

LEADTOOLS MULTIMEDIA
Duplication and Distribution Agreement
For Codecs/Direct Show Filters
(Per Copy Agreement)

Company Name: _____ (herein "Licensee")
Attn: _____
Address: _____ (Street Address)

(City, State, Postal Code, Country)
Phone No.: _____ Fax No.: _____
LEADTOOLS Multimedia Serial Number: _____ (herein "Software")
Filter(s)/Codecs to be included with Application Software: See completed schedule 1 (herein "Licensed Filters").
Name or Description of Licensee's Software Application into which the Licensed Filters will be integrated: _____ (herein "Application Software")

This Duplication and Distribution License ("Agreement") is made by and between LEAD Technologies, Inc., a North Carolina corporation, principally located at 1201 Greenwood Cliff, Suite 400, Charlotte, North Carolina 28204, USA ("LEAD") and Licensee.

Recitals

1. Licensee has heretofore obtained a development license to use the Software in connection with the development of the Application Software in accordance with the terms of the LEADTOOLS Software License Agreement, a copy of which is included in the Software packaging and online help file, and the terms of which are hereby incorporated herein by this reference (herein the "License Agreement").
2. The Software includes demo versions of several optional components comprising Direct Show filters and audio and video codecs, including demo versions of the Licensed Filters, which are bundled with the Software and which may be licensed for inclusion with the Application Software.
3. Licensee wishes to obtain a license whereby it may internally deploy or commercially distribute the Application Software with the Licensed Filters to end users and LEAD is willing to grant the licenses described herein provided Licensee complies with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. Effectiveness of License Agreement; Grant of Duplication and Distribution License.

(a) License Agreement. Licensee acknowledges that its use of the Software and Licensed Filters is governed by the terms, conditions, limitations and restrictions contained in the License Agreement and hereby agrees to faithfully abide by such terms and conditions and will not take any action with respect to the Software or Licensed Filters prohibited by the License Agreement. This Agreement is supplementary to the License Agreement, and this Agreement and the License Agreement together will govern Licensee's use of the Software, Licensed Filters and Application Software. Unless otherwise modified by the terms of this Agreement, all of the terms and conditions of the License Agreement remain in full force and effect. In the event of an inconsistency between this Agreement and the License Agreement, this Agreement will control.

(b) Duplication and Distribution License. Under LEAD's copyright, and subject to all the terms and conditions set forth in this Agreement and the License Agreement, including without limitation, the payment of the runtime licensing fees described in paragraph 2 hereof, LEAD hereby grants Licensee (and only Licensee) a non-exclusive, non-transferable, worldwide license to reproduce exact copies of the Licensed Filters and include such files in the Application Software, and to deploy the Application Software on Licensee's owned and controlled computers and networks for use by Licensee's employees, contractors and affiliates and/or to commercially distribute the Application Software, directly or through customary distribution channels, to end users for their use without further distribution.

2. Runtime Licenses. Licensee must purchase a runtime license for each Deployment of Application Software. For purposes hereof, a "Deployment of Application Software" includes any and all copies of the Application Software which contains the Licensed Filters installed, used, distributed, leased, or sold by Licensee and any of its customers, employees, distributors, resellers, affiliates or other channel partners. If the Application Software with Licensed Filters is installed on a server or network by Licensee or its customers, the number of Deployments that must be reported and the number of runtime licenses that must be purchased hereunder will be the number of computers that connected to the network or server and which have access to or are able to use the features of the Application Software and Licensed Filters.

(a) Per Copy Runtime Licensing for Runtime Licenses that are Not Prepaid. Except as otherwise provided in paragraph 2(b) hereof, Licensee will pay a runtime license fee equal to the non prepaid runtime license fees set forth on Schedule 2 for the Licensed Filters times the number of Deployments of Application Software. Licensee will report Deployments and pay for the runtime licenses pursuant to paragraph 3 hereof.

(b) Prepaid Runtime Licensing. In lieu of paying the per copy non-prepaid rates as described above, Licensee may pay in advance for its projected runtime licensing needs in the quantities and for the prices set forth on Schedule 2, attached hereto. In order to receive the prepaid runtime pricing contained on schedule 2, Licensee must prepay for its runtime licenses at the prices set forth on schedule 2 prior to Deployment of the Application Software. To select a prepaid Deployment option, Licensee shall send LEAD a purchase order for Licensed Filter runtime licenses covering the desired number of copies of the Application Software before making the Deployments covered by the purchase order, and LEAD will generate an invoice covering the prepaid copies. During the term hereof, Licensee may, from time to time, issue multiple purchase orders for multiple quantity orders

3. Reporting and Payment. Licensee agrees to maintain full, clear and accurate records as to all Deployments of the Application Software. Licensee will submit to LEAD, within thirty (30) days of the close of each calendar quarter, a report setting forth the number of Deployments of Application Software made during such quarter, and accompanying such report will be a check in the amount of runtime licensing that is due, if any. If no Deployments have been made during said quarter, Licensee will provide a certification so stating. Licensee shall keep adequate records to accurately determine the payments due under this Agreement. LEAD shall have the right, no more than once during any calendar year, to have an independent certified public accountant or other disinterested third party inspect the relevant records of Licensee on thirty (30) business days notice and during regular business hours to verify the reports and payments required to be made hereunder. Should an underpayment in excess of five percent (5%) be discovered, Licensee shall pay the cost of the audit. If Licensee is more than thirty (30) days late with any payment of amount due hereunder, interest will accrue from the date due until paid at the lesser of (i) 1.5% per month or (ii) the maximum rate of interest permitted by law. All amounts due hereunder are based on United States currency.

4. New Versions; Upgrades. Minor version updates to the Software (e. g. LEADTOOLS version 14.1, 14.2 etc.) are provided to Licensee free of charge via LEAD's web site. Licensee may license major new versions of the Software (e. g. LEADTOOLS version 15, 16 etc.) by purchasing a development license to the new version at LEAD's then prevailing upgrade price. No additional runtime licensing is required for updates and upgrades to the Application Software distributed to users of the Application Software for which runtime licenses have been paid and accounted for hereunder unless a major new version of the Software is included in the upgrade. If a major new version of the Software is included in an upgrade to the Application Software, each user that is upgraded will be considered to be a new Deployment for purposes of runtime license payment and reporting hereunder. Any prepaid runtime licenses that have not been deployed at the time Licensee takes a license to a major new version of the Software will be carried forward and may be applied to Deployments of Application Software made with the major new version of the Software. Licensee will be under no obligation to update previously deployed user or client licenses with the new version of the Application Software that includes the major new version of the Software.

5. Third Party Software. Portions of the Software may be protected by copyright and other proprietary rights of third party software vendors, who shall be deemed to be intended third party beneficiaries of this Agreement. Licensee may be held directly responsible by third party vendors for acts relating to the Software which are not authorized by this Agreement.

LEAD and Licensee have caused this Agreement to be executed in their names by the following authorized representatives.

LEAD TECHNOLOGIES, INC.

(Print Your Company Name Here)

By: _____ (SEAL)

By: _____ (SEAL)
(Authorized Signature)

Title: _____

Title: _____

Date: _____

Date: _____

to be included with Application Software

Direct Show Filters:

Codecs:

Individual LEADTOOLS Direct Show Filters

Non-prepaid Rate - \$25.00 per license

<u>Quantity Prepaid</u>	<u>Price Per Copy</u>	<u>Minimum Prepayment</u>
50+	10.00	500.00
100+	7.50	750.00
250+	5.00	1,250.00
500+	3.00	1,500.00
1,000+	2.00	2,000.00
5,000+	1.00	5,000.00
10,000+	.75	7,500.00

LEAD MCMP/MJPEG Video Codec

Non-prepaid Rate - \$9.95

<u>Quantity Prepaid</u>	<u>Price Per Copy</u>	<u>Minimum Prepayment</u>
50+	7.00	350.00
100+	6.00	600.00
250+	5.00	1,250.00
500+	4.00	2,000.00
1,000+	3.00	3,000.00
5,000+	2.00	10,000.00
10,000+	1.50	15,000.00

LEAD JPEG2000 Codec

Non-prepaid Rate - \$9.95

<u>Quantity Prepaid</u>	<u>Price Per Copy</u>	<u>Minimum Prepayment</u>
50+	7.00	350.00
100+	6.00	600.00
250+	5.00	1,250.00
500+	4.00	2,000.00
1,000+	3.00	3,000.00
5,000+	2.00	10,000.00
10,000+	1.50	15,000.00

LEAD CMW Codec

Non-prepaid Rate - \$29.00

<u>Quantity Prepaid</u>	<u>Price Per Copy</u>	<u>Minimum Prepayment</u>
50+	25.00	1,000.00
100+	20.00	2,000.00
250+	15.00	3,750.00
500+	10.00	5,000.00
1,000+	7.50	7,500.00
5,000+	4.00	20,000.00
10,000+	2.50	25,000.00

LEAD H.263Codec

Non-prepaid Rate - \$49.00

<u>Quantity Prepaid</u>	<u>Price Per Copy</u>	<u>Minimum Prepayment</u>
50+	40.00	2,000.00
100+	30.00	3,000.00
250+	20.00	5,000.00
500+	15.00	7,500.00
1,000+	10.00	10,000.00
5,000+	5.00	25,000.00
10,000+	4.00	40,000.00

Schedule 2 (cont.)

LEAD MPEG 2 Standard Encoder

Non-prepaid Rate - \$39.00

<u>Quantity Prepaid</u>	<u>Price Per Copy</u>	<u>Minimum Prepayment</u>
50+	35.00	1,750.00
100+	30.00	3,000.00
250+	25.00	6,250.00
500+	22.00	11,000.00
1,000+	20.00	20,000.00
5,000+	15.00	75,000.00
10,000+	10.00	100,000.00

LEAD MPEG 2 Professional Encoder

Non-prepaid Rate - \$400.00

<u>Quantity Prepaid</u>	<u>Price Per Copy</u>	<u>Minimum Prepayment</u>
50+	350.00	20,000.00
100+	300.00	35,000.00
250+	250.00	75,000.00
500+	225.00	125,000.00
1,000+	200.00	200,000.00
5,000+	175.00	875,000.00
10,000+	150.00	1,500,000.00

LEAD MPEG 2 Decoder

Non-prepaid Rate - \$19.00

<u>Quantity Prepaid</u>	<u>Price Per Copy</u>	<u>Minimum Prepayment</u>
50+	15.00	20,000.00
100+	10.00	35,000.00
250+	7.50	75,000.00
500+	7.00	125,000.00
1,000+	6.50	200,000.00
5,000+	6.00	875,000.00
10,000+	5.00	1,500,000.00

LEAD H.264 Standard Codec

Non-prepaid Rate - \$100.00

<u>Quantity Prepaid</u>	<u>Price Per Copy</u>	<u>Minimum Prepayment</u>
50+	75.00	3,750.00
100+	60.00	6,000.00
250+	50.00	12,500.00
500+	40.00	20,000.00
1,000+	30.00	30,000.00
5,000+	15.00	75,000.00
10,000+	10.00	100,000.00

LEAD H.264 Professional Codec

Non-prepaid Rate - \$400.00

<u>Quantity Prepaid</u>	<u>Price Per Copy</u>	<u>Minimum Prepayment</u>
50+	350.00	20,000.00
100+	300.00	35,000.00
250+	250.00	75,000.00
500+	225.00	125,000.00
1,000+	200.00	200,000.00
5,000+	175.00	875,000.00
10,000+	150.00	1,500,000.00

Non-prepaid Rate - \$25.00

<u>Quantity Prepaid</u>	<u>Price Per Copy</u>	<u>Minimum Prepayment</u>
50+	20.00	1,000.00
100+	17.50	1,750.00
250+	15.00	3,750.00
500+	10.00	5,000.00
1,000+	7.50	7,500.00
5,000+	5.00	25,000.00
10,000+	3.00	30,000.00

1. Application Software containing multiple filters and codecs will require a runtime license for each codec/filter included with the Application Software. For example, if the Licensed Filters comprise a Direct Show Filter and LEAD MPEG 2 Codec, the non prepaid runtime license rate is \$25 + \$39.
2. If Licensed Filters includes more than one individual Direct Show Filter, a runtime license is required for each Direct Show Filter included with the Application. Software. For example, if each copy of the Application Software includes 3 individual Direct Show filters, then a distribution of 5 copies of the Application Software requires 15 runtime licenses for individual Direct Show filters.
3. Volume purchases are not cumulative. If Licensee purchases 100 prepaid licenses at the applicable price and later purchases 50 prepaid licenses, the second purchase will be at the quantity 50 pricing level.