

SOFTWARE LICENSE AND DEVELOPMENT AGREEMENT

This Software License and Development Agreement (“Agreement”) is entered into as of this ____ day of _____, _____ between LICENSOR (“Licensor”), with offices at _____, and LICENSEE (“Licensee”), with offices at _____.

In consideration of the mutual agreements hereinafter set forth, the parties represent, warrant and agree as follows:

1. System Development Services and System License

- a. Development Services. Licensor shall develop for Licensee a software system (the “System”) described in the Functional Specifications set forth in Exhibit A hereto and in the Technical Specifications set forth in Exhibit B hereto. The System shall include (i) the “Central Office Module,” (ii) the “Branch Office Module,” and (iii) the “Client Site Workstation Module.”
- b. License. Licensor grants to Licensee and its Affiliates a nontransferable, nonexclusive, perpetual license to (i) the Central Office Module for use in production on one or more CPUs as long as such use and CPUs are limited to a single location anywhere in _____ and, for back-up purposes only, on one or more CPUs located anywhere in _____; and (ii) the Branch Office Module for use in production on one or more CPUs located in any offices of Licensee or its Affiliates in _____. Licensor also grants to Licensee and its Affiliates a nontransferable, nonexclusive, perpetual license to sublicense an unlimited number of the Client Site Workstation Modules to current and future customers of Licensee and its Affiliates (“Clients”) in accordance with the terms of this Agreement. For purposes of this Agreement, the term “_____” means the geographical areas of _____.
- c. Affiliates. Any Affiliate of Licensee may license the System or any module or part thereof by executing a Letter Agreement, in the form of Exhibit C hereof, which binds the Affiliate to the terms and conditions of this Agreement. Licensor shall not charge such Affiliate any additional fees in connection with such license. For purposes of this Agreement, an “Affiliate” means any enterprise in which Licensee directly or indirectly owns at least _____ (____ %) of the ownership interest in such enterprise.
- d. Ownership. Except as otherwise provided herein, Licensor shall retain all right, title and interest (including copyright, patent, trade secret and other proprietary rights) in the System and any modifications and any enhancements thereto, whether or not paid for wholly or in part by Licensee, whether or not developed in conjunction with Licensee, and whether or not developed by Licensor, Licensee, Licensee’s Affiliates, or any contractor, subcontractor or agent for Licensor or Licensee. The name of the System is the property of and proprietary to Licensee and Licensor shall not permit any other party to use such name for any purpose and shall not use such name for any purpose other than to identify Licensor’s System.

2. Delivery Schedule

Licensor shall deliver to Licensee at locations designated by Licensee modules of the System that are ready for immediate acceptance testing pursuant to Section 3 hereof in accordance with the following schedule:

<u>Module</u>	<u>Date</u>
Central Office Module	_____
Branch Office Module	_____

Client Site Workstation Module _____

Licensor agrees that time is of the essence in meeting the above delivery dates.

3. Acceptance Testing

- a. Initial Testing. Upon delivery and receipt of each of the System modules listed in Section 2 hereof, Licensee shall have one hundred fifty (150) calendar days to perform such tests which reasonably demonstrate to Licensee's satisfaction that each such module operates substantially in accordance with the specifications set forth in Exhibits A and B (the "Acceptance Tests"). Licensee shall give Licensor written notice that a module has passed the applicable Acceptance Tests within five (5) business days of any such satisfactory completion.
- b. Non-Performing Module. If a module fails the Acceptance Test (a "Non-Performing Module"), Licensee shall give written notice to Licensor of such failure, describing with reasonable specificity the nature of such failure within five (5) business days of any such unsatisfactory test result. Licensor shall have thirty (30) calendar days thereafter to discuss corrective action with Licensee and to modify, correct or enhance such Non-Performing Module so that it conforms substantially to the specifications set forth in Exhibits A and B. After delivery of the modifications, corrections or enhancements, Licensee shall have thirty (30) additional calendar days in which to conduct Acceptance Tests.
- c. Right to Terminate. If any Non-Performing Module fails to pass the additional Acceptance Tests under Subsection 3.b, Licensee shall have the right to terminate this Agreement with respect to such module and have no further obligations to Licensor in respect to such module. In the event Licensee terminates pursuant to this Section 3, Licensor shall reimburse to Licensee all fees paid in respect of a particular module, except an amount equal to _____ (____%) of the total price of the module which is the subject of termination.
- d. Deemed Acceptance. If Licensee fails to give notice to Licensor pursuant to this Section within one hundred fifty (150) days of delivery of any System module that the module has either passed or failed the applicable Acceptance Tests, such module shall be deemed to have been accepted by Licensee.