

SOFTWARE DEVELOPMENT PARTNERSHIP AGREEMENT

THIS AGREEMENT made effective as of the ____ day of _____, _____.

BETWEEN:

[NAME OF PARTNER 1]
[address]
("PARTNER 1")

- and -

[NAME OF PARTNER 2]
[address]
("PARTNER 2")

RECITALS:

WHEREAS PARTNER 1 and PARTNER 2 wish to enter into a strategic partnership ("Partnership") to develop, implement, market and maintain a software program, currently titled "_____" (the "Software"), which shall have [business / entertainment / educational] applications;

AND WHEREAS the parties shall combine their efforts, and each of the parties shall contribute monies, knowledge, expertise and equipment to the Partnership;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereby agree as follows:

Article I – Formation of the Partnership

1.1 *Purpose of Partnership.* The parties hereby enter into and form the Partnership for the limited purpose and scope set forth in this Agreement, pursuant to the laws of New Zealand and the terms of this Agreement. Except as otherwise expressly provided in this Agreement or by other written agreement executed by the parties, neither party shall have the authority to act for or to assume any obligations or responsibilities on behalf of the other party.

1.2 *Duration of Partnership.* The Partnership shall commence on the date of this Agreement and shall continue until _____ [insert either a specific date, a specific period of time (such as 2 years, etc) or a description of a particular event, following which the Partnership will dissolve], or until terminated as hereinafter provided in this Agreement.

1.3 *Purpose of Partnership.* The purpose of the Partnership is to develop, implement, market and provide support and maintenance for the Software.

1.4 *Contributions of Partners.* As of the date of this Agreement, the parties have made the following contributions of capital and assets to the Partnership, and holds the following percentage interest in the Partnership:

Party	Contribution	% Interest
PARTNER 1	[set out contributions of funds, assets, equipment, etc.]	____%
PARTNER 2	[set out contributions of funds, assets, equipment, etc.]	____%

1.5 *Partnership Management.* Both parties shall have equal rights in management of the Partnership, unless otherwise agreed in writing. Both parties shall have authority to bind the

Partnership in making contracts, and subject to a limit of \$_____, to incur debts in the Partnership name or its credit. Debts exceeding \$_____ require the consent of both parties.

1.6 *Insurance and Records.* The Partners shall be jointly responsible for maintaining complete and accurate records of the Partnership's business, and for placing and maintaining adequate insurance coverage for the business.

Article II – Development, Marketing & Support of Software

2.1 *Development.* The parties intend that the Software will be developed in accordance with the milestones set out in the attached Schedule A - Development Milestones, and will perform according to the specifications set out in the attached Schedule B – Functional Specifications. PARTNER 1 shall write and prepare the Software and any and all support and/or training materials necessary to market the program.

2.2 *Marketing and Sales of Software.* Once the Software has been developed, the parties shall work together to market and sell the Software, on such terms and for such price as the parties may agree. PARTNER 2 shall be primarily responsible for marketing the Software in the geographic territory(ies) set out in Schedule C. PARTNER 1 shall make him/herself reasonably available for consultation and demonstration of the Software to prospective customers and distributors, and to answer technical questions regarding the use of the Software.

2.3 *Ongoing Support.* PARTNER 1 shall be responsible for writing any and all updates, changes or modifications to the Software as and when necessary. PARTNER 2 shall be responsible for making such updates, changes and modifications available to distributors and end users.

2.4 *Obligations of Partners.* Each Partner agrees to devote sufficient time, energy and attention to the duties set out in this Agreement in order to complete the Software in a reasonably efficient and expeditious manner. Each Partner agrees to provide prompt, courteous and professional efforts to promote the sale of the Software. Each Partner agrees to refrain from doing any act, or from failing to act in a manner that would hurt, prejudice or impair the sale or development of the Software.

Article III – Ownership of Intellectual Property

3.1 *[if joint ownership]* The parties shall joint retain all right, title and interest in and to the Software, including all modifications, enhancement, modifications, fixes and upgrades thereto and derivative works therefrom, and shall jointly apply for and register all applicable trademarks, trade names, service marks and related logos with respect to the Software. Both parties shall receive equal credit and attribution for developing and delivering the Software.

3.1 *[if NOT joint ownership]* _____ [name of party retaining ownership] shall retain all right, title and interest in and to the Software, including all modifications, enhancement, modifications, fixes and upgrades thereto and derivative works therefrom, and shall apply for and register all applicable trademarks, trade names, service marks and related logos ("Marks") with respect to the Software. _____ shall license to _____ [name of other party] on a royalty-free, non-exclusive basis the right to use the Marks for the purpose of fulfilling his/her obligations with respect to the Partnership. Both parties shall receive equal credit and attribution for developing and delivering the Software.

Article IV – Revenues and Expenses

4.1 *Revenues.* All revenues collected from sales of the Software, and all capital contributions received from the Partners, shall be deposited in the Partnership's operating account. All expenses directly attributable to the development, marketing, sale, production and distribution of the Software shall be paid from the operating account.

4.2 *Signing Authority.* Cheques and other withdrawals from the operating account shall require the signature of both parties.

4.3 *Taxes.* Each of the parties shall be responsible for remitting his/her own income taxes, sales taxes, or other government remittances, holdbacks or charges required by any level of government against his/her earnings from the Partnership, and each of the parties indemnifies the other party against any claims arising from the first party's failure to do so.

4.4 *Distribution of Profits.* Net profits shall be distributed to the Partners at the end of each calendar quarter, provided, however, that the Partnership shall retain at all times a minimum balance of \$_____ in the operating account for recovery, operating expenses, and the like. [*Set out if the partners will be paid in equal shares, or if not, how the profits are to be distributed.*]

THIS IS AN 8-PAGE DOCUMENT, including schedules.