

Dear Cactus Punch Customer:

Thank you for contacting Cactus Punch regarding transfer of your license for Cactus Punch design packs via sale/auction. This agreement must be signed for any sale of opened Cactus Punch design CD's, public or private, whether it is advertised or not. There are additional rules, stated below, that apply to publicly advertised sales and auctions only.

Only registered users of Cactus Punch designs are allowed to sell used Cactus Punch design CD's. To register your design pack with us, use the yellow registration card you get with the pack. To sell the CD, you must be able to transfer the original CD, the original color sequence sheet and the original package inserts (except the registration card) and you must be willing and able to destroy all copies of the design made from the original CD.

To transfer registration, you must sign a **Cactus Punch Software Destruction Agreement** for each pack that you intend to sell that gives your name, the name of the software package you intend to sell, and your signature affirming that you have destroyed all copies of all the designs on your computer, sewing machine, floppies, CD's or any other medium or storage device you own. If you are not the original owner of the CD and/or you are not able to assure that all copies are destroyed, you may not sign the agreement. If you know the buyer when you sign the agreement, you may enter his/her name and send the completed agreement to Cactus Punch.

However, if you do not know the name of the buyer (as when the sale is to be advertised online or in a local newspaper), you may complete all the information except that referring to the buyer and send the partially completed agreement to us. Once we receive the signed agreement from you via fax or mail, we will provide a reference number that must be entered on any advertisement referring to the sale. When you have closed the sale, you must complete the form to include the buyer's name, business name if applicable, address, and telephone number and send an original signed copy to Cactus Punch. You may list your pack on an online sale/auction site, including the reference number, as soon as you receive the number by fax or phone. However, if we do not receive the signed original including the buyer's name and contact information within 7 days of the sale, we will contact the sale/auction site to report that the sale was invalid and will take legal action against both you and the buyer.

In addition to the reference number you receive from us, your sale/auction listing must state that the disk pack is complete with the original disks, all packaging materials, including the cover showing the designs, the original color sequence, the booklet and the license information. Your listing must also state that the buyer must be willing to reveal his/her name to you, the seller, as well as to Cactus Punch, and that the buyer must be willing to sign a new license agreement and assure that Cactus Punch receives it within 7 days of the sale on the sale/auction site.

Selling copies of either the disks or the packaging materials and color sequence is a violation of copyright law. If your sale/auction listing does not contain a valid reference number, or if it does not state explicitly that the pack contains all the original components, we must assume that you have not complied with the license transfer process and we will ask the sale/auction site to enforce our ownership rights.

Attached is a copy of the agreement for your use. Please inform the buyer that he/she is not in compliance until he/she has signed a new license agreement with us.

Thank you for your interest in Cactus Punch Embroidery Designs.

800.933.8081 Order  
520.622.8460 Phone  
520.622.8461 Tucson Fax  
800.811.4374 Free Fax

4955 N. Shamrock Place, Tucson, AZ 85705  
www.cactuspunch.com  
orders@cactuspunch.com

## Letter of Software Intellectual Property Destruction

THIS AGREEMENT (the "Agreement") is made and entered into by and between Cactus Punch, Incorporated, a software publishing corporation (hereinafter "Cactus Punch"), and \_\_\_\_\_ (hereinafter "the Customer").

In consideration for the transfer of the license for \_\_\_\_\_ Design Collection, reference number: \_\_\_\_\_ the Customer agrees to take the necessary measures to delete and destroy the Cactus Punch product on any hard drives, floppy drives, memory cards, embroidery machines, CD-ROM or any other equipment or media owned by the Customer. Cactus Punch licensed the product to the Customer pursuant to the terms of the Cactus Punch Stock Embroidery Design Software License ("Stock Embroidery Design Software License").

Cactus Punch shall consider the software "destroyed" when this letter has been executed by the Customer and received at Cactus Punch. Upon the Customer's execution and delivery of this Agreement, the Customer's license to use the Cactus Punch product under the Stock Embroidery Design Software License shall terminate.

The new owner of the Design Collection shall be considered licensed only after he/she completes a Stock Embroidery Design Software License Agreement with Cactus Punch, citing the reference number above.

Thank you for doing business with Cactus Punch and for complying with this request.

**To be completed by the customer:**

Customer Signature: \_\_\_\_\_

Name (please print): \_\_\_\_\_

City/State/Postal Code: \_\_\_\_\_

Telephone: \_\_\_\_\_ Email address: \_\_\_\_\_

Reason for selling your Cactus Punch Design Collection: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Buyer's Name: \_\_\_\_\_

Buyer's City/State/Postal Code: \_\_\_\_\_

Buyer's Telephone: \_\_\_\_\_ Buyer's Email: \_\_\_\_\_

\_\_\_\_\_