

NOVELL, INC.
SOFTWARE AGREEMENT

1. NOVELL, INC., a Delaware corporation ("NOVELL"), having an office at 190 River Road, Summit, New Jersey 07901, and LICENSEE, as defined in the signature block of this Agreement, for itself and its SUBSIDIARIES agree that, after LICENSEE's execution and NOVELL's acceptance of this Agreement, the terms and conditions set forth in this Agreement shall apply to use by LICENSEE of SOFTWARE PRODUCTS that become subject to this Agreement.
2. NOVELL makes certain SOFTWARE PRODUCTS available under this Agreement. Each such SOFTWARE PRODUCT shall become subject to this Agreement on NOVELL's acceptance of a Supplement executed by LICENSEE that identifies such SOFTWARE PRODUCT and lists the DESIGNATED CPUs therefor. The first Supplement for a specific SOFTWARE PRODUCT shall have attached a Schedule for such SOFTWARE PRODUCT. Any additional terms and conditions set forth in such Schedule shall also apply with respect to such SOFTWARE PRODUCT.
3. Additional Supplements may be added to this Agreement to add additional SOFTWARE PRODUCTS (and DESIGNATED CPUs therefor). Each such additional Supplement shall be considered part of this Agreement when executed by LICENSEE, if required, and accepted by NOVELL.
4. This Agreement and its Supplements set forth the entire agreement and understanding between the parties as to the subject matter hereof and merge all prior discussions between them, and neither of the parties shall be bound by any conditions, definitions, warranties, understandings or representations with respect to such subject matter other than as expressly provided herein or as duly set forth on or subsequent to the date of acceptance hereof in writing and signed by a proper and duly authorized representative of the party to be bound thereby. No provision appearing on any form originated by LICENSEE shall be applicable unless such provision is expressly accepted in writing by an authorized representative of NOVELL.
5. Initially, Supplement(s) numbered 1 are included in and made part of this Agreement.

LICENSEE:
Green Hills Software, Inc.
(Company Name)
Delaware
(State or Country of Incorporation)
570 Castillo
(Corporate Address)
Santa Barbara, CA 93101
(Corporate Address)
[Signature]
(By)
Daniel O'Dowd
(Print or Type Name)
President
(Title)
6/20/94
(Date)
570 Castillo
(Notice Address)
Santa Barbara, CA 93101
(Notice Address)

NOVELL, INC.
By: [Signature]
for S. T. Baker
Director, Software Licensing
JUN 21 1994
(Date)

I. DEFINITIONS

- 1.01 CPU means central processing unit.
- 1.02 COMPUTER PROGRAM means any instruction or instructions, in source-code or object-code format, for controlling the operation of a CPU.
- 1.03 DESIGNATED CPU means any CPU listed as such for a specific SOFTWARE PRODUCT in a Supplement to this Agreement.
- 1.04 SOFTWARE PRODUCT means materials such as COMPUTER PROGRAMS, information used or interpreted by COMPUTER PROGRAMS and documentation relating to the use of COMPUTER PROGRAMS. Materials available from NOVELL for a specific SOFTWARE PRODUCT are listed in the Schedule for such SOFTWARE PRODUCT. Certain SOFTWARE PRODUCTS available under this Agreement may contain materials prepared by other developers.
- 1.05 SUBSIDIARY of a company means a corporation or other legal entity (i) the majority of whose shares or other securities entitled to vote for election of directors (or other managing authority) is now or hereafter controlled by such company either directly or indirectly; or (ii) the majority of the equity interest in which is now or hereafter owned and controlled by such company either directly or indirectly; but any such corporation or other legal entity shall be deemed to be a SUBSIDIARY of such company only so long as such control or such ownership and control exists.

II. GRANT OF RIGHTS

- 2.01 NOVELL grants to LICENSEE a personal, nontransferable and nonexclusive right to use in the United States each SOFTWARE PRODUCT identified in the one or more Supplements hereto, solely for LICENSEE's own internal business purposes and solely on or in conjunction with DESIGNATED CPU's for such SOFTWARE PRODUCT. Such right to use includes the right to modify such SOFTWARE PRODUCT and to prepare derivative works based on such SOFTWARE PRODUCT, provided that any such modification or derivative work that contains any part of a SOFTWARE PRODUCT subject to this Agreement is treated hereunder the same as such SOFTWARE PRODUCT. NOVELL claims no ownership interest in any portion of such a modification or derivative work that is not part of a SOFTWARE PRODUCT.
- 2.02 (a) LICENSEE may permit access to SOFTWARE PRODUCTS by its contractors and allow use of SOFTWARE PRODUCTS by its contractors on DESIGNATED CPU's, provided such access and use is exclusively for LICENSEE in connection with work called for in written agreements between LICENSEE and such contractors in accordance with Section 2.02(f) of this Agreement. LICENSEE may designate contractors' CPU's as DESIGNATED CPU's pursuant to Section 2.04 and furnish SOFTWARE PRODUCTS to contractors for use on such CPU's.
 - (b) Any claim, demand or right of action arising on behalf of a contractor from the furnishing to it or use by it of SOFTWARE PRODUCTS shall be solely against LICENSEE.
 - (c) Contractors shall agree to the same responsibilities and obligations and other restrictions pertaining to the use of SOFTWARE PRODUCTS as those undertaken by LICENSEE under this Agreement.
 - (d) When a contractor's work for LICENSEE is completed, all copies of SOFTWARE PRODUCTS furnished to such contractor or made by such contractor and all copies of any modifications or derivative works made by such contractor based on such SOFTWARE PRODUCT shall be returned to LICENSEE or destroyed, including any copies stored in any computer memory or storage medium.
 - (e) A contractor may not acquire any ownership interest in any modification or derivative work prepared by such contractor based on or using a SOFTWARE PRODUCT subject to this Agreement unless such contractor also becomes a licensee of NOVELL for such SOFTWARE PRODUCT.
 - (f) LICENSEE and any such contractor shall enter into a written agreement before or at the time of permitting access to or allowing use of any SOFTWARE PRODUCT by a contractor or furnishing a SOFTWARE PRODUCT to a contractor. Such written agreement shall be consistent with the requirements of this Section 2.02. Copies of such agreements shall be provided to NOVELL on request; however, portions of such agreements not required by this Section may be deleted from such copies.
- 2.03 A single back-up CPU may be used as a substitute for a DESIGNATED CPU without notice to NOVELL during any time when such DESIGNATED CPU is inoperative because it is malfunctioning or undergoing repair, maintenance or other modification.
- 2.04 LICENSEE may at any time notify NOVELL in writing of any changes, such as replacements or additions, that LICENSEE wishes to make to the DESIGNATED CPU's for a specific SOFTWARE PRODUCT. NOVELL will prepare additional Supplements as required to cover such changes. Changes covered by a Supplement shall become effective after execution of such Supplement by LICENSEE, if required, acceptance thereof by NOVELL and, in the case of each additional CPU, receipt by NOVELL of the appropriate fee.
- 2.05 On NOVELL's request, but not more frequently than annually, LICENSEE shall furnish to NOVELL a statement, certified by an authorized representative of LICENSEE, listing the location, type and serial number of all DESIGNATED CPU's hereunder and stating that the use by LICENSEE of SOFTWARE PRODUCTS subject to this Agreement has been reviewed and that each such SOFTWARE PRODUCT is being used solely on DESIGNATED CPU's (or temporarily on back-up CPU's) for such SOFTWARE PRODUCTS in full compliance with the provisions of this Agreement.
- 2.06 No right is granted by this Agreement for the use of SOFTWARE PRODUCTS directly for others, or for any use of SOFTWARE PRODUCTS by others, except LICENSEE's contractors pursuant to Section 2.02, unless such uses are permitted for a particular

SOFTWARE PRODUCT by a specific provision in the Schedule for such SOFTWARE PRODUCT. For example, use of a SOFTWARE PRODUCT in a time-sharing service or a service-bureau operation is permitted only pursuant to such a specific provision.

III. DELIVERY

- 3.01 Within a reasonable time after NOVELL receives the fee specified in the first Supplement for a SOFTWARE PRODUCT, NOVELL will furnish to LICENSEE one (1) copy of each SOFTWARE PRODUCT in the form identified in the Schedule for such SOFTWARE PRODUCT.
- 3.02 Additional copies of SOFTWARE PRODUCTS covered by this Agreement will be furnished to LICENSEE after receipt by NOVELL of the then-current distribution fee for each such copy.
- 3.03 From time to time, and at its sole discretion, NOVELL may provide additional deliveries of SOFTWARE PRODUCTS or (elements of SOFTWARE PRODUCTS) to LICENSEE at an additional charge which will consist of the following:
 - (a) Revised source and/or object code for a SOFTWARE PRODUCT.
 - (b) New or modified documentation or information regarding such documentation.

All such additional deliveries of SOFTWARE PRODUCTS furnished to LICENSEE with respect to a SOFTWARE PRODUCT shall be deemed to be part of such SOFTWARE PRODUCT and, shall be governed by the terms and conditions of this Agreement including the applicable Supplement for such SOFTWARE PRODUCT.

IV. EXPORT

- 4.01 LICENSEE agrees that it will not, without the prior written consent of NOVELL, export, directly or indirectly, SOFTWARE PRODUCTS covered by this Agreement to any country outside of the United States. LICENSEE also agrees that it will obtain any and all necessary export licenses for any such export or for any disclosure of a SOFTWARE PRODUCT to a foreign national.

V. FEES AND TAXES

- 5.01 Within sixty (60) days after acceptance of this Agreement by NOVELL, LICENSEE shall pay to NOVELL the fees required by the Supplement(s) initially attached hereto for the DESIGNATED CPUs listed in such Supplement(s).
- 5.02 Within sixty (60) days after acceptance of each additional Supplement by NOVELL, LICENSEE shall pay to NOVELL any fee required by such additional Supplement for the DESIGNATED CPUs listed in such additional Supplement.
- 5.03 Payments to NOVELL shall be made in United States dollars to NOVELL at the address specified in Section 7.10(a).
- 5.04 LICENSEE shall pay all taxes, including any sales or use tax (and any related interest or penalty), however designated, imposed as a result of the existence or operation of this Agreement, except any income tax

imposed upon NOVELL by any governmental entity within the United States proper (the fifty (50) states and the District of Columbia). Fees specified in Supplement(s) to this Agreement and in Schedule(s) attached to Supplement(s) do not include taxes. If NOVELL is required to collect a tax to be paid by LICENSEE, LICENSEE shall pay such tax to NOVELL on demand.

VI. TERM

- 6.01 This Agreement shall become effective on and as of the date of acceptance by NOVELL.
- 6.02 LICENSEE may terminate its rights under this Agreement by written notice to NOVELL certifying that LICENSEE has discontinued use of and returned or destroyed all copies of SOFTWARE PRODUCTS subject to this Agreement.
- 6.03 If LICENSEE fails to fulfill one or more of its obligations under this Agreement, NOVELL may, upon its election and in addition to any other remedies that it may have, at any time terminate all the rights granted by it hereunder by not less than two (2) months' written notice to LICENSEE specifying any such breach, unless within the period of such notice all breaches specified therein shall have been remedied; upon such termination LICENSEE shall immediately discontinue use of and return or destroy all copies of SOFTWARE PRODUCTS subject to this Agreement.
- 6.04 In the event of termination of rights under Sections 6.02 or 6.03, NOVELL shall have no obligation to refund any amounts paid to it under this Agreement.
- 6.05 LICENSEE agrees that when a SUBSIDIARY's relationship to LICENSEE changes so that it is no longer a SUBSIDIARY of LICENSEE, (i) all rights of such former SUBSIDIARY to use SOFTWARE PRODUCTS subject to this Agreement shall immediately cease, and (ii) such former SUBSIDIARY shall immediately discontinue use of and return to LICENSEE or destroy all copies of SOFTWARE PRODUCTS subject to this Agreement. No fees paid to NOVELL for use of SOFTWARE PRODUCTS on DESIGNATED CPUs of such former SUBSIDIARIES shall be refunded; however, LICENSEE may substitute other CPUs for such DESIGNATED CPUs in accordance with Section 2.04.

VII. MISCELLANEOUS PROVISIONS

- 7.01 This Agreement shall prevail notwithstanding any conflicting terms or legends which may appear in a SOFTWARE PRODUCT.
- 7.02 NOVELL warrants for a period of ninety (90) days from furnishing a SOFTWARE PRODUCT to LICENSEE that any magnetic medium on which portions of a SOFTWARE PRODUCT are furnished will be free under normal use from defects in materials, workmanship or recording. If such a defect appears within such warranty period LICENSEE may return the defective medium for replacement without charge. Replacement is LICENSEE's sole remedy with respect to such a defect. NOVELL also warrants that it is empowered to grant the rights granted herein. NOVELL and other developers make no other representations or warranties, expressly or impliedly. By way of

example but not of limitation, NOVELL and other developers make no representations or warranties of merchantability or fitness for any particular purpose, or that the use of any SOFTWARE PRODUCT will not infringe any patent, copyright or trademark. NOVELL and other developers shall not be held to any liability with respect to any claim by LICENSEE, or a third party on account of, or arising from, the use of any SOFTWARE PRODUCT.

- 7.03 No right is granted herein to use any identifying mark (such as, but not limited to, trade names, trademarks, trade devices, service marks or symbols, and abbreviations, contractions or simulations thereof) owned by, or used to identify any product or service of, NOVELL or a corporate affiliate thereof. LICENSEE agrees that it will not, without the prior written permission of NOVELL, (i) use any such identifying mark in advertising, publicity, packaging, labeling or in any other manner to identify any of its products or services or (ii) represent, directly or indirectly, that any product or service of LICENSEE is a product or service of NOVELL or such an affiliate or is made in accordance with or utilizes any information or documentation of NOVELL or such an affiliate.
- 7.04 Neither the execution of this Agreement nor anything in it or in any SOFTWARE PRODUCT shall be construed as an obligation upon NOVELL or any other developer to furnish any person, including LICENSEE, any assistance of any kind whatsoever, or any information or documentation other than the SOFTWARE PRODUCTS to be furnished by NOVELL pursuant to Sections 3.01 and 3.02.
- 7.05 (a) LICENSEE agrees that it shall hold all parts of the SOFTWARE PRODUCTS subject to this Agreement in confidence for NOVELL. LICENSEE further agrees that it shall not make any disclosure of any or all of such SOFTWARE PRODUCTS (including methods or concepts utilized therein) to anyone, except to employees and contractors of LICENSEE to whom such disclosure is necessary to the use for which rights are granted hereunder. LICENSEE shall appropriately notify each employee to whom any such disclosure is made that such disclosure is made in confidence and shall be kept in confidence by such employee. If information relating to a SOFTWARE PRODUCT subject to this Agreement at any time becomes available without restriction to the general public by acts not attributable to LICENSEE, its contractors or employees of either, LICENSEE's obligations under this section shall not apply to such information after such time.
- (b) Notwithstanding the provisions of Section 7.05(a), LICENSEE may distribute copies of a SOFTWARE PRODUCT, either in modified or unmodified form, to third parties having licenses of equivalent scope herewith from NOVELL (or a corporate affiliate or authorized distributor thereof) for the same SOFTWARE PRODUCT, provided that LICENSEE first verifies the status of the recipient by calling NOVELL at 800-828-4649 (or other number specified by NOVELL). NOVELL will give oral verification of the recipient's status for recipients in the United States and written verification for recipients outside the United States. LICENSEE shall maintain a record of each such distribution and, for each quarterly period (ending on March 31st, June

30th, September 30th and December 31st) during which any such distribution occurs, forward a copy of such record for such period to NOVELL at the correspondence address specified in Section 7.10(b) within thirty (30) days of the end of such period. Such record shall include, for each such distribution, the identity of the recipient, the date of verification, the name of the person at NOVELL providing verification and the date of distribution. LICENSEE may also obtain materials based on a SOFTWARE PRODUCT subject to this Agreement from such a third party and use such materials pursuant to this Agreement, provided that LICENSEE treats such materials hereunder the same as such SOFTWARE PRODUCT.

- 7.06 The obligations of LICENSEE, its employees and contractors under Section 7.05(a) shall survive and continue after any termination of rights under this Agreement or cessation of a SUBSIDIARY's status as a SUBSIDIARY.
- 7.07 LICENSEE agrees that it will not use SOFTWARE PRODUCTS subject to this Agreement except as authorized herein and that it will not make, have made or permit to be made any copies of such SOFTWARE PRODUCTS except for use on DESIGNATED CPUs (for such SOFTWARE PRODUCTS (including backup and archival copies necessary in connection with such use) and for distribution in accordance with Section 7.05(b)). Each such copy shall contain any copyright notice, proprietary notice or notice giving credit to another developer, which appears on or in the SOFTWARE PRODUCT being copied. Specific instructions regarding such notices may also appear in the Schedules for certain SOFTWARE PRODUCTS.
- 7.08 Neither this Agreement nor any right hereunder, in whole or in part, shall be assignable or otherwise transferable by LICENSEE and any purported assignment or transfer shall be null and void.
- 7.09 Except as provided in Section 7.05(b), nothing in this Agreement grants to LICENSEE the right to sell, lease or otherwise transfer or dispose of a SOFTWARE PRODUCT in whole or in part.
- 7.10 (a) Payments to NOVELL under this Agreement shall be made payable and sent to:
- NOVELL, INC.
P.O. Box 45080
Charlotte, North Carolina 28265
- (b) Correspondence with NOVELL relating to this Agreement shall be sent to:
- NOVELL, INC.
P.O. Box 4000
Summit, New Jersey 07901
Attention: Licensing Operations
- (c) Any statement, notice, request or other communication shall be deemed to be sufficiently given to the addressee and any delivery hereunder deemed made when sent by certified mail addressed to LICENSEE at its office specified in this Agreement or to NOVELL at the appropriate address specified in this Section 7.10. Each party to this Agreement may change an address relating to it by written notice to the other party.

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- 7.11 If LICENSEE is not a corporation, all references to LICENSEE's SUBSIDIARIES shall be deemed deleted.
- 7.12 The construction and performance of this Agreement shall be governed by the law of the State of New Jersey.