

## DISTRIBUTOR FRANCHISE AGREEMENT

This agreement was entered into on the February 16 <sup>th</sup> 201 between WinProbe Corporation, a Delaware Corporation having offices at 11770 Us Highway1, Suite 405, Palm Beach Gardens, Florida 33408, hereinafter called WinProbe, and having principal offices hereinafter called Distributor,
Witnesses that, in consideration of the mutual promises made herein, the parties agree as follows:
GRANT OF FRANCHISE
Distributor requests and WinProbe Corporation grants Distributor a franchise to service the territory defined below, for the sale, and servicing of WinProbe's products defined below. WinProbe's products are defined as the products purchased from WinProbe.
Distributor accepts such franchise and undertakes to expend its best efforts to promote the sale of WinProbe's products in the territory described below and to assure the continuous and proper operation of such products bearing WinProbe's trademark.
Distributor understands that WinProbe and other WinProbe distributors have expended and will continue to expend substantial efforts and funds to secure and retain public goodwill towards WinProbe's products and trademarks, and recognizes the vital interest to all franchisees and WinProbe in the proper functioning and promotion of WinProbe's products.
TERRITORY
Distributor's territory, for the product defined below, will be:-
The United States of America for the products.
To retain the rights to the exclusivity of the territory Distributor will be required to purchase a minimum number of products that are part of the forecast for each year. This forecast is agreed to by the parties

To retain the rights to the exclusivity of the territory Distributor will be required to purchase a minimum number of products that are part of the forecast for each year. This forecast is agreed to by the parties prior to each year.

WinProbe will make its best efforts gain compensation for Distributor for any unauthorized sales of WinProbe's products into Distributor's territory but will not be held liable for such compensation.

# OTHER TERRITORY

Distributor may sell WinProbe's products outside Distributor's exclusive territory only if the territory is not covered by WinProbe directly or by a franchised distributor of WinProbe. It is the responsibility of Distributor to ascertain from WinProbe that the territory is not covered. WinProbe may from time to time request Distributor to cover another territory or specific sale. Such request will not extend Distributor's territory unless specifically stated in writing. If Distributor does sell without authorization into a territory covered by WinProbe or another of WinProbe's exclusively franchised distributors Distributor may be required to compensate WinProbe and/or the authorized distributor for a fair proportion of the distributor's margin for cost incurred in maintaining the territory and servicing the product.

## WINPROBE'S PRODUCTS

The product covered by this agreement is the UltraVision 2

#### **PRICING**

Prices of the above products are stated in the distributor price list and special considerations annexed hereto as Exhibit (A). Said prices shall be subject to change bi-annually upon 60 days prior written notice by WinProbe. Any special discounts offered for prompt payment or as special circumstances arise will only be valid if issued in writing by WinProbe and duly signed by an officer of WinProbe.

### DEVELOPMENT OF MARKET POTENTIAL

Distributor will utilize its best efforts to promote the sale of the products in the territory as defined. These efforts shall include but not be limited to, assisting in producing promotional material, prospecting for potential customers, qualifying such prospects, soliciting and procuring orders, installing and training customers and maintaining service communications.

Specific market developments shall include:

- Direct mail offers
- Exhibiting at trade shows on the national and state levels
- Hosting workshops for hands-on use of the products
- Advertising in appropriate journals and magazines
- Penetrating universities and teaching institutions to promote the product and to provide WinProbe with product development and test sites.

Distributor will supply WinProbe with copies of all of Distributor's mailings and promotional material of the products prior to use and must receive written approval by WinProbe before use.

Distributor will keep WinProbe informed about market trends and conditions, shows, workshops, experiences with customers, major negotiations and prospective sales possibilities and to maintain quarterly forecasts.

Distributor will allow WinProbe personnel to accompany Distributor to said shows, promotions and customer visits when requested.

Distributor will transmit to WinProbe without compensation any leads with respect to potential sales outside Distributor's territory.

Distributor will transmit to WinProbe on a bi-monthly basis images obtained by WinProbe's products in the field and when possible images of competitive products to aid WinProbe in product development. Digital Image libraries developed by Distributor are to be available to WinProbe and WinProbe may draw upon this library at the cost of reproduction only.

#### CONFIDENTIAL INFORMATION

Distributor agrees not to make available or accessible to any third party any technical data or information of special or confidential nature specified as such transmitted by WinProbe to Distributor and this undertaking shall continue to be applicable for the period following termination of this Agreement from whatever cause.

### CONTRACT PERIOD

This contract will be valid for the period of three (3) years and is renewable for an additional three (3) years at the choice of both parties.

#### **TERMINATION**

Insolvency or change in ownership of either party shall not be cause for termination.

WinProbe may however terminate the rights of this agreement in the event that the forecast has not been met or is not on schedule to be met after giving sixty (60) days notice.

WinProbe may terminate this agreement if Distributor is in default of payment of its accounts over 90 days.

### **GOVERNING LAW**

Any controversy or dispute arising out of or in connection with, or in relation to this Agreement or its interpretation, performance or non-performance, or any breach thereof shall, if amicable understanding cannot be reached, be determined by arbitration conducted the state of the challenged party in accordance with the then existing rules of the International Chamber of Commerce. Before asserting default pursuant to this Agreement or initiating arbitration proceedings as stated above, the aggrieved party shall deliver notice to the challenged party alleging any such non-performance or misperformance, and afford the challenged party a period of 45 days from the receipt of such notice within which to cure such non-performance or mis-performance.

# **AMMENDMENTS**

This Agreement cannot be amended except in writing, duly signed by both parties.

## WARRANTY AND SERVICE

WinProbe guarantees all goods manufactured by WinProbe it to be free from defects in material and construction or faulty workmanship for a period of five (5) years from the date of sale to the end user or for a period of 63 months to the distributor which ever is the sooner.

Any product which proves to be defective as a result from defects in material and construction or faulty workmanship will be repaired free of charge if returned C.I.F. Palm Beach, Florida, within the appropriate period. Probe's responsibility will be limited to and governed by WinProbe's standard warranty attached hereto as appendix (B).

Distributor will maintain a file with WinProbe of all installations so that is available for inspection by WinProbe in order that WinProbe may commit suitable resources to maintain the warranty and that WinProbe can maintain a field inventory for sending notices of recalls, upgrades and changes available to the end users.

## **SPECIFICATIONS**

All descriptive literature, drawings and particulars of weights, dimensions and performance issued by WinProbe are approximate only, and are intended to present a general idea of the goods to which they refer. This data shall not be binding save to the extent that they are by reference expressly confirmed in writing by WinProbe.

Rejections of goods by Distributor as not complying with the contract, must be notified to WinProbe within 10 days from receipt by Distributor. Any guarantees required by a customer (bonds, security, deposits etc.) shall be the responsibility of Distributor.

#### **ORDERS**

Orders placed on and confirmed by WinProbe establish a mutual commitment, so that in the event of a confirmed order is cancelled, Distributor agrees to pay WinProbe a cancellation charge of 20% to cover all costs incurred by WinProbe such as interest, shipment costs, brokerage costs and loss of profit.

The property of the goods shall not pass to Distributor until payment is received for use by WinProbe. However, Distributor shall assume all risk of loss or damage or any other risk or liability in connection with the goods from the time they shall have effectively left WinProbe's premises. If when the goods are ready for dispatch, the dispatch is suspended by request of Distributor, or due to lack of instructions of Distributor, or credit hold of Distributor by WinProbe, or as a result of any other reason not attributable to WinProbe, Distributor assumes all risks mentioned in the foregoing sentence as from the date the goods would have been dispatched from WinProbe's premises if no suspension had occurred and payment falls due as if the goods were dispatched on that date.

### NON-ASSIGNABILITY

This Agreement shall not be assignable by either party without the written consent of the other.

### INDEPENDENT CONTRACTOR

Each of the parties is an independent, contractor. Neither party has any authority, express or implied, to act for the other in dealings with third parties, nor shall purport to act as the agent or employee of the other.

# TITLE TO AND RISK OF LOSS

The Title of any shipment to Distributor shall remain the property of WinProbe until the payment is received in full and is at WinProbe's sole disposal.

#### ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between WinProbe and Distributor and supersedes all previous Agreements.

If any of the provisions of this Agreement are deemed invalid, illegal or incapable of being enforced, by

This agreement becomes effective on February	201 _, accepted by:
For WinProbe Corporation:	For,
Name: Guy Scott Title: President Date://	Name: Title: Date://

reason of any rule of law, administrative order, judicial decision of public policy, all other conditions and provisions of this Agreement shall, nevertheless, remain in full force and effect.