

A G R E E M E N T

All-Asean Associates Ltd.
11th Floor, UIC Bldg.
5 Shenton-Way
Singapore 0106

FOUNTAIN INDUSTRIES, INC.
922 E. 14th Street
P.O. Box 731
Albert Lea, Minnesota 56007
U.S.A.

(20)

A G R E E M E N T

THIS AGREEMENT, Made by and between Fountain Industries, Inc., a corporation organized and existing under the laws of the State of Iowa, U.S.A. and having its principal place of business at 922 E. 14th Street, Albert Lea, Minnesota 56007, U.S.A., hereinafter referred to as FOUNTAIN and

All-Asean Associates Limited And its Subsidiaries-11th Floor, UIC Bldg. 5
Shenton Way
of Singapore hereinafter referred to as
All-Asean, Witnesseth

WHEREAS, FOUNTAIN is presently engaged in manufacture, development, packaging, sales and distribution in the United States of beverage dispensers and product for such dispensers and has acquired extensive production and sales know-how and technical experience, and

WHEREAS, FOUNTAIN holds U.S. Patent No's. 3,393,838 and 3,744,865 and U.S. Design Patent No's. 234,832 and 234,833, and other U.S. and foreign patents pending.

WHEREAS, FOUNTAIN holds Great Britain patent numbers 32255/68, 25883/73, 43707/75 and design patent numbers 972,979 & 972,980 and has made applications in Singapore.

WHEREAS, FOUNTAIN is the owner of the trademark "Fountain Brand" and others and is making application to register this trademark in Singapore. Trademark numbers 980248, 986505, 1043578 and 1043579 are registered and others are pending in Great Britain. These will be registered in Singapore.

WHEREAS, All-Asean wishes to engage in the packaging, sale, and distribution of FOUNTAIN'S dispensers, product and accessory items in the Country of Singapore, Malaysia, Thailand, Indonesia

, and to avail itself of such patent, trademarks, technical information and know-how as is owned and available to FOUNTAIN, and,

WHEREAS, FOUNTAIN is agreeable to and willing to disclose to All-Asean such production, sales and distribution know-how and technical experience and to license such patent and trademark rights All-Asean

NOW THEREFORE, and in consideration of the covenants herein contained, the parties agree as follows:

1. Patent License. Upon the effective date of this agreement, FOUNTAIN hereby grants to All-Asean an exclusive license under Great Britain patents and those applications made for Singapore. to manufacture, sell and distribute all items covered by such patent. Upon termination of this agreement for any reason, this license shall terminate.

2. Trademark.

A. Upon the effective date of this ageement, FOUNTAIN hereby grants to All-Asean the right and license during the life of this agreement to use the trademark "Fountain Brand" in the countries of Singapore, Malaysia, Thailand, Indonesia in connection with goods and product produced by FOUNTAIN or its licensees under this agreement.

B. The right to use said trademark as provided in subparagraph A. hereof is, at all times, contingent upon All-Asean producing licensed products of a quality comparable to corresponding products produced by FOUNTAIN and All-Asean agrees that it will at no time utilize any herein licensed trademark on products which fail to meet quality standards or other reasonable specifications which may, from time to time, be specified by FOUNTAIN.

C. Consistent with the foregoing paragraph, All-Asean covenants and agrees that it will use its best efforts to produce, utilize and employ any herein Licensed trademark in a manner which will enhance the worldwide value thereof to the best interests of both All-Asean and FOUNTAIN and, further, that failure by All-Asean to do so may be construed by FOUNTAIN as a breach of this agreement.

3. Renewals and reissues. The above grant of license shall also apply to all applicable renewals and reissues of patent and trademark, if any.

4. Know-How and Technical Assistance.

A. FOUNTAIN agrees to provide All-Asean with all technical information, data, drawings and blue-prints which it has and which it believes will be helpful to All-Asean in the manufacture and packaging and sale of the herein licensed products,

including all changes and improvements therein, in order to enable All-Asean in its plants in Singapore, Malaysia, Thailand, Indonesia to produce licensed products of a quality comparable to corresponding products produced by FOUNTAIN.

B. Such know-how will be provided upon this agreement becoming effective and FOUNTAIN and All-Asean agree that all know-how furnished or to be furnished to All-Asean pursuant to this agreement shall be furnished to representatives of All-Asean at FOUNTAIN'S plant in Albert Lea, Minnesota, U.S.A., or such place as may be designated by FOUNTAIN. The cost of any visit of any representatives of All-Asean to FOUNTAIN shall be borne entirely by All-Asean. Nothing herein together shall be construed as obligating FOUNTAIN to send technical representatives to Singapore or elsewhere, but FOUNTAIN will give sympathetic consideration to any request by All-Asean that FOUNTAIN'S representatives be made available to All-Asean in Singapore, at the expense of All-Asean. All-Asean shall not be obligated to send personnel to FOUNTAIN'S plant in Albert Lea, Minnesota.

C. FOUNTAIN covenants and agrees that it will not provide or make available similar or related know-how as above defined to any other person, firm or corporation in Singapore, Malaysia, Thailand, Indonesia during the life of this agreement, and so long as All-Asean shall not be in default in any of the terms hereof, and that the license herein granted shall be exclusive to All-Asean.

5. Restriction to Geographical Area. The above grant of license shall be applicable only for manufacture, packaging sale and distribution in the countries of Singapore, Malaysia, Thailand, Indonesia.

6. Ownership of Patents and Trademarks. All-Asean acknowledges the validity of and FOUNTAIN'S exclusive right title and ownership interest in and to the patents, trademarks and applications above referred to and all patents and trademarks issued as a result of current or subsequent applications by FOUNTAIN, and will not at any time do or cause to be done any act or thing contesting or in any way impairing or intending to impair such applications and FOUNTAIN'S right, title and ownership interest therein and in the patents and trademarks above referred to.

7. Royalties.

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A. Beginning on the effective date hereof and thereafter during the term of this agreement, All-Asean shall pay to FOUNTAIN as a continuing royalty and in full consideration for all benefits afforded under this agreement the following:

(1) A sum of money equal to five per cent 5% of All-Asean net selling price of all dispensers, products and accessory items sold, with such royalties determined on an annual basis. Net selling price shall mean All-Asean listed price of the dispensers, products and accessory items from which shall be deducted customary trade discounts and commodity tax, if any, levied by the Singapore government, as well as transportation charges, if any, included in the listed prices. Royalties shall not be due and payable for any of the dispensers, products or accessory items sold by All-Asean which are returned or for dispensers, products and accessory items given by All-Asean in exchange for dispensers, products or accessory items which have been previously sold and for which a royalty has been paid therefore to FOUNTAIN by All-Asean. All billings and sales shall be shown on the books of All-Asean and no gifts or exchanges (other than exchanges referred to above in defining net selling price) of dispensers, product or accessory items, shall be used to diminish gross sales and customary selling price shall be used in connection with any gifts or exchanges (other than exchange referred to above in defining net selling price); provided, however, that there shall be an annual minimum royalty in the amount of \$5,000.00 payable annually in advance. The first annual minimum royalty shall be due and payable on the date that this agreement is signed by All-Asean and the annual and quarterly period for determination of royalties shall commence on the first day of the month following the date this agreement is signed by All-Asean. The annual minimum royalty shall be increased to \$10,000.00 U.S.A. if and as long as All-Asean manufactures dispensers.

(2) The continuing royalty of five percent (5%) as set forth above shall include the annual minimum royalty and shall be payable on a quarterly basis. Thus, the 5% royalty shall first be applied against the annual minimum royalty, with additional payments to be made by All-Asean to FOUNTAIN only after the annual minimum royalty has been exceeded based upon sales. Quarterly payments due shall actually be paid within 30 calendar days after each quarter.

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(3) All payments by All-Asean to FOUNTAIN shall be in United States dollars and shall be forwarded to FOUNTAIN at Post Office Box 731, Albert Lea, Minnesota, U.S.A. 56007, accompanied by a statement signed by the Chief fiscal officer of All-Asean stating in reasonable detail the amount of gross sales and deductions therefrom to determine net selling price during such quarter. Such quarterly statements shall:

- (a) Be prepared and forwarded even though the minimum annual royalty may not have been exceeded, and
- (b) Be prepared in such a manner as will show and explain the sales divided into the three categories of dispensers, products and accessory items, and
- (c) Show the conversion rate into dollars.

(4) In computing royalties hereunder, the conversion into United States dollars shall be at the official rate of exchange prevailing on the day of remittance at any authorized foreign exchange bank in Singapore.

(5) All-Asean shall deduct any required withholding tax required by any applicable Singapore U.S. tax convention and shall furnish FOUNTAIN with such tax receipts for credit against its U.S. taxes.

B. All-Asean shall use accounting practices generally accepted in Singapore by accountants who are the equivalent of the Certified Public Accountant in the United States and shall keep its books in a manner so that royalties can be readily ascertained.

C. FOUNTAIN shall have the right to designate a qualified accountant or accountants to inspect and audit the operations of All-Asean at the expense of FOUNTAIN for the purpose of verifying the accuracy of any statement furnished by All-Asean under the provisions of this agreement or the amount of any royalties payable by All-Asean to FOUNTAIN under the provisions of this agreement. Such audit may be conducted at the office or offices of All-Asean during business hours after fifteen (15) days prior written notice to All-Asean.

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- D. In the event of default in the payment of royalties or default by All-Asean in any of the terms of this agreement, FOUNTAIN shall have the right to convert the exclusive license hereby granted into a non-exclusive license, by giving to All-Asean a written notice of its intention to do so. This remedy is in addition to all other rights and remedies of FOUNTAIN in the event of default by All-Asean.

8. Term of Agreement.

- A. This agreement shall continue for the life of any patents referred to in paragraph 1 above and for a period of five (5) years after the termination thereof.
- B. Both parties shall have the right to terminate and cancel this agreement at any time upon the breach of any of the provisions of this agreement by the other or in the event of bankruptcy of All-Asean or any assignment by All-Asean for the benefit of creditors.
- C. Upon termination of this agreement as provided in 8, B above, All-Asean agrees that:
- (1) It will pay all royalties to FOUNTAIN earned prior to termination and that such payment will be made within thirty (30) days after termination. This provision shall also apply to termination pursuant to paragraph 8, A above.
 - (2) It will cease and desist immediately from all use of the patents and trademarks in any way and agrees not to use any work or mark that is similar to or likely to be confusing with the trademarks licensed to All-Asean by FOUNTAIN.
 - (3) It will not manufacture, sell or distribute thereafter any dispensers, products or accessory items the same as or similar to the items handled pursuant to this agreement for a period of ten (10) years.
 - (4) It will promptly return to FOUNTAIN all technical materials and property furnished by FOUNTAIN.

9. Governmental Approval. Promptly upon the execution and delivery of this agreement, All-Asean shall take whatever steps are necessary to secure any required governmental approval of this agreement under any applicable law within the territory defined in paragraph 5 above. FOUNTAIN agrees to cooperate with All-Asean in securing any necessary approvals. This shall also apply to governmental approvals that may be necessary at any time during the term hereof. In the event that this agreement is not

approved by the Singapore Government, and such approval is required, then this agreement shall be totally null and void.

10. Compliance with Law. All-Asean agrees that it will comply with and abide by all applicable laws, rules and regulations of any governmental authority in the geographical area covered hereby for the term hereof, including but not limited to approvals and licenses related to electrical, health, sanitation, packaging, labeling, sales, pricing, etc.
11. Expenses of this Agreement. Each party agrees to pay all fees and expenses incurred by them in connection with the negotiation, execution and delivery of this agreement. All-Asean shall pay all expenses in connection with exercise of the rights and license granted herein, except as may be otherwise expressly provided herein.
12. Non-Assignability. The benefit of this agreement or any part thereof may not be assigned by All-Asean without the express prior written consent of FOUNTAIN.
13. Exoneration. In providing technical information and assistance, FOUNTAIN and its employees and personnel are acting in an advisory capacity only and neither FOUNTAIN nor any of its employees or personnel shall have any responsibility for the design, manufacture, installation, operation or otherwise of dispensers, products and accessory items nor for any decisions which may be made in connection therewith, whether upon the recommendation of such employees or otherwise. All-Asean agrees to save harmless and indemnify FOUNTAIN from any and all claim and all costs and counsel fees incurred in connection therewith made by any person, firm, corporation or governmental authority growing out of the patents or trademarks or the manufacture, handling, sale, distribution, installation, operation, use or consumption of dispensers, product or accessory items or otherwise during the term hereof.
14. Promotional Activities. All-Asean agrees to use reasonable and lawful means to vigorously promote the sale and distribution of dispensers, product and accessory items during the term hereof and to further and preserve the good will of the products sold under the trademarks.
15. Inventions and Improvements. All-Asean shall grant FOUNTAIN exclusive rights to all patentable inventions and improvements developed by All-Asean or its employees during the term hereof and upon termination of the agreement FOUNTAIN shall pay All-Asean a royalty on any and all such inventions and improvements

it may elect to use, which royalties shall not exceed royalties determined upon the formula used in this agreement. FOUNTAIN agrees to pursue new patents and trademarks during the term hereof in its discretion and that any new patents or trademarks shall be licensed to All-Asean for the geographical area covered hereby.

16. Infringement. All-Asean agrees to defend at its expense all infringement suits that may be brought against it on account of the manufacture, use or sale of any items contemplated hereby and when information is brought to its attention indicating that others are unlawfully infringing on the rights herein granted, it shall promptly notify such facts to FOUNTAIN and FOUNTAIN and All-Asean shall cooperate to prosecute diligently any infringer. Selection of counsel and determination to prosecute shall be by mutual agreement. Expenses of prosecution shall be shared equally with FOUNTAIN'S share payable at the conclusion of such litigation in royalty credits or transmittal of funds at FOUNTAIN'S option. In the event any judgment rendered in an infringement suit brought against All-Asean is unfavorable to All-Asean, All-Asean shall have the right to terminate this agreement without any further liability or obligation to FOUNTAIN.
17. Prior Approvals by Fountain. All-Asean agrees to submit to FOUNTAIN for approval specifications and test samples of dispenser models, product cartridges, dispenser heads, product and accessory items manufactured by All-Asean prior to sale and distribution of such items and that sale and distribution will not be commenced until approval of all such items has been given by FOUNTAIN, which approval shall not be withheld unreasonably.
18. Performance Interruptions. The parties shall not be liable for damages hereunder for failure or delay in performance of the provisions of this agreement caused by strikes or other labor difficulties, wars, fires, floods, earthquakes, explosions, government regulations, court orders or other unavoidable causes; however, a reasonable adjustment of the annual minimum royalty payment provided for in paragraph 7, A (1) above shall be made by the parties hereto by mutual consultation.
19. Arbitration. All disputes arising in connection with this agreement which are not settled by agreement between the parties shall be finally settled by arbitration. The arbitration shall be held in Singapore and conducted in accordance with the rules and procedures of the Singapore counterpart of the American Arbitration Association.

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20. Construction. This agreement shall be construed and all the rights, powers, and liabilities of the parties hereunder shall be determined in accordance with applicable laws of the United States and the State of Minnesota with the former to control in the event of conflict.
21. Purchases Between Parties. All purchases by one party from the other shall be handled on an irrevocable letter of credit. All payments are to be in United States dollars with the exchange rate to be determined in the same manner as with royalties. All-Asean agrees that FOUNTAIN shall have the right to purchase any dispenser or accessory item at manufacturer's lowest quoted price.
22. Definitions. For the purposes of this agreement, the following words and terms shall have the following meanings:
- A. "Net Selling Price" - as defined in paragraph 7, A (1).
 - B. "Effective Date of this Agreement" - this is the date the agreement is signed by All-Asean.
 - C. "Dispensers" shall mean the unit which is also known and referred to as a Server and of which there are many different models. It is the unit which, regardless of model, holds water and has an area for placement of product cartridges for dispensing of beverage product, either coin operated or non coin operated.
 - D. "Products" shall mean and include all cartridges or containers filled with freeze-dried or dry beverage base, which are placed in dispensers for use.
 - E. "Accessory Items" shall mean any article or item used or useful in connection with a dispenser for dispensing and consumption of product, such as cups, cup inserts, stir stix, table stands, wall brackets, pitchers, etc.
 - F. "Quarterly" means every three months; that is successive periods of three months each.
 - G. "Annual Minimum Royalty" shall mean the royalty that is payable to FOUNTAIN as a guarantee each year and regardless of the amount of sales by All-Asean.
 - H. "Annual" shall mean an act determined on the basis of a period of twelve months.
23. Notices. All notices given by either party hereto to the other party shall be deemed to have been given sufficiently if sent by the mailing thereof by registered air mail, or by

