

APPENDIX D
(DIR Customer)/PDS PURCHASE AGREEMENT
DIR CONTRACT NO. DIR-TSO-2522

This Agreement is made and entered into as of the ____ day of _____, 20____, by and between Professional Document Systems (hereinafter "PDS"), with its principal location at 1414 Common Drive, El Paso, TX 79936, and (Customer Full Name) with its principal location at (address) (hereafter "Customer").

WITNESSETH:

WHEREAS, PDS is in the business of developing Software; and

WHEREAS, Customer has selected PDS to provide it with Software and Related Services; and

WHEREAS, the parties hereto desire to enter into this Agreement to establish the terms and conditions for the purchase and sale of the Software and services.

NOW, THEREFORE, in consideration of the above premises and the mutual covenants and agreements hereinafter set forth, and other good and valuable consideration, the parties hereto agree as follows:

1. Software, Maintenance & Pricing. PDS shall provide Customer with a _____ user license for _____; and related annual maintenance, all at the prices listed and as otherwise detailed in Appendix A hereto. All pricing shall be at the rates set forth in Appendix C to DIR Contract no. DIR-TSO-2522.
2. Upgrades. Upgrades and new releases to the Software, e.g. "patches", etc., will be included as part of the annual PDS maintenance and support. End users who maintain continuous maintenance will receive free major upgrades.
3. Shipment. Shipping and handling fees shall be in accordance with Section 4.E. of DIR Contract No. DIR-TSO-2522.

4. Payment Terms. Payment shall be in accordance with Section 7.C. of Appendix A of the DIR Contract No. DIR-TSO-2522.

5. Technical Services. To the extent allowable by DIR Contract No. DIR-TSO-2522, in connection with Customer's purchase of the Software, Customer may require technical services including training, integration, system analysis, installation, etc., all as detailed in in Appendix C to DIR Contract no. DIR-TSO-2522.

6. Warranty. The Software is warranted to conform in all material respects to published product specifications applicable at the time of order. PDS's sole obligation under this warranty shall be to remedy any non-conformance of the Software. Such remedy shall be provided with respect to any non-conformance promptly reported to PDS in writing no later than thirty (30) days following activation of the particular Software product. During the warranty period PDS shall:

- At its option and expense, either repair or replace any defective Software or refund the license fee paid by Customer. It is acknowledged, however, that software is inherently complex and may contain errors, and PDS cannot guarantee to correct all such errors. This warranty is contingent upon (i) proper use of the Software and (ii) the availability of convenient access for PDS to the Software on site, or a modem and dial telephone line connection suitable for use by PDS remote diagnostic facility when maintenance or warranty servicing are performed.

PDS SHALL HAVE NO OBLIGATION, LIABILITY, OR COMMITMENT FOR DIRECT DAMAGES, LOSS OF USE, DATA OR PROFITS, OR OTHER SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES ARISING OUT OF, OR IN CONNECTION WITH, THE USE OR EVALUATION OF THE SOFTWARE. THE FOREGOING SENTENCE SHALL NOT APPLY IN THE EVENT OF A BREACH OF THE WARRANTY OF THE RIGHT TO AUTHORIZE CUSTOMER'S USE OF THE SOFTWARE.

7. Confidentiality.

7.1 PDS and Customer, to the extent allowed by the Texas Public Information Act, agree to keep and maintain strict confidentiality as to all data, information, ideas, records and affairs of each other and the respective subsidiaries, contractors and/or subcontractors associated with each party, which may be revealed to one another as a result of the performance of this Agreement, including all data collected, analysis made and reports prepared by either party hereunder (collectively "Information"). Each party shall also require its personnel to agree to do likewise.

7.2 Indemnification shall be in accordance with Section 9.A. of Appendix A of DIR Contract No. DIR-TSO-2522.

7.3 The obligations set forth in this Paragraph 8 shall not apply to Information to the extent that such information (a) was in the possession of either party without obligation of secrecy prior to any disclosure to the other party; (b) is or later becomes independently developed by either party without benefit of the Information; (c) is or later becomes generally publicly known due to no fault of either party; (d) is acquired from a third party lawfully in possession thereof and not under any confidentiality obligation directly or indirectly to the respective party; (e) is approved in writing by the respective party for disclosure; (f) is required to be disclosed by operation of law; or (g) is required to be disclosed pursuant to the Texas Public Information Act.

8. End User License - concurrent licenses of the Software shall be configured at the time of installation. In this regard, upon installation of the licensing, Customer shall also be subject to and bound by the limited nature of the license grant, ownership of the Software programs and code (PDS), copy restrictions, permitted uses, etc. The licensing rights granted therein are for the sole and exclusive benefit and use of the ultimate End User of the PDS Product and may not be further assigned or sublicensed to any other party for any purpose whatsoever, including leasing or subleasing of the PDS Product. Nothing herein shall give End Users any rights to utilize PDS Products in any ASP and/or leasing or subleasing transactions.

9. Governing Law. The laws of the State of Texas shall govern the construction and interpretation of the Contract. Exclusive venue for all actions will be in state court, Travis County, Texas. Nothing in the Contract or its Appendices shall be construed to waive the State's sovereign immunity.

11. General. Should any clause, sentence, term, or part of this Agreement be held invalid, such holding shall in no way affect the validity or the remainder. Except as otherwise stated herein, DIR Contract No. DIR-TSO-2522 and this Agreement supersedes and replaces any oral or written communication heretofore made between the parties relating to the subject matter hereof and shall inure to the benefit of and be binding upon the successors and assigns of the parties. In the event of a conflict in terms, the terms of DIR Contract No. DIR-TSO-2522 will have precedence. This Agreement shall not be amended except by an instrument in writing, expressly denominated as an amendment hereto and executed by the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed effective as of the date first written above.

(Customer Full Name)

Professional Document Systems

By:

By:

Name:

Name:

Title:

Title:

Date:

Date:

APPENDIX A
SOFTWARE, MAINTENANCE & PRICING
(Per DIR Contract No. DIR-TSO-2522, Appendix C Pricing Index)

APPENDIX B
TECHNICAL SERVICES
(Per DIR Contract No. DIR-TSO-2522, Appendix C Pricing Index)