riots, acts of war, epidemics, failure of suppliers to perform, governmental regulations, power failure(s), earthquakes, or other disasters.

16.6 Survival of Certain Provisions

The indemnification and confidentiality obligations set forth in the Agreement shall survive the termination of the Agreement by either party for any reason.

16.7 Headings

The titles and headings of the various sections and paragraphs in this Agreement are intended solely for convenience of reference and are not intended for any other purpose whatsoever, or to explain, modify or place any construction upon or on any of the provisions of this Agreement.

16.8 All Amendments in Writing

No provisions in either party's purchase orders, or in any other business forms employed by either party will supersede the terms and conditions of this Agreement, and no supplement, modification, or amendment of this Agreement shall be binding, unless executed in writing by a duly authorized representative of each party to this Agreement.

16.9 Entire Agreement

The parties have read this Agreement and agree to be bound by its terms, and further agree that it constitutes the complete and entire agreement of the parties and supersedes all previous communications, oral or written, and all other communications between them relating to the license and to the subject matter hereof. No representations or statements of any kind made by either party, which are not expressly stated herein, shall be binding on such party.

16.10 Disputation

In the event of a dispute arising out of this Agreement the parties agree to use their best endeavours to resolve the dispute according to the intent of the Agreement, after which application if a dispute remains arbitration or mediation shall be sought by a mutually agreed arbitrator or mediator before legal proceedings are commenced.

All rights applicable under this Agreement are reserved by the respective party throughout the arbitration or mediation proceedings.

17. Particular Conditions of Agreement

17.1. Market Area:

[To be agreed]

17.2. Production:

Reselling and distribution. Re-branding or re-publishing is NOT permitted under this Agreement.

17.3. Royalty:

..... % of the End-User license price.

17.4. Initial Term:

One year

17.5. Governing Law:

State of Victoria, Australia.

18. Signatories

This Agreement is effected by signing of the parties as of the date:

.....

Signed	Signed
On behalf of: META Innovation	On behalf of: [Reseller]

Appendix A – Software and Intellectual Property Ownership

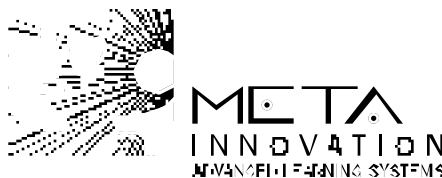
META Innovation is the Advanced Learning Systems Division and a registered business name of META Consultants Pty Ltd, ACN 006 024 620 of PO Box 475, Patterson Lakes Australia. META Consultants Pty Ltd is the Developer and Owner of all rights to:

- a. eText typeSmart, Software, eText Keyboard Smart Software and eText On-The-Run and other software for teaching keyboard and typing skills using the innovative eText Method of teaching Key-Finger Groups and related ideas and concepts
- b. eText, a trademark being used, registered or application pending in several countries.
- c. eText Keyboard Smart Software, a trademark, an alternative name for eText typeSmart
- d. eText On-The-Run, software and trademark
- e. eText Progress Manager, software and trademark
- f.. Domain names www.type-smart.com and www.typesmart.com
- g. Ideas and concepts for computer input technology known as the “eText Smart Technology” including but not limited to the “eText Method” of learning keyboard skills as described in a provisional patent, and other documents, prototypes and software.

typeSmart Logos

As per current software versions

META Innovation Logo



Appendix B

Retail Dealer Terms

Each Retail Dealer Agreement between Reseller and a Retail Dealer shall contain terms substantially similar in intent and legal effect to the following:

1. Distribution By Retail Dealer

a Market Area. Retailer Dealer will distribute Products solely to End Users located in the agreed Market Area.

b Inventory. Retail Dealer will maintain an inventory of Products sufficient to serve adequately the needs of its End User customers.

c Packaging. Retail Dealer will distribute the Products only as packaged when received from Reseller, with all packaging, warranties, disclaimers and End-User Agreements intact. Retail Dealer will make copies of the current End-User Agreement available to its End User customers.

d Product Returns. Retail Dealer agrees to honor any refund requests received from its End User customers pursuant to the terms of the End-User Agreement relating to Products distributed by Retail Dealer.

e Prices. Retail Dealer is free to determine the prices at which it will make the Products available to its End User customers.

2. Other Issues

a. Support for Retail Dealer. Retail Dealer understands and acknowledges that META will not provide any support direct to Retail Dealer, and that any support required by Retail Dealer should be obtained from Reseller.

b. End User Warranties. META will provide a warranty for the End Users of the Software as set forth in the End-User Agreement. Retail Dealer is not authorized to make any other warranties on META's behalf.

c. Disclaimer. The foregoing are the only warranties made by vendor. Vendor makes no warranties to retail dealer and specifically disclaims all warranties, express or implied, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose.