

Electronic Coupon Redemption System

Manufacturer Agreement

This Electronic Coupon Redemption System Service Agreement (“**Agreement**”) is entered between **Cunningham Electronics Corporation** (“**CEC**”) and _____ (“**Manufacturer**”). For purposes of this Agreement, each of CEC and Manufacturer may be individually called a “**Party**” or collectively, the “**Parties**”.

Recital:

CEC has developed a patent pending Electronic Coupon Redemption System which includes certain business processes, hardware, software and know-how for the management, registration, redemption, destruction, clearing and settlement of coupon offers both electronic and paper coupons in grocery, drug and mass merchandise retail outlets as integrated at the point of sale in conjunction with utilization of a central and standards-based data facility operated by CEC (hereafter collectively, the “**ECRS**”).

Agreement

1. Manufacturer agrees to utilize the ECRS exclusively for the redemption of its coupon offers by participating retailers (“**Retailers**”) for a minimum period of five (5) years from the date of this Agreement. This Agreement shall renew every 5 years unless 90 days written notice prior to nonrenewal is provided.
2. Manufacturer shall register all its coupon offers with CEC for the ECRS’ offer registry (“**Registry**”). Manufacturers to register its coupon offers shall complete the Coupon Registration Form that is available at the CEC coupon registration web site. All coupon offers listed on the Registry shall take precedence, for purposes of redemption, over any like offers and Manufacturer shall not enter into any other agreements that will circumvent the processing of the Manufacturer’s coupon by the ECRS if presented by a customer of a participating Retailer. Manufacturers shall provide CEC with a family code to item code conversion table, which shall also be maintained by Manufacturer. The Registry database containing the terms of each coupon offer will be downloaded and maintained at participating Retailers’ stores to be utilized as the basis for validation in real time at the point of sale.
3. CEC shall submit a weekly report listing the total coupon transactions and amount owed by the Manufacturer (face value of each coupon redeemed and 8¢ per coupon handling fee plus \$50 for each active coupon per week). Payment is to be made each week, based on the weekly report into a bank account established by CEC for the purpose of clearing payments (the “**Clearing Account**”). The Manufacturer’s payment into the Clearing Account occurs automatically upon CEC’s payment initiation to Manufacturer’s account, all resulting from this authorization provided herein to debit Manufacturer’s bank account. See Exhibit A (the “**Automatic Debit**”).

Authorization Form”) attached hereto and incorporated herein by reference. A 3% late payment charge will apply if Manufacturer fails to pay or in the event of insufficient funds. Furthermore, Manufacturer hereby agrees to cause an institution acceptable to CEC to issue and maintain a Letter of Credit on such terms and conditions and in sufficient amount to cover payments due Retailers and fees due to CEC as set forth in Exhibit B (Letter of Credit form) attached hereto and incorporated herein by reference.

4. Each of Manufacturer and CEC shall have the right, at reasonable intervals upon reasonable notice and during regular business hours, up to twelve months after each payment, to review the books and records of the other regarding Manufacturer’s post-transaction clearing, settlement and reporting functions of the System. Each Party will bear its own costs associated with said review. Each Party agrees to maintain said books and records for twelve months from the completion of each payment. Additionally, CEC will provide Manufacturer with CEC’s annual SSAE 16 Report in accordance with the compliance requirements of the Sarbanes-Oxley Act.

5. Manufacturer hereby agrees to hold CEC, its employees, officers and agents harmless and to indemnify CEC from any and all claims, civil or criminal, arising from Manufacturer's actions or omissions with regard to its coupon promotional activity, including attorneys’ fees and costs incurred by CEC.

6. CEC reserves the right to immediately terminate this Agreement upon Manufacturer's failure to comply with the provisions of this Agreement. Manufacturer shall be liable for all costs, including attorneys’ fees and costs for breach of this Agreement or contesting termination of this Agreement pursuant to the provisions hereof, including attorney fees incurred in enforcing rights in a bankruptcy or insolvency proceeding.

7. All notices or other communication required or permitted to be given hereunder shall be deemed to be duly given when sent by prepaid mail or telex or facsimile transmission addressed to the other Party.

8. Neither Party shall be responsible in damages or otherwise for any failure or delay in performance of any of its obligations hereunder caused by strike, lockout or other industrial disturbance, fire earthquake, explosion, flood, storm, act of God, accident, governmental act or regulations, lack of transportation facilities, technological unfeasibility, nor any cause whatsoever (whether or not the same class or kind as those set forth above) beyond its reasonable control.

9. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

10. This Agreement shall not be assignable without the express written consent of the non-assigning Party, which consent shall not be unreasonably withheld, and pursuant to which such

successor in title shall first have agreed in a written instrument approved in writing by the non-assigning Party to assume and be bound by this Agreement in place of its predecessor.

11. In order to preserve the respective rights of the Parties, including, without limitation, CEC's patent, trade secret, proprietary and intellectual property rights in the Product, both Parties shall execute the Confidentiality Agreement attached hereto as Exhibit C concurrently with the execution of this Agreement. Nothing contained in this Agreement shall be deemed to convey to Manufacturer any ownership interest in, or title to, the ECRS.

12. Except as set forth herein, this Agreement shall be binding upon, and inure to the benefit of CEC and Manufacturer and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns.

13. No modification or waiver of this Agreement or any part hereof shall be valid or effective unless in writing and signed by the Party or Parties sought to be charged therewith; and no waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other subsequent breach or condition, whether of like or different nature.

14. ENTIRE AGREEMENT.

14.1 This Agreement shall constitute the entire Agreement and embody all the terms and conditions agreed upon between CEC and Manufacturer as the subject matter of this Agreement and shall supersede and cancel in all respects all previous agreements and undertakings, if any, between CEC and Manufacturer with respect to the subject matter hereof, whether such be written or oral.

14.2 Except as may occur through provision of additional specifications, instructions, authorizations or rules of cooperation by CEC and Manufacturer as referred to in this Agreement, no variation, modification, addition or any other amendment whatsoever of the terms and conditions of this Agreement and the Appendices shall be effective unless agreed to by each of CEC and Manufacturer in writing.

15. The validity, interpretation and legal effect of this Agreement shall be governed by the laws of the State of CEC's corporate domicile. The Parties each acknowledge and agree that the execution of this Agreement constitutes the making of a contract within the said state of corporate domicile (both state and federal).

16. By entering into this Agreement, Manufacturer permits CEC to use Manufacturer's name, logo, and the fact of Manufacturer's utilization of the System in CEC's marketing and other promotional activities.

17. Nothing contained in this Agreement shall be construed as creating a partnership or any other form of joint enterprise, agency, apparent agency or fiduciary relationship between the Parties.

18. CANCELLATION/ILLEGALITY OF SPECIFIC PROVISIONS

18.1 If any provision in this Agreement:

18.1.1 Shall be deemed at the execution of this Agreement or rendered at a future date unlawful; or

18.1.2 shall by further agreement in writing between the Parties hereto be deemed canceled; then such provision shall be treated as null and void from the date it was rendered unlawful or canceled (as the case may be) and shall thereupon be unenforceable against the other hereto PROVIDED ALWAYS that such unlawfulness or cancellation shall not affect the other provisions herein which shall be valid and binding on the Parties hereto.

19. EXCLUSION OF WARRANTIES - LIMITATION OF DAMAGES.

CEC DISCLAIMS ANY WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. CEC WILL NOT BE LIABLE FOR LOST PROFITS, LOST OPPORTUNITIES, OR INCIDENTAL OR CONSEQUENTIAL DAMAGES UNDER ANY CIRCUMSTANCES.

20. DISPUTE RESOLUTION.

The Parties shall endeavor to resolve any and all differences, disputes or claims arising out of this Agreement through friendly consultation. Such consultation shall begin immediately after one has duly given to the other Parties a written request for such consultation. If within thirty (30) days following the day on which any request for consultation is made, the difference, dispute or claim has not been resolved, the same may be submitted to a court of competent jurisdiction.

221. This Agreement is signed, accepted and agreed by all Parties by and through the Parties or their agents or authorized representative. All Parties hereby acknowledge that they have read and understood this Agreement. All Parties further acknowledge that they have executed this legal document voluntarily and of their own free will.

Agreed this [date]_____.

Manufacturer:

By _____
Authorized Signature, Title & Date

Cunningham Electronics Corporation:

By _____
Authorized Signature, Title & Date

Reviewed 10/19/2016