



**Edge Products and Services
PARTNER Agreement**

This **AGREEMENT**, made and entered into this ____ day of ____, 200_, by and between _____ (hereinafter referred to as "PARTNER") and Integrated Digital Systems/ScanAmerica, Inc., a Virginia corporation having its offices at 10126 Residency Road, Manassas, Virginia 22110 (hereinafter referred to as "IDS"),

WHEREAS: PARTNER is an established business, maintained for the purpose of providing records management, imaging and related services and/or products, that neither exerts nor proposes to exert improper influence to solicit or obtain business nor holds itself out as being able to obtain any business through improper influence; and

WHEREAS: IDS is a manufacturer/solutions integrator that sells to PARTNER Edge Product Group Products, Document Conversion Services and Wireless Document Management Solutions, Technical Consulting, Solution Integration Services, and Enterprise Document Management Solutions hereinafter " Products"; and

WHEREAS: PARTNER desires to be an IDS PARTNER for related services and marketing of said Products and other services provided by IDS; and

WHEREAS: IDS is willing to authorize PARTNER to do so pursuant to the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the mutual covenants, promises, obligations and conditions contained herein, the parties hereto agree as follows:

1. **Purpose**

This Agreement seeks to establish a relationship through which both parties shall benefit. IDS agrees that the PARTNER shall be an authorized, but not an exclusive PARTNER for the Products provided by IDS hereunder.

2. **Duration**

The parties intend by this Agreement to establish a continuing relationship. This Agreement shall be effective on the date hereof and shall continue until it expires on ____day of _____, 200_. PARTNER may request a renewal of this Agreement for an additional one (1) year term by submitting a written request within thirty (30) days prior to the expiration date. Whereupon IDS shall have thirty (30) days following receipt of such request to agree in writing to such renewal. Any additional or different provisions during any renewal term shall be mutually agreed upon by the parties hereto and shall be established by a written addendum to this Agreement.



3. **Disclosure**

PARTNER agrees to disclose the relationship to all potential customers who will seek to purchase IDS Products and Services through PARTNER.

4. **Qualifications**

The PARTNER affirms that it has adequate knowledge in the business as well as other qualifications necessary to sell said Products on their own merits. The PARTNER certifies that it is an established concern that has existed for a considerable period. The business of the PARTNER will be conducted in the PARTNER'S name, except where that business is the result of a subcontract between IDS and PARTNER.

5. **IDS's Acceptance of Offers**

IDS reserves the right in its sole discretion to decline or accept any order or contract solicited or taken by PARTNER without incurring any liability to PARTNER for the payment of profits or commissions hereunder.

6. **PARTNER's Authority Limitations**

(a) PARTNER shall not have, nor shall it represent itself as having, any authority to make contracts in the name of or binding on IDS.

(b) PARTNER shall not have, nor shall it represent itself as having, any authority to solicit through improper influence that induces or tends to induce an employee or officer of customer to give consideration to or to act regarding a commitment on any basis other than the merits of the matter.

(c) PARTNER shall not have, nor shall it represent itself as having, any authority to directly or indirectly give an employee or officer of a customer a gratuity, gift, favor, entertainment, loan, or anything of monetary value to obtain a commitment.

(d) PARTNER shall have no authority to use the IDS name or trademarks in such a way as to make the company liable for any state or federal tax, contribution, or expense of any kind.

(e) PARTNER shall not solicit for employment directly or indirectly any employee of IDS during the term of this agreement and for a term of five (5) years thereafter.

7. **Indemnification**

(a) IDS agrees to indemnify and hold harmless ONLY AS IT PERTAINS DIRECTLY TO THE FUNCTIONALITY OF PRODUCTS SOLD HEREUNDER BY PARTNER, its servants, and employees, against all product performance claims or suits, arising



out of the sale of Products and the performance thereof that are caused solely by products failure to perform.

(b) PARTNER agrees to indemnify and hold harmless IDS, its servants, and employees, owners, shareholders, affiliates against all claims, suits, damages, penalties, losses, and expenses, including that for which PARTNER may be legally responsible to others, by reason of any act of fraud, dishonesty, willful misapplication, misrepresentation or violation of statute or regulation by PARTNER while performing hereunder.

8. **Expenses**

PARTNER is responsible for all expenses, which have been incurred on its behalf while marketing IDS products and shall not be reimbursed fro any cost, which is not specifically covered by a purchase order from IDS.

9. **Property of IDS**

Any evaluation Products of IDS received by PARTNER under this Agreement shall be held for the account of IDS, and on request such property shall be returned to IDS in as good condition as when received by PARTNER. All records or papers of any kind relating to product shall be the property of IDS, and shall be surrendered to IDS on demand.

10. **Subcontractor's**

PARTNER shall be solely responsible for the hiring, compensation, termination, and all other matters relating to any persons or companies employed by PARTNER for any reason whatsoever, and shall indemnify IDS against any injuries, actions, or proceedings arising from the conduct or employment of such persons or companies. PARTNER shall conduct business in accordance with the applicable Federal, State and Local laws covering such transactions.

11. **Agreement Not to Compete**

PARTNER agrees in consideration for the business derived from this relationship that it would not directly or indirectly compete with IDS or its Products on its own account in any way during the continuance of this Agreement.

12. **Pricing, Payment Terms, and Service Commissions**

All current prices for products to be provided hereunder shall be clearly defined in a published price list and from time to time subject to change without notice. All payments are due at time of order by credit card or certified check unless credit terms have been arranged and acknowledged in writing to PARTNER.



13. **Promotional Undertakings**

To assist PARTNER in promoting IDS Products and Services, IDS shall make available a limited quantity of brochures, evaluation products, and demo CD-Rom products.

14. **Continuing Responsibilities, After Termination or Expiration**

Within 14 days after the expiration or termination of this Agreement, PARTNER must notify IDS of the identity of all customers in the process of negotiation with PARTNER, which have not been processed by PARTNER. Should any of these transactions, so identified be concluded by PARTNER, the terms and conditions of this Agreement shall apply to such commitments? Moreover, so long as these sources are being used by IDS, the terms and conditions of this Agreement shall survive and continue in effect for such transactions for a period of 6 months after termination.

15. **Termination**

This Agreement may be terminated by either party upon default or breach of any of the terms or conditions of this Agreement by the other party when such default or breach is not remedied within thirty (30) days after written notice thereof is given to the party asserted to be in breach or default. A default or breach shall be deemed to have occurred upon the happening of any of the following events:

- 1) Failure to perform any of the obligations, covenants, terms or provisions contained herein;
- 2) The dissolution, termination of existence, insolvency or business failure of a party hereto or the making of any assignment for the benefit of creditors, the commission of an act of bankruptcy, or the institution of voluntary or involuntary bankruptcy proceedings by a party hereto; and
- 3) Failure to comply with or violation of Federal, State and Local regulations and laws, which currently regulate ethical business and labor practices.

16. **Relationship to the Parties**

This Agreement does not in any way create the relationship of joint venture, or legal partnership, as it applies to the merger or joint ownership provisions of the law, between IDS and PARTNER. Neither party shall have the power or the ability to pledge the credit of the other, to bind over, or to contract in the name of or create a liability against the other party in any manner or for any purpose.



17. **Non-assignability**

The rights and obligations created hereunder are personal in nature and may not be assigned or transferred by PARTNER unless written request is made by the PARTNER. Until written consent is obtained, the party transferring or assigning this Agreement shall not be relieved of the obligations hereunder.

18. **Confidentiality**

IDS and PARTNER acknowledge that, during the term of this Agreement, IDS may be required to disclose to the PARTNER certain proprietary information and other information of a confidential nature, in order to carry out the terms of this Agreement, except such information which either party hereto is precluded from disclosing under applicable law or regulation or by valid and binding agreements with third parties. PARTNER agrees that it will keep such propriety or confidential information, as well as all matters related thereto, confidential.

19. **Miscellaneous**

(a) **Entire Agreement:** This Agreement constitutes the sole and only agreement of the parties hereto relating to the matters covered herein and correctly sets forth the rights, duties and obligations of each to the other. Any prior agreements, promises, negotiations or representations not expressly set forth in this Agreement is of no force and effect. Any modification or amendment hereto shall be of no force and effect unless made in writing and signed by each of the parties hereto.

(b) **Waiver:** No waiver of any provisions, or of any default or breach or any provisions of this Agreement shall be deemed to constitute a waiver of any other provision. Such waiver shall not be construed as a waiver of any prior or subsequent breach or default.

(c) **Authority:** The parties executing this Agreement represent and warrant that each has full right, power and authority to enter into this Agreement and that no other person, individual or entity need joint, in a representative capacity or otherwise, in order for this Agreement to be binding upon the parties hereto.

(d) **Choice of Law; Exclusive Venue:** All questions concerning the validity, interpretation or performance of any of its terms or provisions or of any rights or obligations of the parties hereto shall be governed by and resolved in accordance with substantive laws of the Commonwealth of Virginia, excluding any conflicts of law, rule or principle that might refer to the substantive law of another jurisdiction.

(e) **Notice:** Any notice given or request made hereunder by either party to the other shall be in writing and may be effected by registered mail, return receipt requested, addressed by such party to the other at the addresses hereinabove given.



(f) **Remedies:** Any remedy conferred by any specific provision of this Agreement shall be cumulative of and in addition to any other remedy now or hereafter existing at law, in equity, by statute or otherwise. The election of one or more remedies by either party shall not constitute a waiver of the right to pursue any other available remedy.

(g) **Construction:** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision thereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

(h) **Upgrade to Premiere Partner:** Any Partner who reaches \$100K in sales during the contract term will be eligible to apply for Premiere Partner status. Approval is solely at the discretion of IDS.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate, each of such duplicated being deemed an original, effective as of the day and year first written above.

_____. ("PARTNER")

By: _____

Name: _____

Title: _____

Integrated Digital Systems ("IDS")

By:

Name: Larry D. Hunt

Title: Chairman and C.E.O.