

# AFFINITY MEMBERSHIPS, INC.

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18383 Preston Road  
Suite 200  
Dallas, TX 75252-5487  
Tel: 972.250.3131  
Fax: 972.250.2442  
dreiss@affinitymemberships.com

From: David Reiss, President  
To: Software Programmer  
Re: Inclusion in "World's Best Software"

Dear Programmer:

This letter will introduce our company and explain why you have been chosen to be included in the worldwide distribution of a CD-ROM entitled, "World's Best Software."

Affinity Memberships, Inc. is an International Benefit Management Company providing various discount clubs (travel, health, auto, computer, pet, etc.) to more than 30 million members in 15 countries. As such, we routinely look for new and exciting benefits to offer these members.

We have developed a set of CD-ROMs, which include the very best of Freeware and Shareware. These programs are provided to all members to use and, hopefully, to enjoy. The result should be that they register with you and, in the case of Shareware, pay all registration fees directly to you. We seek no commissions whatsoever.

We will be promoting this CD-ROM set through TV ads, magazine ads, direct mail, credit card inserts, the Internet and radio around the world. We GUARANTEE to expose this product to more than 100 million computer users over the next 12 months. Further, we will also promote these disks as part of our regular clubs to more than 30 million current members. (We are the largest wholesale provider of consumer discount benefits in the world.)

We have selected an average of ten programs in each of 100 categories, with no duplications whatsoever. The fact that your program has been chosen indicates that, first and foremost, our technical staff has determined it to be the best example of its kind in a given category, and second, that your program will be the only one to be offered in this area. There will be no competition.

Right now, you must rely on those who specifically seek out freeware and shareware on the web and search the download sites in the hope of "maybe" finding your program. We will change that by getting your program, with no other competitive programs of its type, into the hands of computer users worldwide. This is an "active" marketing channel as opposed to the "passive" one you currently employ. And, if even one percent of the people who get this disk register your program, you should receive more registrations than all the download sites put together.

The concept is simple, we benefit from offering an exciting new benefit to our members. (Naturally, we will pay

for all production, advertising and distribution. There is absolutely no cost to you whatsoever!) You benefit from millions of CDs circulated to computer users with your featured software. Our experience indicates the use of this software will be high and the number of users who register with you will be equally high.

We are not charging you anything to be a part of this benefit, nor are we asking for any royalties or commissions of any kind. We will benefit from including your software and you will benefit from the increased distribution and registrations at no cost to you.

There are, however, a few rules with which we must all comply:

1. All software must provide the user with an email and/or web address to reach the author for registration and/or updates.
2. Affinity Memberships, Inc. will provide all production, advertising and distribution at its sole expense.
3. All registrations and fees paid to programmer will be the sole property of programmer, and no fees whatsoever will be paid to Affinity Memberships, Inc.
4. All "Trials" shall not expire preventing the further use of the program, but rather, a "Nag Screen" will be placed in the program at the discretion of the programmer. This "Nag Screen" shall act as an inconvenience for the user to motivate them to register the program.

If these terms are acceptable and you would like to be included in this CD-ROM distribution, we must have a signed agreement **faxed** back to us not later than August 31, 2000.

We have enclosed an agreement, which must be signed in order to include your software in our CD-ROM. This is to ensure that you have given your permission and also to document that we will provide all funding and receive no commissions from you whatsoever. (We make our money from the sale of benefits and do not require any fees or commissions from you.)

We have enclosed an agreement to be signed and faxed back to us, a set of FAQs and a sample gif of World's Best Software packaging for your review.

If you need to reach us with any questions, please feel free to do so. Our details are as follows:

David Reiss  
President  
AFFINITY MEMBERSHIPS, INC.  
18383 Preston Road  
Suite 200  
Dallas, TX 75252-5487  
Phone: 972.250.3131  
Fax: 972.250.2442  
Email: [dreiss@affinitymemberships.com](mailto:dreiss@affinitymemberships.com)

We look forward to a long and enjoyable relationship between our two companies and believe that this new and exciting distribution channel will benefit us both.

Yours Sincerely,

David Reiss  
President

Encl: Software Distribution Agreement



## WORLD'S BEST SOFTWARE

### FREQUENTLY ASKED QUESTIONS

Q: Who is Affinity Memberships?

A: Affinity Memberships, Inc., (AMI) is the largest wholesale provider of consumer discount benefit programs in the world. For more than twenty years, AMI has provided the benefits that make up various private labeled versions of Travel Clubs, Pet Clubs, Homeowner's Clubs, Health Clubs, Auto Clubs and more. Each club is private labeled for each client and sold via direct mail, telemarketing, billing inserts, Direct Response TV and more. Currently, AMI provides and services benefit programs to more than 30 million members.

Q: Who are some of AMI's Clients?

A: AMI works directly and indirectly (through various sales and marketing companies) with all the major banks, insurance companies, mortgage companies, oil companies and department stores. AMI also sells clubs directly through the Internet in association with AOL, NetZero and more. AMI currently provides the benefits for more than 1,000 clubs sold through all forms of direct marketing for hundreds of clients.

Q: What is World's Best Software?

A: World's Best Software is a collection of Shareware and Freeware that our technical staff has determined to be the "Best" of its kind. That means in all categories, we have chosen one software program that "shines above the rest." This program has been chosen to be a part of this very special collection. Having been chosen, your software will be a permanent part of this collection and will be distributed worldwide.

Q: How will this package be distributed?

A: World's Best Software will become one of the many benefits of joining a Computer Club, provided by AMI. The member will receive more than 20 computer related discount benefits, including World's Best Software. AMI will also use this package as a premium for many of its clients. This will include publishers, banks, cable TV companies, non-profits and more. AMI will also provide this package to catalogs, TV Shopping Channels, Public Broadcasting and more. The scope of distribution will be vast.

Q: How much does it cost a programmer to be included in World's Best Software?

A: There is no cost whatsoever to the programmer to include their software. Once our technical staff has made a decision as to the viability of a program, the software developer is invited to participate in World's Best Software. Normally AMI does receive fees from benefit providers to be included in their various clubs. However, in this case, we have chosen NOT to charge a fee. The reason is simple: There are thousands of small software development companies that work hard to provide quality programs. These developers rely on small channels of distribution and registration from users to survive. AMI recognizes this and, as such, would like to provide a new channel of distribution, one which most developers could only dream of. We do this at no cost whatsoever and no commissions from registrations of the developer's software. AMI is pleased to have created a new benefit for their clients and is quite satisfied, in this case, with the fees generated from the wholesale price they receive for the benefits when sold to their various clients. The addition of World's Best Software to the AMI list of benefits, therefore, does tremendous good for the smaller companies out there developing exceptional quality (and much needed) software programs while, at the same time, it provides AMI with a new benefit. AMI is proud to be able to offer these developers a new channel of distribution at no cost whatsoever.

Q: Exactly how will World's Best Software be distributed and when?

A: World's Best Software will be distributed in many ways. First, there will be an "Infomercial" which will begin on or around Labor Day 2000. These one and two minute spots will offer World's Best Software as part of the benefits of World's Best Club. (The club offers various discount offers on computer services, optical services, pharmacy services, auto and homeowner's insurance quotes, discount movie tickets, long distance telephone discounts and more than a dozen additional discount benefits.) The

member will receive World's Best Software absolutely FREE, as part of this club offer.

Another major distribution channel will be planned advertisements in such publications as *Parade Magazine* (The Sunday supplement), *USA Today*, *PC Magazine*, *Yahoo!Internet Life*, *Family PC*, *Smart Business* and more.

Other forms of distribution include TV Shopping channels, catalogs, the Internet, direct mail inserts and more. Additionally, we are designing an insertion program to be placed into more than 80 million billing inserts of credit card bills, gasoline company bills, cable TV bills and credit union bills. This will occur on a series of three or more inserts over the course of a twelve-month period.

Please Note: AMI will, upon the completion of successful tests in each market, spend considerable funds to promote this offer. For example: A successful Direct Response TV campaign can incur media and promotion costs of \$250,000 per WEEK! This is to say nothing of the cost of full-page ads in national newspapers and magazines.

Q: How many programs will be included on these disks?

A: World's Best Software is comprised of more than 1,200 programs. The breakdown is as follows: World's Best Software is a three-disk collection of more than 1,000 programs. World's Best Utilities is a single disk collection of more than 200 programs. World's Best Internet is a collection of Free Internet Access Software, supplied by NetZero, as well as links to more than 20,000 Newsgroups. We also include the licensed version of the *Smart Computing Magazine's*, "Best of the Web," a guide to the best 2,500 web sites along with many reviews. World's Best Business Software is a single disk with more than 200 programs and links to those sites of interest to the business user. World's Best E-Commerce Software is single disk of more than 200 programs, and links to sites of interest to those involved in e-commerce. (We are currently in development on World's Best Edutainment, and World's Best Family Software.)

Q: Do I have to report sales or registrations to AMI?

A: No. Although we will have a natural and professional curiosity about your increase in registrations, we do not require that you report to us.

Q: How do you handle upgrades to our software?

A: Naturally, with more than 1,200 programs in this package, we will be unable to view everyone's web site to determine when and if upgrades are available. Therefore, we respectfully request that each program included notifies us when an upgrade is available. We will include it in the next disk duplication run.

Q: How will I know where the programs are advertised?

A: AMI will be launching a private web site for all programmers. This site will include a streaming video of the infomercial, the media schedule so you can follow and see the ads on TV, the reprint of the magazine and newspaper ads and their schedule as well. We will also report total sales-to-date.

Q: Will AMI provide us with any additional opportunities?

A: AMI will, from time-to-time, be upgrading and creating new products. We will send all programmers an email informing them of any new opportunities. The Subject Line will always read, "WORLD'S BEST SOFTWARE."

Q: Our program expires after 30 days. Can we be included in this package?

A: Unfortunately, no. We guarantee to all members that all programs will not expire. However, if your program can be designed with "Nag Screens" or even disable some of the functionality, we would be delighted to include it. (Please note: Many of the programmers included in this package have supplied us with "Special versions" of their programs. Perhaps this would be an option for you?)

Q: Why do I need to sign a contract, our program can be downloaded by anyone?

A: Please understand, we are not a small company. As such, we believe in crossing "T"s and dotting "I"s.

Therefore, we require that each developer recognize and accept how we plan to use their programs and agree to this. Without a signed agreement we will not be able to include your software.

Q: I have no problem with the agreement except for the exclusivity?

A: AMI is the leader in their field. As such, when we create a new club, we are immediately copied by our competitors. Therefore, based on the fact that we are not charging for inclusion into this program, and are not charging a percentage of registrations, and ARE spending millions of dollars on the development and marketing of this program, we have decided that we will only include those who grant us exclusivity. HOWEVER, please be advised that we ONLY require exclusivity for Direct Response TV. (We believe it is highly unlikely that other companies will approach you to offer you the opportunity to sell your software on infomercials. Therefore, in the interest of protecting us from our competitors, we do require this exclusivity.)

Q: Can we see who else is included on the disk?

A: On the private web site, which will be up after the disks are completed, you will be able to preview the menus for all disks. You can see the other programs included and all of the promotion and advertising as well.