

SAMCO SOFTWARE INC. ("Samco")

LICENSE OF SOFTWARE AGREEMENT

1. Limited Use of Software

1.1 The Software whether individual modules, or, as a package, Samco Power Accounting shall be used either on one computer or by one individual. In either case, the Software shall be used by the Customer only at one location and on one computer for each licensed use purchased.

2. License

2.1 Samco hereby grants the Customer a non-exclusive license to use the Software in a machine-readable medium, and associated documentation subject to the terms and conditions set out herein.

The Software is licensed not sold. The Customer owns the physical/tangible contents of the media on which the Software is enclosed. However, Samco, and not the Customer, owns the Software which is protected by United States, Canadian and international copyright laws. The Customer may use the Software only in the manner set out in this Agreement. This Agreement gives the Customer no intellectual property rights in the Software, which intellectual property rights are expressly reserved by Samco.

2.2 The Customer is specifically prohibited from creating any copies except a copy for off-site storage backup for use on an emergency basis only at no additional charge.

2.3 The Customer is specifically prohibited from installing the Software on a computer network or multi-user system without first acquiring a Samco Multi-User Installation Kit for said Network or Multi-User Operating System and if used on a Wide-Area Network, Frame Relay System, or via the Internet, the customer must first pay the appropriate fee to Samco Software Inc. which will be based on how many physical locations and/or work-stations will be able to access the Samco applications.

2.4 The license granted herein may be discontinued by Samco should the Customer become insolvent, cease conducting business or materially violate any of the terms of this Agreement.

2.5 The Customer may terminate this Agreement at any time by destroying the Software together with all copies, modifications and merged portions in any form. It will also terminate if the Customer fails to comply with any term or condition of this Agreement. The Customer agrees upon such termination to destroy the Software together with all copies, modifications and merged portions in any form.

3. Warranty

3.1 Samco warrants that during a period of 90 days following delivery of the Software to the Customer, (the "Warranty Period") the Software will operate substantially as set forth in Samco's published documentation applicable to said Software. The configuration upon which the Software will operate is set forth in the documentation, however, Samco does not warrant that the Software will operate in all environments due to the broad range of equipment, networks and other third party supplied materials which may be used by the Customer. Within the Warranty Period Samco will use its best efforts to correct any material programming errors found in the Software that impacts the functionality of the Software.

The said services shall be provided without charge except where Samco is called upon by the Customer to correct an error and such error is found to be caused by the Customer's negligence, modification by the Customer, Customer supplied data which does not conform to Samco formats, machine failure, operator error or any other cause not inherent in the Licensed Software, whereupon Samco reserves the right to charge the Customer for such service on a time and material basis at Samco's then current rates.

The sole remedy for breach of any warranty provided herein shall be limited to the replacement of or, failing replacement, and at Samco's election, refund of the license fee and termination of this License.

SAMCO WILL NOT BE LIABLE FOR ANY OTHER DAMAGES, INCLUDING, BUT NOT LIMITED TO, SPECIAL, INDIRECT INCIDENTAL, CONSEQUENTIAL OR OTHER DAMAGES INCLUDING DAMAGES FOR LOSS OF PROFIT, LOSS OF BUSINESS INFORMATION, BUSINESS INTERRUPTION ARISING OUT OF THE USE OR INABILITY TO USE THE SOFTWARE EVEN IF SAMCO HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

3.2 Samco Software Inc. warrants the CD/DVD/DEVICE(s) on which the Software is furnished to be free from defects in materials and workmanship under normal use for the Warranty Period. Any CD/DVD/DEVICES(s) not meeting Samco Software Inc.'s Limited Warranty will be replaced if returned to Samco Software Inc. with a copy of the receipt. If Samco Software Inc. is unable to deliver a replacement CD/DVD/DEVICE(s) that is free of defects in material or workmanship, the Customer may terminate the Agreement by returning the Software and the Customer will receive a refund.

3.3 Samco's entire liability and customer's sole remedy as to the Software or CD/DVD/DEVICE(s) which do not meet Samco's Warranty during the Warranty Period shall be, at Samco's option either (a) return of the purchase price, (b) replacement of the CD/DVD/DEVICE(s) which does not meet Samco's Warranty and which is returned to Samco postage prepaid with a copy of the receipt or (c) Samco's best efforts to correct the said non-conformance of the Software.

3.4 THE FOREGOING WARRANTIES ARE THE ONLY WARRANTY OF ANY KIND MADE BY SAMCO AND ANY OTHER WARRANTIES, REPRESENTATIONS OR CONDITIONS EITHER EXPRESSED OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE, ARE HEREBY DISCLAIMED,

4. Proprietary Right

4.1 The Software is protected by both Canadian and U.S. copyright laws as well as by International Treaties. Any copying of the Software or unauthorized use of the Software other than expressly permitted in this Software License Agreement (including reverse engineering or decompilation) constitutes an infringement of Samco's copyright and intellectual property rights and the Customer may be held liable for damages if the Customer permits the Software to be copied.

5. Charges and Payments

5.1 The Customer agrees that the license fee belongs to Samco upon execution of this Agreement. Any taxes, tariffs, or duties assessed on the Software under this Agreement shall be borne by the Customer except income taxes imposed on Samco. Amounts not paid within 30 days of delivery will incur a 1.5% monthly interest charge, at Samco's sole discretion.

6. Miscellaneous

6.1 Samco shall be allowed to use the Customer's name on its Customer lists, web site, and to disclose the name to its present and potential Customers after execution of this Agreement.

6.2 Neither party shall be responsible for delays resulting from acts beyond its control. Such acts shall include, but not be limited to, acts of God, strikes, lockouts, riots, acts of war, epidemics, government regulations superimposed after the fact, fire, communication line failures, earthquakes or other disasters.

6.3 This Agreement is not assignable by the Customer, except with the written consent of Samco, which consent will not be unreasonably withheld upon payment of Samco's current fee.

- 6.4 No amendment to this Agreement shall be effective unless it is in writing and signed by a duly authorized representative of both parties. Use of the software implies customer acceptance of this Agreement, in which case, signature is not required.
- 6.5 If any provision of this Agreement is prohibited by law or declared invalid, illegal or non-enforceable by any court of competent jurisdiction, this Agreement shall be considered divisible as to such provisions and all other provisions of this Agreement shall remain in full force and effect.
- 6.6 Custom modifications made to the software shall be included in this license and governed by the specification and design document prepared by Samco Software Inc. and accepted by the customer prior to the custom modifications being completed. Modifications do not alter the terms and conditions of this Software License. Custom Modifications become the sole property of Samco Software Inc., and are warranted for a period of 90 Days from installation.
- 6.7 This Agreement shall be governed by the laws of the Province of British Columbia and constitute the complete and exclusive statement of the Agreement between the Customer and Samco with respect to software and services. No representation or statement not contained in this Agreement shall be binding upon either party. The foregoing terms and conditions shall prevail notwithstanding any variance with the terms and conditions of any order submitted by the Customer.