

**NETWORK LICENSE AND MAINTENANCE AGREEMENT**

**THIS AGREEMENT** made effective as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**BETWEEN:**

\_\_\_\_\_ (*insert name of licensor*)  
\_\_\_\_\_ (*insert complete address*)  
(the "Licensor")

**-AND-**

\_\_\_\_\_ (*insert name of licensee*)  
\_\_\_\_\_ (*insert complete address*)  
(the "Licensee")

**WHEREAS** Licensee has evaluated the software product developed by Licensor, commonly known as \_\_\_\_\_, (*insert name of product*) and is desirous of obtaining the nonexclusive right to use this software product.

**AND WHEREAS** Licensor is desirous of granting Licensee a renewable, nonexclusive, and nontransferable license to permit Licensee to make such software product available for use by Licensee's employees in exchange for a lump sum royalty fee, bulk purchases of the user manual, and an annual maintenance fee.

**NOW THEREFORE IN CONSIDERATION** of the mutual covenants which follow, Licensor and Licensee agree:

**1. Definitions**

- a. *Licensed Product.* The term "Licensed Product" means the computer program in object code described in Exhibit A hereto. For purposes of this Agreement, the Licensed Product is initially limited to one microcomputer operating system.
- b. *Authorized User(s).* The term "Authorized User(s)" means any current employee of Licensee.
- c. *Local Network System.* The term "Local Network System" means multiple, interactive user terminals connected to a single-processing or multi-processing microcomputing unit owned, leased, or operated by Licensee which is located at \_\_\_\_\_ (*insert address*) and designated by the type/serial number in Section 2 of this Agreement.
- d. *Key Person.* The term "Key Person" means a person affiliated with Licensee, designated by Licensee in Section 6 of this Agreement, and authorized by Licensee (i) to receive, retain custody of, and to make backup copies of the Licensed Product and updates of the Licensed Product; (ii) to arrange for the bulk purchase of user manuals and supplements thereto for use by Authorized Users; (iii) to procure any technical assistance from Licensor needed in connection with the use of the Licensed Product; and (iv) to receive Licensor's newsletters, announcements and bulletins concerning updates and supplements to the Licensed Product.

**2. License**

In accordance with the terms of this Agreement, Licensor grants to Licensee, and Licensee accepts from Licensor, a renewable, nonexclusive, and nontransferable license to use the Licensed Product in non-printed, machine readable form on the Local Network System for use only by Authorized Users. The

type/serial number of the microcomputing unit in the Local Network System for which the Licensed Product is licensed is \_\_\_\_\_. (insert complete type/serial number)

### **3. Ownership of Licensed Product**

Licensor represents that it is, and on the date of the delivery of the Licensed Product will be, the sole owner and copyright holder of the Licensed Product; that it has, and on the date of the delivery of the Licensed Product will have, the full right and authority to grant this license; and that neither this license nor performance under this Agreement does or shall conflict with any other agreement or obligation to which Licensor is a party or by which it is bound.

### **4. Title to and Rights in Licensed Product**

- a. *Proprietary Rights.* The Licensed Product and updates of the Licensed Product are proprietary to Licensor, and title to them remains in the Licensor. All applicable common law and statutory rights in the Licensed Product and updates of the Licensed Product, including, but not limited to, rights in confidential and trade secret material, source code, object code, trademarks, service marks, patents, and copyrights, shall be and will remain the property of Licensor. Licensee shall have no right, title, or interest in such proprietary rights.
- b. *Restrictions.* Licensee is prohibited from distributing, transferring possession of, or otherwise making available the Licensed Product to any person other than the Key Person under the terms of this Agreement and from reproducing and installing the Licensed Product for use on any computer other than the Local Network System designated in Section 2 of this Agreement. Licensee is prohibited from reproducing, distributing, or otherwise transferring possession of copies of the Licensed Product or updates and from using or installing copies of the Licensed Product or updates on any computer other than the single-processing or multi-processing microcomputing unit of the Local Network System. Licensee and the Key Person are prohibited from making any modifications, adaptations, enhancements, changes, or derivative works of the Licensed Product and shall advise all Authorized Users that they are prohibited from making any modifications, adaptations, enhancements, changes, or derivative works of the Licensed Product. As provided by law, the Key Person may make an archival copy of the Licensed Product solely for use as a backup on the Local Network System for which the Licensed Product is licensed. Violation of any provision in this Subsection shall be the basis for the immediate termination of this Agreement.
- c. *Instruments.* To protect the Licensor's rights in the Licensed Product, Licensee, as a licensee, shall, at the reasonable request of Licensor, promptly execute and assign any and all applications, including, but not limited to, copyright applications, any and all assignments, and any other instruments which Licensor deems necessary to protect or maintain Licensor's rights in the Licensed Product. Licensee hereby irrevocably appoints Licensor as attorney-in-fact for Licensee with full power and authority to execute and deliver in the name of Licensee any such instrument or instruments.

### **5. Confidentiality**

Licensor represents and Licensee hereby acknowledges that the object code constituting the Licensed Product and updates of the Licensed Product which is embodied on magnetic storage media contains confidential and trade secret material which is not readily susceptible to reverse compilation or reverse assembly. Licensee and the Key Person shall not attempt to decompile or disassemble the object code of the Licensed Product or updates thereof. Licensee further agrees that it will use its best efforts to prevent decompilation and disassembly of the object code of the Licensed Product and updates thereof by any person or entity by securing and protecting each copy of the Licensed Product or update in a manner consistent with the maintenance of Licensee's rights and by taking appropriate action by

instruction or agreement. Violation of any provision in this Section shall be the basis for the immediate termination of this Agreement.