

PROGRAM END USER SITE LICENSE AGREEMENT

Dan Baumbach and Canyon Software (Licensor) grants to _____ (Licensee), and Licensee accepts, a license to use the licensed program in accordance with the terms and conditions contained in this agreement.

1.0 DEFINITIONS

1.1 "Licensed program" means the object code version of the program listed in Exhibit 1 and related program user documentation. No rights to the source code versions of the licensed program are granted by this license.

1.2 "Object code" means any instruction or set of instructions in machine readable form.

1.3 "User documentation" means any standard manuals or other related materials used for user instruction or reference in use of the licensed program.

1.4 "Use" means copying of any portion of the licensed program from a storage unit or media into the designated equipment and execution of the licensed program on the equipment.

2.0 LICENSE GRANT

2.1 Licensee is granted a nontransferable, nonexclusive right to use the number of copies of the licensed program indicated on Exhibit 1 for Licensee's internal use. Licensor will deliver one copy of the licensed program to Licensee. Licensee may make additional copies of the licensed program, up to the number of copies licensed herein, provided that each copy of the program contains Licensor's copyright notice and any other proprietary legends, including legends under the Federal Acquisition Regulations (FAR), if any, contained on the delivered copy.

2.2 Each copy of the licensed program provided under this license may be used on only one computer at any one time. 2.3 Licensee shall not use, copy, rent, lease, sell, modify, decompile, disassemble, otherwise reverse engineer, or transfer the licensed program except as provided in this agreement. Any such unauthorized use shall result in immediate and automatic termination of this license.

3.0 TERMS

3.1 This license is effective until terminated. Licensee may terminate it at any time by destroying the licensed program and all copies of it and notifying the Licensor in writing. This license will also terminate as otherwise provided in this agreement. On termination, Licensee shall return all materials not destroyed to Licensor together with a written verification that the remaining materials have been destroyed.

4.0 PAYMENT

4.1 The fee for this license is set forth in Exhibit 1, payable as set forth.

5.0 CONFIDENTIALITY AND PROPRIETARY RIGHTS

5.1 The licensed program is licensed, not sold. Nothing in this agreement shall be construed as conveying title in the licensed program to Licensee.

5.2 Licensee understands and agrees that the licensed program and all documentation related thereto constitute the valuable properties and trade secrets of Licensor, owner of the copyright

to the licensed program, embodying substantial creative efforts which are secret, confidential, and not generally known by the public, and which secure to Licensor a competitive advantage.

5.3 Licensee agrees during the term of this license, and thereafter, to hold the licensed program, including any copies thereof and any documentation related thereto, in strict confidence and to not permit any person or entity to obtain access to it except as required for Licensee's own internal use hereunder.

5.4 Licensee shall inform Licensor promptly and in writing of any actual or suspected unauthorized use or disclosure of the licensed programs or documentation related thereto.

5.5 The obligations under this paragraph shall survive the termination or rescission of this agreement.

6.0 LIMITED WARRANTY

6.1 Licensor warrants that for a period of ninety days from the date of delivery of the licensed program the program, if unmodified by the Licensee, will perform in substantial conformity with the user documentation. Licensor does not warrant that the licensed program is free from coding errors. Any program problems reported to Licensor during the warranty period and determined by the Licensor to be actual coding errors will be corrected by Licensor within a reasonable time. Any modifications to the licensed program shall thereafter be licensed AS IS.

6.2 The above warranty does not apply to the extent that any failure of the licensed program to perform as warranted is caused by the licensed program being (1) not used in accordance with the user documentation, or (2) modified by any person other than authorized Licensor personnel.

6.3 Within forty-five days after delivery of the first copy of the licensed program, Licensee shall perform such tests as it deems necessary to determine that the licensed program operates substantially in conformity with the user documentation. If during such tests Licensee determines that the licensed program does not so perform after following the error procedures described in the user documentation, Licensee shall immediately notify Licensor, setting forth the defects noted with the specificity requested by Licensor. Upon notification of reported defects, Licensor shall have a reasonable time to determine if actual coding errors exist and, if so, to remedy those errors. Within fifteen days after redelivery, Licensee shall retest the program and report any other problems encountered. Unless Licensee notifies Licensor of defects encountered within the forty-five day test period, the licensed program shall be deemed to have been accepted.

6.4 LICENSOR MAKES AND LICENSEE RECEIVES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

7.0 LIMITATION OF LIABILITY

7.1 The total liability of Licensor or its suppliers for any claim or damage arising out of the use of the licensed program or otherwise related to this license shall be limited to direct damages which shall not exceed the license fee(s) which have been paid by Licensee to Licensor for the specific client project which is the subject of such claim or damage.

7.2 IN NO EVENT SHALL LICENSOR OR ITS SUPPLIERS BE LIABLE FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES ARISING OUT OF THE USE OF THE LICENSED PROGRAM OR RELATED TO THIS LICENSE.

8.0 TERMINATION. THIS LICENSE MAY BE TERMINATED BY LICENSOR IF:

8.1 Licensee fails to comply with any material term or condition of this agreement and Licensee fails to cure such failure within fifteen days after notices of such failure by Licensor; and

8.2 Licensee's normal business operations are disrupted or discontinued for more than thirty days by reason of insolvency, bankruptcy, receivership, or business termination.

9.0 GENERAL TERMS

9.1 Neither this agreement nor any rights or obligations hereunder shall be assigned or otherwise transferred by Licensee without prior written consent of Licensor, which consent will not be unreasonably withheld. Licensor may assign this agreement entirely in its discretion upon the express written assumption of the obligations hereunder by the assignee.

9.2 This agreement shall be interpreted and enforced in accordance with and shall be governed by the laws of the State of California applicable to contracts between residents. No suit for enforcement of or for a declaration of rights between the parties to this agreement shall be commenced in any court other than the Municipal or Superior Court in and for the County of Marin, State of California.

9.3 Any controversy or claim arising out of or relating to this agreement or the breach thereof shall be settled by arbitration in accordance with the commercial rules of the American Arbitration Association, using an arbitrator with knowledge of computers and software, and judgement upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. No arbitration or other action arising out of any claimed breach of this agreement or transactions under this agreement may be demanded by either party more than one year after the cause of action accrued. The prevailing party in any such action related to or arising under this agreement shall be entitled to reasonable attorneys' fees.

9.4 This agreement and its exhibits contain the entire agreement between the parties hereto, superceding all previous agreements, representations, understandings and negotiations. This agreement may not be amended other than by writing signed by an authorized representative of the parties.

9.5 In any terms or provisions of this agreement shall be found to be illegal or unenforceable then, notwithstanding, this agreement shall remain in full force and effect and such term or provision shall be deemed stricken.

9.6 No amendment of this agreement shall be effective unless it is in writing and signed by duly authorized representatives or both parties. No term or provision hereof shall be deemed waived and no breach excused unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to or waiver of a breach by the other, whether express or implied, shall not constitute a consent to, waiver of or excuse for any other, different or subsequent breach.

9.7 This agreement shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto, but nothing in this paragraph shall be construed as a consent to any assignment of this agreement by either party except as provide hereinabove.

9.8 Time is of the essence of this agreement.

9.9 This agreement may be signed in counterparts.

Effective this _____ day of _____, 19__.

LICENSEE

LICENSOR

Authorized Representative

Authorized Representative

Typed name_____

Typed name: Dan Baumbach

Title_____

Title: Owner

Address_____

Address: Canyon Software

1537 Fourth Street Suite 131

San Rafael, CA 94901

EXHIBIT 1

Licensed Programs

LICENSED PROGRAM	NUMBER OF COPIES	LICENSE FEE PAYABLE
Drag And Zip	10 to 25	\$15.00 per copy.
Drag And Zip	26 to 50	\$12.00 per copy.
Drag And Zip	51 to 100	\$8.00 per copy.
Drag And Zip	101 and up	\$5.00 per copy.

All site licences include one program diskette and manual. Additional diskettes and manuals are available at \$2.50 each.

The above is a Corporate Site License Agreement for multiple copies of Drag And Zip to be made by the end user. To initiate an agreement submit two completed, signed copies to Canyon Software along with a check for the amount of your license agreement.