

SAMCO SOFTWARE INC.

Software as a Service SaaS ("Agreement")

This Agreement is between Samco Software Inc. ("Samco") and the entity which accepts this Agreement and uses the Samco Services ("Customer").

BY USING THE SOFTWARE, YOU ARE CONSENTING TO BE BOUND BY AND ARE BECOMING A PARTY TO THIS AGREEMENT. IF YOU DO NOT AGREE TO ALL OF THE TERMS OF THIS AGREEMENT, DO NOT USE ANY PORTION OF THE SOFTWARE.

SCOPE:

- A. Samco provides Services to Customers and end-users in conjunction via Samco dedicated servers.
- B. Generally, the Services are services relative to hosting an application that allows its customers to use Samco's accounting and point of sale technology solutions and modules, available globally 24 hours per day, 7 days a week. In conjunction with such hosting, Samco also provides database maintenance and answers general support enquiries via its Care and Application Maintenance Plan ("CAMP") as described herein or as set out in Schedule A.
- C. Customer desires to obtain such Services from Samco.

1. Definitions

- 1.1 "End User" means a person who is an employee or contractor of Customer (or if specifically allowed by Samco, Customer's customers) who has a specific UserID and unique password and who is authorized to access the Services in order to use its functionality.
- 1.2 "Customer" means an entity or organization who wishes to use the Services and allow use of same in conjunction with its End Users, or if specifically approved by Samco, Customer's customers).
- 1.3 "Services" means the services to be provided by Samco to Customer. These services are further described in documentation supplied by Samco.

2. Use of Services and payment

- 2.1 For as long as the Customer is paying the fee for the Services, Samco will provide the Services to Customer on the basis set out in this Agreement. This does not grant Customer any other rights to the Services except as set forth in this Agreement.
- 2.2 Customer can only use the Services for legal purposes and only for Customer's own business. Using the Services for any illegal purpose in violation of any of the terms of this Agreement in any way is a breach of this Agreement. Samco will give its Customers written notice of such breach. If such breach is not corrected in 30 days Samco may terminate this Agreement and Customer's access to the Services. It is up to the Customer to police its End User's use of the Services and to educate its End Users.
- 2.3 Customer may not use the Services in a service bureau environment (ie to provide services to other entities) without the prior written approval of Samco. If Samco authorizes usage of the Services in a service bureau environment it will be on terms agreed by Samco and Customer, Terms that will be mutually agreed may be as follows but will be set out in a side-letter which will be deemed to incorporated and part of this Agreement. Selected terms will be as follows:

- a) Samco may provide training and support directly to Customer (but not to Customer's customers or to End Users; which be the responsibility of Customer);
- b) Samco may provide Customer with white-label splash screens or portions of the Services user interface by removing Samco trademarks and inserting Customer marks;
- c) Samco will specify the manner and limits in how Customer delivers the Services to its customers (such limits may include, for example, geographical boundaries, limits on how modules are used or limits on the numbers of users);
- d) Samco will charge additional fees in relation to allowing Customer's usage of the Services in a service bureau environment.

2.4 It is Customer's own responsibility to: (a) provide for its own access to the Internet, arrange for secure Internet access therefor and pay any service fees associated with such access; (b) train its own End Users in basic Internet access; (c) provide help desk support to its own End Users.

2.5 Customer may not use Samco trademark suchs as "SAMCO" without prior written permission of Samco. Unless as specifically agreed Customer may not remove any Samco trademarks or proprietary notices from the Services.

2.6 The payments applicable to the Services will be in accordance with periodic invoices rendered by Samco to Customer. Payments will differ depending on what modules or Services to which Customer subscribes or the number of End Users accessing Services.

2.7 Any additional professional services relative to the Services, including services in relation to supporting use of the Services in a service bureau environment, installation, training, non-Samco application or service support, EDI document preparation, project work, building database queries, form or labels designs, accounting advice, OS/hardware support, customization or like ancillary support or services shall be by written agreement or purchase order and shall be at Samco's standard time and materials rate charged to its Customers generally.

2.8 Samco will invoice Customer for the monthly payment applicable to the Services, for hardware (a specific router or other equipment may be required for specific access to certain features of the Services) or for professional services, if applicable. Customer may elect to pay for Services on an annual basis provided that there will be no reduction in the total annual cost unless otherwise explicitly agreed. The Customer shall pay all applicable sales, use, withholding and excise taxes, or export/import duties

2.8 All Samco invoices are payable on receipt. Any amounts outstanding after 30 days bear interest at a rate of 1.5% per month (18% per annum).

2.9 Fees for the Services may be revised as and when there are additional major improvements to the Services. Samco will provide Customer with 60 days notice of any increases.

3. GENERAL OBLIGATIONS AND RESPONSIBILITIES

3.1 Samco will exercise due care in providing the Services, and will, at no extra charge to Customer, correct all errors where such errors are due solely to negligence on the part of employees of Samco or deficiencies in the provision of Services and where such errors are called to the attention of Samco within a reasonable timeframe.

3.2 Samco will maintain and replace servers through which the Services are supplied as required, keeping them current with new technology and locating servers in earthquake proof buildings with backup power supplies and failover high speed Internet access.

3.3 Samco will maintain daily off-site backups and archived backups of all Customer data. However, Customer will be responsible to maintain, under its care, adequate backup materials that will enable the regeneration of Customer data in the event of loss, damage or destruction thereof.

3.5 Samco will maintain all its accounting and POS system modules at the latest release making new enhancements and improvements available as part of Samco's development methodology. Additionally Customer will receive access to Samco regular technology bulletin updates, access to an on-line knowledge base and may participate in training webinars. In addition to regular maintenance of the Services, Samco will support the Customer by answering Customer queries and resolve such queries in the following manner.

- (a) "**Helpdesk support**" is basic helpdesk type support for End Users. Such support should be provided by the Customer's internal helpdesk or IT organization to Customer's own End Users.
- (b) "**Support**" is support for the Customer's helpdesk or IT organization when they cannot solve the problem relative to the Software and may include services particular to the Services and queries regarding configuration questions. Such support will be provided by Samco to Customer between the hours of 5.30 am to 5 pm Pacific Time, Monday – Friday during Samco standard business days with responses targeted at 4 business hours. Such support includes problem diagnosis, consultation and dial-in diagnosis services. The Customer is responsible for the long distance costs related to this service. Samco support personnel may be available after-hours and on weekends when notified by Customer in advance at extra charge to Customer at Samco's standard rates.

3.6 The Customer agrees to not engage in any activity or fail to implement reasonable safeguards to protect the security of the Services or the network or data center used by Samco to provide the Services which specifically includes safeguarding passwords used by End Users in connection with the Services.

4. WARRANTY AND LIMITATION OF LIABILITY

4.1 OTHER THEN AS SET OUT IN 5.1, THE SERVICES ARE SUPPLIED WITHOUT ANY WARRANTIES, REPRESENTATIONS OR CONDITIONS OF ANY KIND INCLUDING THOSE REGARDING NONINFRINGEMENT OF THIRD PARTY RIGHTS, DURABILITY, MERCHANTABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE.

4.2 IF FOR ANY REASON EITHER PARTY BECOMES LIABLE TO THE OTHER FOR DIRECT (or any other) DAMAGES FOR ANY CAUSE WHATSOEVER, AND REGARDLESS OF THE FORM OF ACTION (in contract, tort or otherwise) INCURRED IN CONNECTION WITH THIS AGREEMENT OR SERVICES, THEN THE AGGREGATE LIABILITY OF A PARTY FOR ALL DAMAGES, INJURY AND LIABILITY INCURRED BY THE OTHER PARTY IN CONNECTION WITH THE SERVICES OR THIS AGREEMENT (AND ANY AND ALL RECOVERABLE LEGAL COSTS) SHALL BE LIMITED TO THE FEES PAID FOR THE SERVICES OVER THE PAST CALENDAR QUARTER.

4.3 IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL, INCIDENTAL OR SPECIAL DAMAGES, INCLUDING ANY LOST PROFITS OR LOST SAVINGS.

5. OWNERSHIP

5.1 Warranty of Title and Ownership - Samco warrants, for the sole benefit of Customer, that it has all rights necessary to provide the Services to Customer. All proprietary and intellectual property rights, title and interest including copyright and trade secret rights in and to anything associated with the Services remains that of Samco. If there is a breach of this warranty then Samco shall indemnify and hold Customer (and its affiliates and their respective directors, officers, employees and agents) harmless against any claims, expenses, suits and actions arising from or relating to the infringement of intellectual property and proprietary rights of

third parties relating to the Services, SUBJECT to confirmation that no modifications have been made or reverse engineering attempted. Samco does not warrant the data in any way, as it is input by the Customer.

6. CONFIDENTIALITY AND USE LIMITATION

6.1 Confidentiality - Neither party shall at any time whether before or after the termination of this Agreement disclose, furnish, or make accessible to anyone any confidential information which confidential information is deemed to include any Customer data, this Agreement, technical documentation related to Services, pricing or any marketing information or statistics supplied to Customer by Samco or any such similar information.

7. TERM

7.1 Term and Termination - The Agreement is for an initial term of one year. Following the initial term, Customer may discontinue the Services either in whole or in part by discontinuing the use of Services modules with 30 days notice to Samco. The Customer acknowledges that discontinuing the use of Services Modules can affect or impair Customer's ability to use other Services modules accordingly Customer is advised to contact Samco to discuss such action. This Agreement shall also terminate in each of the following events:

- (a) at the option of either party if the other party materially defaults in the performance or observance of any of its obligations hereunder and fails to remedy the default within 30 days after receiving written demand therefor; or
- (b) immediately, at the option of Samco, if Customer breaches any one of sections 3, 5 or 6 of this Agreement;

provided that the right of termination shall be in addition to all other rights and remedies available to the parties for default or wrong-doing by the other.

7.2 Suspension of Obligations - If either party should default in the performance or observance of any of its obligations hereunder, then, in addition to all other rights and remedies available to the non-defaulting party, the non-defaulting party may suspend performance and observance of any or all its obligations under this Agreement, without liability, until the other party's default is remedied, but this section shall not permit Customer to suspend its obligation to make payments owing in respect of the Services.

8. Miscellaneous.

8.1 Except as described below, this Agreement is the only agreement between you and Samco pertaining to the use of the Software, the Services or the Hardware.

8.2 Governing Law. This Agreement is governed by the laws of the Province of British Columbia, Canada. All disputes arising out of or in connection with this Agreement, shall be referred to and finally resolved by arbitration or mediation under the rules of the British Columbia International Arbitration Centre. The place of arbitration of mediation shall be Vancouver, British Columbia, Canada.

8.3 Force Majeure. Dates or times by which either party is required to perform under this Agreement, excepting the payment of any fees or charges due hereunder, may be postponed to the extent that any party is prevented from meeting them by causes beyond its reasonable control.

8.4 Non-Assignable. This Agreement is not assignable by the Customer, and any attempted or alleged assignment by Customer is void.

8.5 No Agency. The parties acknowledge that each is an independent contractor and nothing herein constitutes a joint venture or partnership and neither party has the right to bind nor act for the other as agent or in any other capacity.

SCHEDULE A - CAMP (Care and Maintenance Plan)

What is C.A.M.P. (CAMP)

A: SAMCO's **Care and Application Maintenance Plan** combines support, updates, and upgrades for SAMCO Power Accounting system into one single annual or monthly fee. Rather than paying an annual fee (A.E.P) for software maintenance, and fee-for-service for software support / Help Desk services, one monthly fee covers it all (see below for exceptions).

Q: What is included with my subscription?

A: You'll receive up to 1 hour per month access to our Help Desk (both telephone and online), unlimited updates and upgrades, Canadian Payroll tax updates, access to on-line knowledge base, you'll receive access to our regular technology bulletins, and discounts on SAMCO Power Accounting compatible forms. Plus you'll be eligible to participate in training webinars at no additional cost as available.

Q: What isn't covered by C.A.M.P.?

A: Training, supply or installation of hardware, non-SAMCO applications, EDI document preparation, custom programming, importing data, project work, building SQL queries, forms and label design, accounting advice, operating system support, and hardware support. If you are in doubt whether what you require is covered or not, please call and ask one of our Help Desk personnel.

Q: What if I add a new module?

A: Your new module will be automatically added to your C.A.M.P. subscription, and the monthly fee adjusted accordingly.

Q: Can I pay annually as opposed to monthly?

A: Yes you can.

Q: What if I discontinue the use of a module?

A: Simply let us know which module you wish to discontinue. We'll update our records, and adjust your monthly billing. Please provide our Help Desk with the reason(s) you wish to cancel a module, as some modules are required for other modules to work correctly.

Q: Will you install my updates for me?

A: The support component of C.A.M.P. does allow for the direct installation of updates, if you are on a Linux/Unix/Mac OS X and Samco has direct high speed internet access to your Server. Our Help Desk will be more than happy to guide you through the process (it's really quite easy to do), if you are using Windows or we do not have access to your Server.

Q: If I use Samco's SaaS (Software as a Service), do I receive the benefit of CAMP?

A: CAMP is a part of your SaaS fee and you receive all the benefits of CAMP and all the same inclusions/exclusions apply. Call our Help Desk if in doubt.