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4.0 PAYMENT

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

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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

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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.

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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.

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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.
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