

THIS AGREEMENT made in duplicate this ___th day of _____, ____.

BETWEEN:

795666 ONTARIO INC. a body corporate, incorporated under the laws of Canada, having its head office at Timmins, Ont. operating under the trade style Porcupine Computers, hereinafter referred to as "Porcupine Computers")

OF THE FIRST PART

-and-

(hereinafter referred to as the "Authorized User")

OF THE SECOND PART

WHEREAS Porcupine Computers is the sole owner of certain software programs and has full and exclusive rights to such software programs subject to certain limitations as hereinafter expressly stated;

AND WHEREAS the Authorized User desires to acquire from Porcupine Computers the right to use said Licensed Software upon the terms and conditions set forth herein;

AND WHEREAS the Authorized User may also desire to purchase hardware from Porcupine Computers to be used in conjunction with the licensed software;

NOW THEREFORE WITNESSETH that in consideration of the covenants and obligations herein contained, it is hereby agreed as follows:

DEFINITIONS

1.1 "Licensed Software" means any Licensed Software for which Porcupine Computers is the sole owner, and for which Porcupine Computers has full and exclusive rights, subject to certain limitations as hereinafter expressly stated.

1.2 "Designated Unit" means any single central processing unit, whether single user or multi-user, at a single location or a networking system which may consist of more than one central processing unit, provided that said networking system is operated at a single location and uses only one central file server.

1.3 "Hardware - Software Package" means hardware and Licensed Software sold by Porcupine Computers to an Authorized User together.

1.4 "Porcupine Computers System" means either "Licensed Software" or the "Hardware - Software Package".

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SOFTWARE LICENSE AGREEMENT

2.1 Porcupine Computers licenses to the Authorized User a personal, nontransferable, and nonexclusive right to use the Licensed Software listed in Schedule "A" hereto attached solely for the Authorized User's internal business purposes and solely on the Designated Units as listed in Schedule "B" hereto attached. The Authorized User has the right to use alternate hardware only with the permission of Porcupine Computers. Porcupine Computers will not unreasonably withhold such permission.

2.2 Porcupine Computers grants to the Authorized User the right to reproduce machine-readable code portions of the Licensed Software.

2.3 No right is granted for the use of the Licensed Software on or in connection with the operation of any unit other than the Designated Unit set out in Schedule "B" hereto attached; except, however, that the right to use the Licensed Software shall be extended temporarily to a single back-up unit during any period when a Designated Unit is inoperative due to malfunction, maintenance or hardware modification, however, such use must be approved and will not be unreasonably withheld by Porcupine Computers.

2.4 No right is granted

- (a) For any use of the Licensed Software by any person other than the Authorized User;
- (b) For any use of the Licensed Software for which payment required has not been made;
- (c) For any use of the Licensed Software, directly or indirectly, other than for the Designated Unit.

2.5 The Authorized User acknowledges that title to all Licensed Software including all rights and patents and copyrights applicable thereto, shall remain vested in Porcupine Computers.

2.6 The Authorized User's right in and to the Licensed Software as a result of this agreement may not be assigned, licensed or otherwise transferred voluntarily or involuntarily, by operation of law, or otherwise, without the prior written consent of Porcupine Computers. Porcupine Computers will not unreasonably withhold such consent.

2.7 This licensing agreement applies to the Licensed Software whether it is sold as a Licensed Software only or as part of a Hardware - Software Package.

2.8 The Authorized User is licensed for one Collection Agency/one Branch handling only.

PAYMENT

3.1 For the purchase of the Porcupine Computers system, the Authorized User agrees to pay Porcupine Computers in money of Canada, the amount, in accordance with the terms and conditions, set out in Schedule "C" hereto attached.

INSTALLATION, CONVERSION ASSISTANCE AND TRAINING

4.1 Training with respect to the use of the Licensed Software, or if the Authorized User has purchased the Hardware - Software Package, installation of the equipment and training with respect to the use of the Licensed Software, may be carried out by the Authorized User or by Porcupine Computers personnel.

4.2 If the Authorized User wishes to engage Porcupine Computers personnel with respect to the installation, conversion assistance and training as the case may be, the Authorized User agrees to pay any and all expenses related thereto, including, but without limiting the generality of the foregoing, travel, lodging, meals, and other reasonable travel expenses incurred by Porcupine Computers personnel during the course of such installation, conversion assistance and/or training, as the case may be.

4.3 The cost of conversion assistance and training with respect to the purchase of any Porcupine Computers system shall be a separate item over and above the cost of the Porcupine Computers system and the Authorized User agrees to pay Porcupine Computers for such conversion assistance and training in the amount set out in Schedule "C".

MAINTENANCE, MODIFICATION OR CUSTOMIZATION

5.1 Any maintenance, modification or customization made to the Licensed Software shall be carried out by Porcupine Computers or its designated agent only and the costs of any such maintenance shall be the responsibility of the Authorized User, save and except during the warranty period as stated in Section 11.1. The cost of post-warranty maintenance is set out in Schedule "C" hereto attached.

TAXES

6.1 The Licensed Software listed in Schedule "A" are nontangible property. The license is hereby granted is merely a license to use proprietary methods, and any tangible attributes are only incidental. If sales or other taxes are levied upon the system, they shall be the responsibility of the Authorized User.

ASSIGNMENT BY PORCUPINE COMPUTERS

7.1 Porcupine Computers reserves the right to assign any or all of its rights under this agreement. The Authorized User upon receiving written notice from Porcupine Computers of any such assignment shall abide thereby. If Porcupine Computers wishes to assign any or all of its rights under this agreement, Porcupine Computers will first notify each of the Authorized Users of its intent and all Authorized Users will have the right of first refusal to match any offer within 30 days of notification.

7.2 Should Porcupine Computers assign any or all of its rights under this agreement to another entity, there will be no withdrawal of any prior version of Porcupine Computers Licensed Software and software support services will continue for any and all versions.

FORCE MAJEURE

8.1 Neither party shall be responsible for delays or failures in performance resulting from acts beyond the control of either party. Such acts shall include but not be limited to acts of God, strikes, lockouts, acts of war, government regulations superimposed after the fact, fire, communication line failures, interruption of supplies, power failures, earthquakes, or other disasters.

PROGRAM LOST OR DAMAGED

9.1 Porcupine Computers agrees to replace, without additional charge, any programs lost or damaged in shipment to the Authorized User. If the Authorized User loses or damages any program, Porcupine Computers will replace them, if available, at an additional charge equal to the actual total cost of replacement.

DELIVERY, TITLE, INSURANCE

10.1 Where the Authorized User purchases the Hardware - Software package, delivery of equipment will be made F.O.B. point of origin. Porcupine Computers will not be liable for delays or damage in shipment or for failure to give notice of delay when such delay is due to conditions or circumstances beyond the control of Porcupine Computers. The time of delivery is the time when the equipment to be delivered is ready for pickup by the carrier. Products held for the Authorized User after the time of delivery will be at the Authorized User's risk and cost. The delivery date will be extended for a period of time equal to the time lost due to any delay which would be excusable under this agreement.

10.2 Title to equipment and risk of loss will pass to the Authorized User at the time of delivery, subject to a purchase money security interest retained by Porcupine Computers in the equipment sold and the proceeds thereof until payment of the equipment purchase amount to Porcupine Computers by the Authorized User. The Authorized User agrees to execute appropriate financing statements or other documents as may be reasonably requested by Porcupine Computers to protect its security interest.

10.3 The Authorized User acknowledges and assumes responsibility, at its cost, for procuring adequate insurance against loss or damage to equipment during the shipment and/or for informing the carrier of the value of the equipment. In the absence of specific instructions, Porcupine Computers will select a carrier for shipment but carrier will not be an agent of Porcupine Computers nor does Porcupine Computers by such selection assume any liability regarding the shipment, including but not limited to risk of loss or damage to said equipment or for informing carrier of the value of the equipment.

PROGRAM UNSUITABLE FOR USE

11.1 Porcupine Computers warrants the performance of the Licensed Software, based on the representations made by Porcupine Computers personnel with respect to its capabilities, for a period of 1 year following delivery; however, such warranty does not cover disk management or optimal hard disk space utilizations, file overflows or operating system related errors. Long distance toll charges are at the Authorized User's expense.

AUTHORIZED USER'S RESPONSIBILITIES

12.1 The Authorized User shall be exclusively responsible for the supervision, management and control of its use of the Licensed Software, including but not limited to:

- (a) assuring proper machine configuration, audit controls and operating methods;
- (b) establishing adequate backup plans including, for example, alternate procedures and access;
- (c) implementing sufficient procedures to satisfy its requirements for security and accuracy of input and output as well as restart and recovery in the event of a malfunction.

NON-DISCLOSURE OF CONFIDENTIAL INFORMATION

13.1 Each party acknowledges that all material and information which has or will come into the possession or knowledge of each in connection with its agreement or the performance hereof consists of confidential and proprietary data which disclosure to or use by third parties, other than pursuant to the terms of this agreement, will be damaging. Both parties therefore agree to hold such material and information in strict confidence, not to make use thereof other than for the performance of this agreement, to release it only to employees requiring such information, and not to release or disclose it to any other party other than pursuant to the terms of this agreement. Without limiting the generality of the foregoing, the Authorized User agrees:

(a) not to make copies of, or duplicate any Licensed Software or components thereof, except to make copies necessary to provide adequate in-house backup for the designated equipment;

(b) to instruct its employees having access to the Licensed Software not to copy or duplicate the Licensed Software or any components thereof, or make any disclosure with reference thereto to any third party;

(c) to effect normal security measures to safeguard the Licensed Software from theft or from access by persons other than its own employees using the Licensed Software for the Authorized User's requirements;

(d) to maintain records of the number and location of all copies of the Licensed Software and related materials and to notify Porcupine Computers in writing of any copy of a system or related materials which are not kept at an installation other than that of the designated equipment. An initial list of locations of all backup copies or reproductions of the Licensed Software and related materials is attached under Schedule "D";

(e) Reverse engineering - Neither the Authorized User or the Authorized User's employees or independent contractors shall create, or attempt to create, by reverse engineering or otherwise, the source code from the object code, or from any information made available to the Authorized User.

CANCELLATION

14.1 The Authorized User agrees:

- (a) that if it fails to pay the full price outlined herein, or
- (b) if the Authorized User goes into bankruptcy or takes any steps towards making an assignment for the benefit of creditors, or becomes insolvent, or takes the benefit of any act that may be in force for bankrupt or insolvent debtors, or
- (c) if the Authorized User does not protect the title and full ownership rights to the system leased under this agreement to the benefit of Porcupine Computers, or
- (d) if the Authorized User tries to sell or dispose of the said system or any portion thereof or use the said system or any portion thereof in any way inconsistent with the terms of this agreement or tries to copy the said Licensed Software or any portion thereof on tape or diskettes, except for the normal internal backup purposes, or
- (e) if the Authorized User either voluntarily or by operation of law ceases to carry on business that it is presently carrying on, or
- (f) if the Authorized User fails to comply with any other terms or provisions of this agreement, then Porcupine Computers will have full right to:
 - (i) enter upon the premises of the Authorized User and enter upon any other premises where copies/or backups are located, including but not limited to those locations listed in Schedule "D", and repossess the said tapes or diskettes and any and all backup copies or reproductions as well as all other materials supplied by Porcupine Computers to the Authorized User in connection therewith and all rights of the Authorized User under this agreement will thereupon cease. Porcupine Computers in event of seizing the system or any portion thereof, will not be responsible for any repayment of the price for leasing of the system paid by the Authorized User to Porcupine Computers pursuant to the terms of this agreement;
 - (ii) declare the entire amount of monies due hereunder immediately due and payable, without notice or demand to the Authorized User;
 - (iii) sue for or recover all monies due hereunder;
 - (iv) terminate this agreement by written notice to the Authorized User;
 - (v) pursue another remedy at law or in equity.

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NON-DISCLOSURE TO CONTINUE

15.1 In the event the license granted hereunder is terminated, the above obligations of the Authorized User with respect to the protection and security shall not terminate but shall continue for a period of five (5) years following such termination.

GOODWILL PROVISION

16.1 Notwithstanding Section 5.1, Section 11.1 or any other provision contained herein, Porcupine Computers reserves the right to recall Licensed Software purchased by the Authorized User under the terms of this agreement in order that Porcupine Computers may, at Porcupine Computers' expense, update or de-bug the Licensed Software.

16.2 When Porcupine Computers wishes to invoke Section 16.1, Porcupine Computers shall give the Authorized User written notice of the recall, and the Authorized User will be required to forward to Porcupine Computers by way of "Air Express Collect" the Licensed Software diskettes within 78 hours of receipt of the written notice from Porcupine Computers.

16.3 The purpose of this section 16 is to preserve and enhance the goodwill of Porcupine Computers; however, it is understood the inclusion of this section 16 in this agreement does not grant any additional rights to the Authorized User and is solely for the benefit of Porcupine Computers in that it requires the Authorized User to return the Licensed Software to Porcupine Computers, at Porcupine Computers' expense, within the time provisions set out in Section 16.2.

ENTIRE AGREEMENT OF PARTIES

17.1 This agreement sets forth the entire agreement and understanding between Porcupine Computers and the Authorized User as to the subject matter hereof and merges all prior discussions between them, and no one shall be bound by any conditions, definitions, warranties, understandings or representations with respect to such subject matter other than as expressly provided in this agreement or as provided on or subsequent to the effective date of this agreement in writing and signed by a proper duly authorized representative of the person to be bound thereby.

17.2 Provided, and it is agreed that the remedies provided herein are Porcupine Computers' sole and exclusive remedies and in no event shall Porcupine Computers be liable for direct, indirect, special, incidental or consequential damages (including loss of profits) whether based on contract, tort, or any other legal theory. In the event a court of competent jurisdiction determines that Porcupine Computers is liable for damages suffered by the Authorized User due to a defect in the system or negligence on the part of Porcupine Computers or its authorized personnel then in any such case the liability of Porcupine Computers shall be limited to the extent of damages determined by the court or the cost of installation whichever is less.

INTERPRETATION ACCORDING THE LAWS OF ONTARIO

18.1 The validity, construction and interpretation of this agreement and the rights and duties of the parties hereto shall be governed by the laws of the Province of Ontario, Canada.

JOINT AND SEVERAL LIABILITY

19.1 If more than one person or company executes this agreement as the Authorized User, the liability of the said persons is joint and several.

INTERPRETATION GENERAL

20.1 The provisions of this agreement shall enure to the benefit of and be binding upon the parties hereto, their respective heirs, successors, and lawful assigns. Singular shall include plural and the masculine gender shall include the feminine and neuter gender.

20.2 If any of the provisions of this agreement are ever held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts of the agreement and the agreement shall be construed and enforced as if such illegal and invalid provisions had never been inserted therein.

TIME OF THE ESSENCE

21.1 Time is of the essence of this agreement and in each and all of its provisions.

795666 Ontario Inc.
Porcupine Computers

Per:

David M. Laporte B.Comm.
Director

Witness to the signature
of 795666 Ontario Inc.
Porcupine Computers

Per:

Authorized User

Per:

Witness to the signature
of the Authorized User

Title

Per:

Title

SCHEDULE "A"

LICENSED SOFTWARE AS PER SECTION 1.1 OF LICENSING AGREEMENT

795666 ONTARIO INC.
PORCUPINE COMPUTERS
CARDLESS COLLECTION AGENCY SYSTEM

SCHEDULE "B"

DESIGNATED UNIT AS PER SECTION 1.2 OF LICENSING AGREEMENT

A. Single Machine Unit

Make:

Model:

Serial No:

Multi-user:

Location:

SCHEDULE "C"

PORCUPINE COMPUTERS SOFTWARE/SYSTEMS QUOTATION

HARDWARE (current list of hardware required for Porcupine Collection System)

SOFTWARE (current list of software required for Porcupine Collection System)

Quantity (1) UNIX Operating System
(1) Foxplus D-Base Language
(1) Porcupine Computers Custom Cardless Software

SCHEDULE "D"

LIST OF OFFSITE BACKUP LOCATIONS