

Contract abstract — NEON Systems / Peregrine Systems distributor agreement

ACTIVE

AGREEMENT Distributor Agreement (base agreement)	PREPARED AT SIGNING January 1996	LAST UPDATED January 1996
OUR COMPANY Licensee (distributor)	COUNTERPARTY Licensor (software owner)	PREPARED BY Contracts team

PARTIES AND TERM

Licensor Preamble	Peregrine/Bridge Transfer Corporation, a Delaware corporation
Licensee Preamble	Neon Systems, Inc., a Delaware corporation
Effective date Preamble	January 1, 1996
Initial term § 14.1	Two years from the date of the Agreement, ending January 1, 1998
Renewal § 14.1	Renews automatically for one-year terms unless either party gives notice of termination at least 60 days before the end of a term, or the parties have not agreed in writing the Quota Amount for the renewal year at least 60 days before it starts

RIGHTS GRANTED

Territory § 1.9; Exh. B	Worldwide (all countries)
Sublicensing § 2.2	Exclusive right in the Territory to make Sublicense Copies and to market and sublicense the Licensed Products to Redistributors and Customers
Master copy and trademarks § 2.1; § 2.8	Non-exclusive licences: a worldwide right to use and reproduce the Master Copy, and a right to use the Marks in marketing
Non-compete § 10.1	During the term, Licensee may not engage in or be connected with any business competing with the Licensed Products

FEES AND PAYMENT

Licence fee § 3.1(a)	50% of all licence revenues received by Licensee from Redistributors and Customers
Maintenance and support fee § 3.1(b)	50% of all maintenance, support and upgrade revenues received by Licensee
Payment terms § 3.2	Fees on Licensee's invoices are due 120 days after invoice in year 1, 90 days after invoice in months 13 to 18, and 60 days after invoice thereafter
Royalty advances Not in agreement	None
Late payment interest § 3.2	10% per annum on amounts not paid when due
Minimum performance § 14.2(b)(1)	Quota Amount: fees of \$50,000 for each of the first and second years; for renewal years, an amount agreed in writing of at least \$50,000

TERMINATION

Insolvency § 14.2(a)(1) Sample abstract written for a CiteLLM demo from the base agreement; the agreements are real SEC filings.	Either party may terminate immediately on notice if the other becomes insolvent or attempts an unauthorized assignment
Default § 14.2(a)(2)	Either party may terminate on notice if a default is not cured within 30 days; a payment default by Licensee accelerates all sums due to Licensor under the Agreement
Missed quota § 14.2(b)(1)	Licensor may terminate on 90 days' notice if fees for any year fall below the Quota Amount
Change of control § 14.2(b)(2)	Licensor may terminate on 30 days' notice if Licensee agrees to a merger, a sale of a majority of its stock or a sale of substantially all of its assets

RISK ALLOCATION

Liability cap § 13.1	Licensor's total liability under any provision of the Agreement is limited to the amount Licensee paid for the Licensed Product giving rise to the liability; no exceptions
Indemnification § 9.1; § 9.2	Mutual: each party indemnifies the other for breach of its representations, warranties or covenants
Audit § 11.1	Licensor may audit Licensee's records during the term and for 5 years after; Licensee pays the audit costs if an underpayment exceeds 5%

GENERAL

Assignment § 15.7	Requires the other party's prior written consent; Licensor may assign to an affiliate
Governing law § 15.6	State of Texas
Notices § 15.2	Both parties: 14141 Southwest Freeway, Suite 6200, Sugar Land, Texas 77478, Attn: President
Right of first refusal Not in agreement	None
Purchase option Not in agreement	None