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*Attorneys for Defendant/Counterclaim-Plaintiff
International Business Machines Corporation*

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH**

THE SCO GROUP, INC.,

Plaintiff/Counterclaim-Defendant,

-against-

**INTERNATIONAL BUSINESS MACHINES
CORPORATION,**

Defendant/Counterclaim-Plaintiff.

Civil No. 2:03CV-0294 DAK

Honorable Dale A. Kimball

Magistrate Judge Brooke C. Wells

DECLARATION OF OTIS L. WILSON

I, Otis L. Wilson, declare as follows:

1. I was responsible for licensing operating systems under the UNIX brand from 1980 until 1991, first with American Telephone and Telegraph Company ("AT&T") and then with its subsidiary, UNIX System Laboratories, Inc. ("USL"). Initially, I was on the staff responsible for negotiating license agreements with our customers. From 1983 until I retired in 1991, I was the head of the group responsible for licensing the UNIX System V operating system worldwide.

2. This declaration is submitted in connection with the lawsuit entitled The SCO Group, Inc. v. International Business Machines Corporation, Civil Action No. 2:03CV-0294 DAK (D. Utah 2003). Except as stated otherwise, this declaration is based upon personal knowledge and review of the documents referenced herein.

I. Roles and Responsibilities Regarding UNIX.

3. I joined AT&T in 1963. In 1980, after completing a company-sponsored management training program, I left the Princeton office of AT&T to join the Patent and Licensing Group in Greensboro, North Carolina. I was responsible for licensing operating systems under the UNIX brand beginning in 1980. Initially, I was on the staff responsible for negotiating license agreements with our customers. Beginning in 1983 until I retired in 1991, I was the head of the group responsible for licensing the UNIX System V operating system worldwide.

4. In 1989, AT&T separated the organizations responsible for UNIX, and associated system software products and services, into a business unit called UNIX

Software Operation. In 1991, the rights to UNIX operating systems and related products, technology and intellectual property were transferred to USL. I remained the head of the licensing group throughout these changes.

5. During the period from 1980 to 1991, AT&T and USL licensed UNIX source code, including UNIX System V source code, to hundreds of licensees. Nearly every UNIX license agreement executed by AT&T during this period was signed by me or on my behalf by people that reported to me.

6. The UNIX System V source code license agreements generally included a number of "standard" form agreements with each licensee. The standard software agreement granted the licensee the right to use and modify the source code for its own internal business purposes. In addition, many licensees were parties to sublicensing agreements, which granted the licensee the right to furnish sublicensed products based on UNIX System V to customers in object code format. A substitution agreement provided that the software agreement and, if applicable, the sublicensing agreement, replaced earlier agreements relating to UNIX System V software.

7. I am familiar with the following license agreements between AT&T Technologies, Inc. and International Business Machines Corporation ("IBM"), which were negotiated under my supervision while I was head of the licensing group:

- the Software Agreement (Agreement Number SOFT-00015) dated February 1, 1985 (the "IBM Software Agreement");
- the Sublicensing Agreement (Agreement Number SUB-00015A) dated February 1, 1985 (the "IBM Sublicensing Agreement");
- the Substitution Agreement (Agreement Number XFER-00015B) dated February 1, 1985 (the "IBM Substitution Agreement"); and
- the letter agreement dated February 1, 1985 (the "IBM Side Letter").

David W. Frasure, who reported to me, signed these agreements for me on behalf of AT&T. True and correct copies of these agreements are attached hereto as Exhibits 1 through 4. I refer to these agreements as the "IBM Agreements."

8. I am also familiar with the following agreements between AT&T Technologies, Inc. and Sequent Computer Systems, Inc. ("Sequent") and which were also negotiated under my supervision:

- the Software Agreement (Agreement Number SOFT-000321) dated April 18, 1985 (the "Sequent Software Agreement");
- the Sublicensing Agreement (Agreement Number SUB-000321A) dated January 28, 1986 (the "Sequent Sublicensing Agreement"); and
- the Substitution Agreement (Agreement Number XFER-000321B) dated January 28, 1986 (the "Sequent Substitution Agreement").

I signed these agreements on behalf of AT&T. True and correct copies of these agreements are attached hereto as Exhibits 5 through 7. I refer to these agreements as the "Sequent Agreements." I understand that Sequent has been acquired by, and merged into, IBM.

9. As a result of my role as head of the group responsible for negotiating the IBM Agreements and the Sequent Agreements, and hundreds of other UNIX System V license agreements, I have a thorough understanding of these agreements and what the parties intended them to accomplish.

II. Rights and Obligations of UNIX System V Licensees.

10. From 1983 until 1991, while I was responsible for licensing UNIX System V for AT&T and USL, my group licensed UNIX System V source code and related materials to a large number of licensees around the world.

11. The standard software agreement that we used to license UNIX System V source code and related materials sets forth the various rights given to licensees and the restrictions imposed on the licensees with respect to such materials, which were called the "SOFTWARE PRODUCT" or "SOFTWARE PRODUCTS" in the agreement.

12. Among the standard provisions in our early software agreement (including in the IBM Software Agreement and the Sequent Software Agreement) were the following:

- Section 2.01: "AT&T 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".
- Section 2.05: "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."
- Section 4.03: "LICENSEE agrees that it will not, without the prior written consent of AT&T, export, directly or indirectly, SOFTWARE PRODUCTS covered by this Agreement to any country outside of the United States."
- Section 7.06(a): "LICENSEE agrees that it shall hold all parts of the SOFTWARE PRODUCTS subject to this Agreement in confidence for AT&T."
- Section 7.10: "Except as provided in Section 7.06(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."

These provisions set forth our licensees' rights, as they relate to the UNIX System V source code and related materials—the "SOFTWARE PRODUCT" or "SOFTWARE PRODUCTS"—that AT&T provided to them. At least as I understood these sections and discussed them with our licensees, they do not, and were not intended to, restrict our licensees' rights to use, export, disclose or transfer their own products and source code, as long they did not use, export, disclose or transfer AT&T's UNIX System V source code along with it. I never understood AT&T's software agreements to place any restrictions on our customers' use of their own original work.

13. AT&T's standard software agreements also granted licensees the right to modify UNIX System V source code and to prepare derivative works based upon the code. Section 2.01 of our early software agreement, including the IBM Software Agreement and the Sequent Software Agreement, included the following language:

Such right to use includes the right to modify such SOFTWARE PRODUCT and to prepare derivative works based on such SOFTWARE PRODUCT, provided the resulting materials are treated hereunder as part of the original SOFTWARE PRODUCT.

14. As my staff and I communicated to our licensees, this provision was only intended to ensure that if a licensee were to create a modification or derivative work based on UNIX System V, any material portion of the original UNIX System V source code provided by AT&T or USL that was included in the modification or derivative work would remain subject to the confidentiality and other restrictions of the software agreement. As we understood Section 2.01, any source code developed by or for a licensee and included in a modification or a derivative work would not constitute "resulting materials" to be treated as part of the original software product, except for any

material proprietary UNIX System V source code provided by AT&T or USL and included therein.

15. AT&T and USL did not intend to assert ownership or control over modifications and derivative works prepared by licensees, except to the extent of the original UNIX System V source code included in such modifications and derivative works. Although the UNIX System V source contained in a modification or derivative work continued to be owned by AT&T or USL, the code developed by or for the licensee remained the property of the licensee, and could therefore be used, exported, disclosed or transferred freely by the licensee.

16. I do not believe that our licensees would have been willing to enter into the software agreement if they understood Section 2.01 to grant AT&T or USL the right to own or control source code developed by the licensee or provided to the licensee by a third party. I understood that many of our licensees invested substantial amounts of time, effort and creativity in developing products based on UNIX System V. The derivative works provision of the software agreement was not meant to appropriate for AT&T or USL the technology developed by our licensees.

17. In fact, some licensees sought to clarify that, under the agreements, the licensee, not AT&T or USL, would own and control modifications and derivative works prepared by or for the licensee (except for any original UNIX System V source code provided by AT&T or USL and included therein). We provided such clarification when asked because that is what we understood the language in the standard software agreement to mean in any event. In some cases we provided this clarification orally and in some cases we provided it in writing.

18. In fact, although I am not a lawyer, it was my view at the time that we could not claim any rights to non-UNIX System V code source (as the plaintiff here appears to be doing) without raising serious antitrust issues. In light of the divestiture of AT&T around that time, we as a company were very concerned with the potential anticompetitive effects of our actions. As a result, one of the reasons we made clear to our licensees that our UNIX System V software agreements did not impose any restrictions on the use or disclosure of their own original code, except insofar as it included UNIX System V code, was to avoid any appearance of any impropriety.

19. We provided IBM with just such a clarification in Paragraph A.2 of the IBM Side Letter:

Regarding Section 2.01, we agree that modifications and derivative works prepared by or for [IBM] are owned by [IBM]. However, ownership of any portion or portions of SOFTWARE PRODUCTS included in any such modification or derivative work remains with [AT&T].

I understood this language to mean that IBM, not AT&T or USL, would have the right to control modifications and derivative works prepared by or for IBM. IBM (like all licensees under the agreements) fully owns any modifications of and derivative works based on UNIX System V prepared by or for IBM, and can freely use, copy, distribute or

disclose such modifications and derivative works, provided that IBM does not copy, distribute or disclose any material portions of the original UNIX System V source code provided by AT&T or USL (except as otherwise permitted by the IBM Agreements).

20. Clarifications of the kind reflected in Paragraph A.2 of the IBM Side Letter did not represent a substantive change to the standard software agreement, since AT&T and USL never intended to assert ownership or control over modifications and derivative works prepared by licensees, except to the extent of any material portions of the original UNIX System V source code provided by AT&T or USL and included in such modifications and derivative works.

21. Because of numerous inquiries we received from licensees, my licensing group further clarified the meaning of Section 2.01 of our software license agreements at seminars we organized for licensees and in our "*\$ echo*" publication. *\$ echo* was a newsletter that we published for all UNIX System V licensees to keep them informed of AT&T's policies with respect to UNIX System V. We intended for our guidance in the newsletter to apply to all of our UNIX System V licensees.

22. The April 1985 edition of *\$ echo*, a true and correct copy of which is attached hereto as Exhibit 8, describes presentations made by a member of my licensing group, Mr. Frasure, outlining changes that AT&T intended to make to the licensing and sublicensing agreements as a result of discussions that I and others in the group had with our licensees. I personally reviewed and approved the changes that Mr. Frasure discussed with our licensees at the UNIX seminars.

23. As discussed in the newsletter, among the changes we decided to implement, and which were announced at the seminars by Mr. Frasure, were "[I]anguage

changes . . . to clarify ownership of modifications or derivative works prepared by a licensee.”

24. The August 1985 edition of *\$ echo*, a true and correct copy of which is attached hereto as Exhibit 9, describes these changes in detail. With respect to Section 2.01, the newsletter states:

Section 2.01 - The last sentence was added to assure licensees that AT&T will claim no ownership in the software that they developed -- only the portion of the software developed by AT&T.

This change was not intended to alter the meaning of the software agreements, but was meant only to clarify the original intent of Section 2.01. We intended only to make clear to our licensees that AT&T, and later USL, did not claim any right to the licensees' original work contained in modifications or derivatives of UNIX System V.

25. The new language is reflected, for example, in Section 2.01 of a software agreement between AT&T Information Systems Inc. and The Santa Cruz Operation, Inc. entered into in May 1987, a true and correct copy of which is attached hereto as Exhibit 10. That agreement includes the following language:

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. *AT&T-IS claims no ownership interest in any portion of such a modification or derivative work that is not part of a SOFTWARE PRODUCT.* (emphasis added).

As we communicated at our seminars and in our newsletters to UNIX System V licensees, this new language was intended only to clarify the language in the original Section 2.01, not change its meaning. My licensing group interpreted the language of the original Section 2.01 and this revised Section 2.01 in exactly the same way.

26. Although we made "specimen copies" of the revised software agreement available to our licensees, we did not require that our licensees enter into new agreements. We intended for all of our UNIX System V licensees to receive the benefit of the changes and clarifications we outlined at our seminars and in the newsletter.

27. Whether or not we entered into a side letter or other agreements with our licensees to clarify the treatment of modifications and derivative works, or altered the language of Section 2.01, AT&T's and USL's intent was always the same. We never intended to assert ownership or control over any portion of a modification or derivative work that was not part of the original UNIX System V source code provided by AT&T or USL. The licensee was free to use, copy, distribute or disclose its modifications and derivative works, provided that it did not use, copy, distribute or disclose any portions of the original UNIX System V source code provided by AT&T or USL except as permitted by the license agreements.

28. My understanding is that IBM's AIX and Sequent's Dynix/PTX operating system products include some UNIX System V source code. I do not know whether AIX and Dynix/PTX are sufficiently similar to UNIX System V that they would constitute modifications of, or derivative works based on, UNIX System V. However, even if AIX or Dynix/PTX were modifications of, or derivative works based on, UNIX System V, IBM and Sequent are free to use, export, disclose or transfer AIX and Dynix/PTX source code, provided that they do not use, export, disclose or transfer any UNIX System V source code provided by AT&T or USL (except as otherwise permitted by the agreements). Therefore, IBM and Sequent are free, under the IBM Agreements and the Sequent Agreements, to open source all of AIX and Dynix/PTX other than those

portions of the original UNIX System V source code included therein. Even portions of the original UNIX System V source code included in AIX and Dynix/PTX may be open sourced to the extent permitted by the IBM Agreements or the Sequent Agreements.


29. I understand that plaintiff claims that IBM and Sequent have breached the IBM Agreements and the Sequent Agreements by improperly using, exporting, disclosing or transferring AIX and Dynix/PTX source code, irrespective of whether IBM or Sequent have disclosed any specific protected source code copied from the UNIX System V source code provided by AT&T or USL. In my view, these claims are inconsistent with the provisions of the IBM Agreements and the Sequent Agreements. I do not believe that anyone at AT&T or USL intended these agreements to be construed in this way. In all cases, modifications and derivative works are not subject to the confidentiality and other restrictions contained in the license agreements (except for any protected UNIX System V source code provided by AT&T or USL actually included therein) because they are owned by the licensees.

30. In my view, any claim that the IBM Software Agreement and the Sequent Software Agreement prohibit the use, export, disclosure or transfer of any code other than UNIX System V code is clearly wrong. Not only did we at AT&T not intend the agreements to be read that way, but we also went out of our way to assure our licensees that that is not what the agreements meant.

31. I declare under penalty of perjury that the foregoing is true and correct.

Executed: April 24, 2004.

Greensboro, North Carolina



Otis L. Wilson

**AT&T TECHNOLOGIES, INC.
SOFTWARE AGREEMENT**

1. AT&T TECHNOLOGIES, INC., a New York corporation ("AT&T"), having an office at 222 Broadway, New York, New York 10038, and INTERNATIONAL BUSINESS MACHINES CORPORATION, a New York corporation, having an office at Old Orchard Road, Armonk, New York 10504,

for itself and its SUBSIDIARIES (collectively referred to herein as "LICENSEE") agree that, after execution of this Agreement by LICENSEE and acceptance of this Agreement by AT&T, the terms and conditions set forth on pages 1 through 6 of this Agreement shall apply to use by LICENSEE of SOFTWARE PRODUCTS that become subject to this Agreement.

2. AT&T makes certain SOFTWARE PRODUCTS available under this Agreement. Each such SOFTWARE PRODUCT shall become subject to this Agreement on acceptance by AT&T 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. Initially, Supplement(s) numbered 1, 2 and 3----- are included in and made part of this Agreement.

3. Additional Supplements may be added to this Agreement to add additional SOFTWARE PRODUCTS (and DESIGNATED CPUs therefor) or to add or replace DESIGNATED CPUs for other SOFTWARE PRODUCTS covered by previous Supplements. Each such additional Supplement shall be considered part of this Agreement when executed by LICENSEE and accepted by AT&T.

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 AT&T.

INTERNATIONAL BUSINESS
MACHINES CORPORATION

Accepted by:

AT&T TECHNOLOGIES, INC.

By R.A. McDonough 2/1/85
(Signature) (Date)

By O. L. Wilson 2-1-85
(Signature) (Date)

R. A. McDonough IT
(Type or print name)

O. L. WILSON
(Type or print name)

COUNSEL - SYSTEMS PRODUCT
(Title)

Manager, Software Sales and Marketing
(Title)

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 AT&T for a specific SOFTWARE PRODUCT are listed in the Schedule for such SOFTWARE PRODUCT.

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 AT&T 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 CPUs 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 the resulting materials are treated hereunder as part of the original SOFTWARE PRODUCT.

2.02 A single back-up CPU may be used as a substitute for a DESIGNATED CPU without notice to AT&T during any time when such DESIGNATED CPU is inoperative because it is malfunctioning or undergoing repair, maintenance or other modification.

2.03 LICENSEE may at any time notify AT&T in writing of any changes, such as replacements or additions, that LICENSEE wishes to make to the DESIGNATED CPUs for a specific SOFTWARE PRODUCT. AT&T 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, acceptance thereof by AT&T and, in the case of each additional CPU, receipt by AT&T of the appropriate fee.

2.04 On AT&T'S request, but not more frequently than annually, LICENSEE shall furnish to AT&T a statement, certified by an authorized representative of LICENSEE, listing the location, type and serial number of all DESIGNATED CPUs 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 CPUs (or temporarily on back-up CPUs) for such SOFTWARE PRODUCTS pursuant to the provisions of this Agreement.

2.05 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.

III. DELIVERY

3.01 Within a reasonable time after AT&T receives the fee specified in the first Supplement for a SOFTWARE PRODUCT, AT&T will furnish to LICENSEE one (1) copy of such 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 AT&T of the then-current distribution fee for each such copy.

IV. EXPORT

4.01 LICENSEE agrees that it will not, without the prior written consent of AT&T, export, directly or indirectly, SOFTWARE PRODUCTS covered by this Agreement to any country outside of the United States.

V. FEES AND TAXES

5.01 Within sixty (60) days after acceptance of this Agreement by AT&T, LICENSEE shall pay to AT&T 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 AT&T, LICENSEE shall pay to AT&T any fee required by such additional Supplement for the DESIGNATED CPUs listed in such additional Supplement.

5.03 Payments to AT&T shall be made in United States dollars to AT&T at the address specified in Section 7.11(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 AT&T 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) are exclusive of any taxes. If AT&T is required to collect a tax to be paid by LICENSEE, LICENSEE shall pay such tax to AT&T on demand.

VI. TERM

6.01 This Agreement shall become effective on and as of the date of acceptance by AT&T.

6.02 LICENSEE may terminate its rights under this Agreement by written notice to AT&T 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, AT&T 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, AT&T 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 AT&T 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 2.03.

VII. MISCELLANEOUS PROVISIONS

7.01 Nothing contained herein shall be construed as conferring by implication, estoppel or otherwise any license or right under any patent or trademark. However, in respect of patents under which AT&T can grant rights, AT&T grants to LICENSEE all such rights necessary for the use by LICENSEE, pursuant to the rights granted herein, of SOFTWARE PRODUCTS, except to the extent that such patents apply (i) independently of the use of any such SOFTWARE PRODUCT, (ii) because a DESIGNATED CPU is used in combination with other hardware or (iii) because any such SOFTWARE PRODUCT is modified from the version furnished hereunder to LICENSEE by AT&T or is used in combination with other software.

7.02 This Agreement shall prevail notwithstanding any conflicting terms or legends which may appear in a SOFTWARE PRODUCT.

7.03 AT&T warrants that it is empowered to grant the rights granted hereunder. AT&T makes no other representations or warranties, expressly or impliedly. By way of example but not of limitation, AT&T makes 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. AT&T 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.

7.04 LICENSEE agrees that it will not, without the prior written permission of AT&T, (i) use in advertising, publicity, packaging, labeling or otherwise any trade name, trademark, trade device, service mark, symbol or any other identification or any abbreviation, contraction or simulation thereof owned by AT&T (or a corporate affiliate thereof) or used by AT&T (or such an affiliate) 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 AT&T (or such an affiliate), or is made in accordance with or utilizes any information or documentation of AT&T (or such an affiliate).

7.05 Neither the execution of this Agreement nor anything in it or in any SOFTWARE PRODUCT shall be construed as an obligation upon AT&T 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 pursuant to Sections 3.01 and 3.02.

7.06 (a) LICENSEE agrees that it shall hold all parts of the SOFTWARE PRODUCTS subject to this Agreement in confidence for AT&T. 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 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 or its employees, LICENSEE'S obligations under this section shall not apply to such information after such time.

(b) Notwithstanding the provisions of Section 7.06(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 AT&T (or a corporate affiliate thereof) for the same SOFTWARE PRODUCT, provided that LICENSEE first verifies the status of any such third party in accordance with specific instructions issued by AT&T. Such instructions may be obtained on request from AT&T at the correspondence address specified in Section 7.11(b). 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 as if they were part of such SOFTWARE PRODUCT.

7.07 The obligations of LICENSEE and its employees under Section 7.06(a) shall survive and continue after any termination of rights under this Agreement or cessation of a SUBSIDIARY'S status as a SUBSIDIARY.

7.08 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 7.06(b). Each such copy shall contain the same copyright and/or proprietary notices or notice giving credit to a developer, which appear on or in the SOFTWARE PRODUCT being copied.

7.09 Neither this Agreement nor any rights 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.

7.10 Except as provided in Section 7.06(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.

7.11 (a) Payments to AT&T under this Agreement shall be made payable and sent to:

AT&T TECHNOLOGIES, INC.
P.O. Box 65080
Charlotte, North Carolina 28265

(b) Correspondence with AT&T relating to this Agreement shall be sent to:

AT&T TECHNOLOGIES, INC.
Software Sales and Marketing Organization
P.O. Box 25000
Greensboro, North Carolina 27420

(c) Any payment, 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 AT&T at the appropriate address specified in this Section 7.11. Each party to this Agreement may change an address relating to it by written notice to the other party.

7.12 If LICENSEE is not a corporation, all references to LICENSEE'S SUBSIDIARIES shall be deemed deleted.

7.13 The construction and performance of this Agreement shall be governed by the law of the State of New York.

**AT&T TECHNOLOGIES, INC.
SUBLICENSING AGREEMENT**

1. AT&T TECHNOLOGIES, INC., a New York corporation ("AT&T"), having an office at 222 Broadway, New York, New York 10038, and INTERNATIONAL BUSINESS MACHINES CORPORATION, a New York corporation,

having an office at Old Orchard Road, Armonk, New York 10504,

for itself and its SUBSIDIARIES (collectively referred to herein as "LICENSEE") agree that, after execution of this Sublicensing Agreement by LICENSEE and acceptance of this Sublicensing Agreement by AT&T, the terms and conditions set forth on pages 1 through 9 of this Sublicensing Agreement shall apply to the SOFTWARE PRODUCTS subject to Software Agreement Number SOFT-00015 between AT&T and LICENSEE ("the Software Agreement").

2. The discount percentage applicable to per-copy fees payable hereunder shall be % during the initial period. The advance commitment for the initial period shall be \$ (See Section 4.02).

3. Except as otherwise specifically provided herein, all the provisions of the Software Agreement remain in full force and effect.

4. This Sublicensing Agreement, together with the Software Agreement and its Supplement(s), sets forth the entire agreement and understanding between the parties as to the subject matter hereof and merges 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 effective date 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 AT&T.

INTERNATIONAL BUSINESS
MACHINES CORPORATION

By R.A. McDonough III 2/1/85
(Signature) (Date)

R.A. McDONOUGH III
(Type or print name)

Accepted by:

AT&T TECHNOLOGIES, INC.

By O. L. Wilson 2-1-85
(Signature) (Date)

O. L. WILSON
(Type or print name)

COUNSEL - SYSTEMS PRODUCT DIV. Manager, Software Sales and Marketing
(Title) (Title)

I. DEFINITIONS

1.01 The terms "CPU", "COMPUTER PROGRAM", "SOFTWARE PRODUCT" and "SUBSIDIARIES" are defined in the Software Agreement.

1.02 **AUTHORIZED COPIER** means a **DISTRIBUTOR** authorized by **LICENSEE** to make copies of **SUBLICENSSED PRODUCTS**.

1.03 **DISTRIBUTOR** means an entity authorized by **LICENSEE** or another **DISTRIBUTOR** to receive copies of **SUBLICENSSED PRODUCTS** from **LICENSEE** or another **DISTRIBUTOR** and furnish such copies to customers and/or other **DISTRIBUTORS**.

1.04 **SUBLICENSSED PRODUCT** means (i) **COMPUTER PROGRAMS** in object-code format based on a **SOFTWARE PRODUCT** subject to the Software Agreement and (ii) any other materials identified in the "Sublicensing" section of the Schedule for such **SOFTWARE PRODUCT**.

II. GRANT OF RIGHTS

2.01 Notwithstanding any provisions to the contrary in the Software Agreement, AT&T grants to **LICENSEE** personal, nontransferable and nonexclusive rights:

- (a) to make copies of **SUBLICENSSED PRODUCTS** and to furnish, either directly or through **DISTRIBUTORS**, such copies of **SUBLICENSSED PRODUCTS** to customers anywhere in the world (subject to U.S. government export restrictions) for use on customer CPUs solely for each such customer's internal business purposes, provided that the entity (**LICENSEE** or a **DISTRIBUTOR**) furnishing the **SUBLICENSSED PRODUCTS** obtains agreement as specified in Section 2.02 from such a customer, before or at the time of furnishing each copy of a **SUBLICENSSED PRODUCT**, that:
 - (i) only a personal, nontransferable and nonexclusive right to use such copy of the **SUBLICENSSED PRODUCT** on one CPU at a time is granted to such customer;
 - (ii) no title to the intellectual property in the **SUBLICENSSED PRODUCT** is transferred to such customer;
 - (iii) such customer will not copy the **SUBLICENSSED PRODUCT** except as necessary to use such **SUBLICENSSED PRODUCT** on such one CPU;

- (iv) such customer will not transfer the **SUBLICENSSED PRODUCT** to any other party except as authorized by the entity furnishing the **SUBLICENSSED PRODUCT**;
 - (v) such customer will not export or re-export the **SUBLICENSSED PRODUCT** without the appropriate United States or foreign government licenses;
 - (vi) such customer will not reverse compile or disassemble the **SUBLICENSSED PRODUCT**;
- (b) to use **SUBLICENSSED PRODUCTS** on **LICENSEE'S** CPUs solely for **LICENSEE'S** own internal business purposes; and
 - (c) to use, and to permit **DISTRIBUTORS** to use, **SUBLICENSSED PRODUCTS** without fee solely for testing CPUs that are to be delivered to customers and for demonstrating **SUBLICENSSED PRODUCTS** to prospective customers.

2.02 In the United States and in other jurisdictions where an enforceable copyright covering the **COMPUTER PROGRAMS** of the **SUBLICENSSED PRODUCT** exists, the agreement specified in Section 2.01(a) may be a written agreement signed by the customer or a written agreement on the package containing the **SUBLICENSSED PRODUCT** that is fully visible to the customer and that the customer accepts by opening the package. In all other jurisdictions such agreement must be a written agreement signed by the customer. **AT&T** does not undertake to inform **LICENSEE** of the jurisdictions where such copyright exists.

2.03 **LICENSEE** shall require each **DISTRIBUTOR** to enter into a written agreement with its supplier of **SUBLICENSSED PRODUCTS** (**LICENSEE** or another **DISTRIBUTOR**) before any **SUBLICENSSED PRODUCT** is furnished to such **DISTRIBUTOR**. Such agreement shall include provisions consistent with and containing the relevant substance of Sections 2.01, 2.02, 2.04, 2.07, this Section 2.03 and Section 3.05 of this Sublicensing Agreement. For a **DISTRIBUTOR** who is also to be an **AUTHORIZED COPIER**, such agreement shall also include provisions consistent with and containing the relevant substance of Sections 2.05, 2.08, 2.10 and 5.01 of this Sublicensing Agreement.

2.04 **DISTRIBUTORS** who are not also **AUTHORIZED COPIERS** may not make copies of **SUBLICENSSED PRODUCTS**, but may furnish to customers copies of **SUBLICENSSED PRODUCTS** furnished to such **DISTRIBUTOR** by **LICENSEE** or other **DISTRIBUTORS**. In such cases the product name appearing on such copies shall not be deleted or altered by such a **DISTRIBUTOR**.

2.05 (a) A DISTRIBUTOR who is also an AUTHORIZED COPIER may modify and make copies of SUBLICENSED PRODUCTS, select a name for SUBLICENSED PRODUCTS to appear on such copies (consistent with the provisions of Section 2.10), and furnish such copies to customers and other DISTRIBUTORS.

(b) If an AUTHORIZED COPIER also has been granted a right to use a SOFTWARE PRODUCT, either as a licensee of AT&T (or of a corporate affiliate thereof) or as a contractor of LICENSEE (in accordance with requirements of AT&T), such AUTHORIZED COPIER may use such SOFTWARE PRODUCT to modify a SUBLICENSED PRODUCT derived from such SOFTWARE PRODUCT. If LICENSEE and such AUTHORIZED COPIER agree in writing that all right, title and interest in the resulting modifications belong to LICENSEE, then copies of such modified SUBLICENSED PRODUCT may be furnished to such customers and fees for such copies may be paid to AT&T pursuant to this Sublicensing Agreement. However, if all right, title and interest in the resulting modifications do not belong to LICENSEE then such AUTHORIZED COPIER must be a licensee of AT&T (or of a corporate affiliate thereof) for such SOFTWARE PRODUCT and copies of such modified SUBLICENSED PRODUCT must be furnished to customers and fees must be paid to AT&T only pursuant to a Sublicensing Agreement between AT&T and such AUTHORIZED COPIER, even if the version of such SOFTWARE PRODUCT used by such AUTHORIZED COPIER is furnished to such AUTHORIZED COPIER by LICENSEE. Regardless of which Sublicensing Agreement is involved in furnishing a copy of a SUBLICENSED PRODUCT to a customer, only one fee shall be collected by AT&T for such copy.

2.06 LICENSEE shall use its best efforts to enforce the agreements with DISTRIBUTORS and customers specified in this Sublicensing Agreement.

2.07 If a DISTRIBUTOR fails to fulfill one or more of its obligations under the agreement required by Section 2.03, AT&T may, upon its election and in addition to any other remedies that it may have, at any time notify LICENSEE in writing of such breach and require LICENSEE to terminate all the rights granted in such agreement by not less than two (2) months' written notice to such DISTRIBUTOR specifying any such breach, unless within the period of such notice all breaches specified therein shall have been remedied; upon such termination such DISTRIBUTOR shall within thirty (30) days immediately discontinue use of and return or destroy all copies of SUBLICENSED PRODUCTS in its possession.

2.08 (a) Any notice acknowledging a contribution of a third party appearing in a SOFTWARE PRODUCT shall be included in corresponding portions of SUBLICENSED PRODUCTS made by LICENSEE or AUTHORIZED COPIERS.

(b) Each portion of a **SUBLICENSSED PRODUCT** shall include an appropriate copyright notice. Such copyright notice may be the copyright notice or notices appearing in or on the corresponding portions of the **SOFTWARE PRODUCT** on which such **SUBLICENSSED PRODUCT** is based or, if copyrightable changes are made in developing such **SUBLICENSSED PRODUCT**, a copyright notice identifying the owner of such changes.

2.09 In certain cases AT&T may make copies of software materials available on appropriate media for purchase by **LICENSEE** for distribution by **LICENSEE** as **SUBLICENSSED PRODUCTS**. However, purchase of such copies shall not relieve **LICENSEE** of its obligation to pay fees under this Sublicensing Agreement for such **SUBLICENSSED PRODUCTS**.

2.10 No right is granted hereunder or under the Software Agreement to use any trademark of AT&T (or a corporate affiliate thereof) in the name of the **SUBLICENSSED PRODUCTS** offered or furnished to customers by **LICENSEE** or **DISTRIBUTORS**. However, **LICENSEE** and **DISTRIBUTORS** may state in advertising, publicity, packaging, labeling or otherwise that a **SUBLICENSSED PRODUCT** is derived from AT&T'S software under license from AT&T and identify such software (including any trademark, provided the proprietor of the trademark is appropriately identified). **LICENSEE** agrees, for itself and its **DISTRIBUTORS**, not to use a name or trademark for a **SUBLICENSSED PRODUCT** that is confusingly similar to a name or trademark used by AT&T (or a corporate affiliate thereof).

III. TERM

3.01 This Sublicensing Agreement shall become effective for an initial period that expires one year from the end of the quarter (ending March 31st, June 30th, September 30th or December 31st) during which this Sublicensing Agreement is accepted.

3.02 Unless **LICENSEE** notifies AT&T in writing or AT&T notifies **LICENSEE** in writing at least thirty (30) days before the expiration date established in Section 3.01 that such party does not wish renewal, this Sublicensing Agreement shall be renewed automatically for an additional one-year period and shall continue to be renewed in such a manner from year to year. Alternatively, new one-year periods may be initiated as specified in Section 4.02(d).

3.03 If **LICENSEE** fails to fulfill one or more of its obligations under this Sublicensing Agreement or the Software Agreement, AT&T 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 and under the Software Agreement 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** covered by the Software Agreement and immediately discontinue distribution and use of and destroy all copies of **SUBLICENSSED PRODUCTS** in its possession.

3.04 Neither the expiration of this Sublicensing Agreement nor the termination of LICENSEE'S rights hereunder shall relieve LICENSEE of its obligation to pay any fee hereunder. In the event of termination of LICENSEE'S rights hereunder, all fees that LICENSEE has become obligated to pay hereunder shall become immediately due and payable.

3.05 LICENSEE agrees that when a SUBSIDIARY'S or a DISTRIBUTOR'S relationship to LICENSEE changes so that it is no longer a SUBSIDIARY or a DISTRIBUTOR of LICENSEE, all rights of such former SUBSIDIARY or DISTRIBUTOR under this Sublicensing Agreement shall immediately cease, and such former SUBSIDIARY or DISTRIBUTOR shall return to LICENSEE or destroy all copies of SUBLICENSSED PRODUCTS for which per-copy fees have not been paid to AT&T. However, such former SUBSIDIARY or DISTRIBUTOR may continue to use copies of SUBLICENSSED PRODUCTS for which per-copy fees have been paid on the same basis that a customer may use copies of SUBLICENSSED PRODUCTS pursuant to Section 2.01(a).

IV. FEES AND DISCOUNTS

4.01 (a) For rights granted under this Sublicensing Agreement, LICENSEE shall pay to AT&T, in the manner and at the times specified in Article V, any initial sublicensing fee specified for the SOFTWARE PRODUCT on which a SUBLICENSSED PRODUCT is based and a per-copy fee for each copy of a SUBLICENSSED PRODUCT either (i) furnished by LICENSEE to a customer or to a DISTRIBUTOR, (ii) made by an AUTHORIZED COPIER and furnished by such AUTHORIZED COPIER to a customer or to another DISTRIBUTOR or (iii) put into use by LICENSEE on a CPU of LICENSEE. The amounts of such sublicensing fees are listed in the Schedule for each SOFTWARE PRODUCT.

(b) Amounts paid to AT&T under this Sublicensing Agreement for a copy of a SUBLICENSSED PRODUCT furnished to a particular customer shall not be creditable toward any fees payable under any agreement between AT&T (or between a corporate affiliate thereof) and such customer.

(c) Fees paid to AT&T under this Sublicensing Agreement shall not be creditable toward fees that become payable under the Software Agreement. Fees paid under the Software Agreement shall not be creditable toward fees that become payable under this Sublicensing Agreement.

(d) No additional fee is payable for the transfer of a SUBLICENSSED PRODUCT from one customer to another customer in conjunction with the transfer of a CPU between such customers, provided that the first customer does not retain any portion of the SUBLICENSSED PRODUCT after such transfer and that agreement of the second customer is obtained in accordance with Sections 2.01 and 2.02. Such transfer of a SUBLICENSSED PRODUCT may result from, for example, a sale of a CPU by the first customer to the second customer or the termination of a lease with the first customer for a CPU and the execution of a new lease with the second customer for such CPU.

(e) No additional fee is payable for the transfer of a SUBLICENSSED PRODUCT from one CPU of LICENSEE to another or the transfer of a SUBLICENSSED PRODUCT from one CPU of a customer to another CPU of the same customer.

4.02 (a) The discount percentage applicable during the initial period referred to in Section 3.01 shall be based on LICENSEE'S advance commitment to pay a specified minimum total amount of discounted per-copy fees for SUBLICENSSED PRODUCTS furnished or put into use during such initial period. If no such commitment is made, no discount shall be available during the initial period. The discount percentage and the advance commitment, if any, for the initial period are set forth on page 1 of this Sublicensing Agreement. The discount percentage applicable during each additional one-year period referred to in Section 3.02 shall be based either on LICENSEE'S advance commitment to pay a specified minimum total amount of discounted per-copy fees for such additional one-year period or on the actual total of such fees payable for the preceding period, as LICENSEE shall elect.

(b) Such discount percentage shall be two percent (2%) for each whole one hundred thousand dollars (\$100,000.00) of either the advance commitment or the actual total for the preceding period, as the case may be, up to a maximum of sixty percent (60%).

(c) If LICENSEE elects to base its discount percentage for a forthcoming additional period on its advance commitment, LICENSEE shall notify AT&T in writing of the amount of such advance commitment before the end of the preceding period. If such notification is not received by such time, such discount percentage shall be based on the actual total of discounted per-copy fees payable for the preceding period.

(d) An advance commitment may not be reduced. However, LICENSEE may at any time request of AT&T in writing that the then-current initial period or additional one-year period be terminated and that a new one-year period be started, beginning with the next quarter, for which new period LICENSEE shall make an advance commitment corresponding to a higher discount percentage than that currently applicable. Such request will be subject to AT&T'S acceptance. In the case of such termination and start of a new period, the discount percentage for the terminated period shall apply to all transactions occurring before the end of such period.

4.03 The section of the Software Agreement relating to taxes shall apply to fees payable under this Sublicensing Agreement.

V. REPORTS AND PAYMENTS

5.01 (a) LICENSEE shall keep full, clear and accurate records of the number of copies of each SUBLICENSSED PRODUCT furnished by it and AUTHORIZED COPIERS to other DISTRIBUTORS and customers and put into use on LICENSEE'S CPUs.

(b) Each AUTHORIZED COPIER shall keep full, clear and accurate records of the number of copies of each SUBLICENSSED PRODUCT furnished by it to other DISTRIBUTORS and customers.

(c) Each AUTHORIZED COPIER shall furnish a statement at least quarterly to LICENSEE identifying the number of copies recorded according to Section 5.01(b) since the previous such statement was furnished.

(d) LICENSEE shall keep full, clear and accurate records of the identities and locations of AUTHORIZED COPIERS.

(e) AT&T shall have the right through its accredited auditing representatives to make an examination and audit, during normal business hours, not more frequently than annually, of all records kept pursuant to this Section by LICENSEE and AUTHORIZED COPIERS and such other records and accounts as may under recognized accounting practices contain information bearing upon the amounts of fees payable to it under this Sublicensing Agreement. Prompt adjustment shall be made by the proper party to compensate for any errors or omissions disclosed by such examination or audit. Neither such right to examine and audit nor the right to receive such adjustment shall be affected by any statement to the contrary, appearing on checks or otherwise, unless such statement appears in a letter, signed by the party having such right and delivered to the other party, expressly waiving such right.

5.02 (a) LICENSEE shall notify AT&T in writing at least thirty (30) days in advance of the date LICENSEE intends to begin furnishing copies of a SUBLICENSED PRODUCT to customers or DISTRIBUTORS or putting any such copies into use on LICENSEE'S CPUs. Before such date LICENSEE shall pay to AT&T any initial sublicensing fee specified for the SOFTWARE PRODUCT on which such SUBLICENSED PRODUCT is based. Discount percentages established under Section 4.02 do not apply to initial sublicensing fees.

(b) Within thirty (30) days after the end of each quarter ending on March 31st, June 30th, September 30th or December 31st, commencing with the quarter during which this Sublicensing Agreement first becomes effective, LICENSEE shall furnish to AT&T a statement, in form acceptable to AT&T, certified by an authorized representative of LICENSEE, identifying the number of copies of each SUBLICENSED PRODUCT furnished by it and AUTHORIZED COPIERS or put into use on LICENSEE'S CPUs, the SOFTWARE PRODUCT on which each such SUBLICENSED PRODUCT is based, the per-copy fees for such copies and the net fees payable after the applicable discount percentage is taken into account. If the per-copy fees for a particular SUBLICENSED PRODUCT are based on a characteristic such as number of users supported, information on such characteristic for the copies of such SUBLICENSED PRODUCT furnished or put into use shall also be included in such statement. Each SUBLICENSED PRODUCT for which LICENSEE has given notice to AT&T pursuant to Section 5.02(a) shall be covered by such statement. In each such statement, LICENSEE shall also fully identify any AUTHORIZED COPIER added or terminated during the quarter covered by such statement.

(c) Within such thirty (30) days LICENSEE shall, irrespective of its own business and accounting methods, pay to AT&T the net fees payable for such quarter as shown in the statement required by Section 5.02(b), except that if the applicable discount percentage is based on an advance commitment for a period, LICENSEE shall pay the net fees payable for such quarter plus any additional amount necessary for the total of amounts paid for such period after the first, second, third and fourth full quarters thereof to be, respectively, one-quarter, one-half, three-quarters and the full amount of such advance commitment. Any such additional amount paid during a period shall be creditable against net fees payable later in the same period, but no such additional amount remaining at the end of the fourth full quarter of a period shall be refunded or creditable against any other amounts payable to AT&T. If AT&T accepts a new one-year period pursuant to Section 4.02(d), no such additional amount remaining at the end of the last full quarter of the terminated period shall be refunded or creditable against any other amounts payable to AT&T.

(d) LICENSEE shall furnish whatever additional information AT&T may reasonably prescribe from time to time to enable AT&T to ascertain the amounts of fees payable pursuant hereto.

5.03 Payments provided for in this Sublicensing Agreement shall, when overdue, be subject to a late payment charge calculated at an annual rate of one percent (1%) over the posted prime rate or successive posted prime rates in effect in New York City during delinquency; provided, however, that if the amount of such late payment charge exceeds the maximum permitted by law for such charge, such charge shall be reduced to such maximum amount.

VI. MISCELLANEOUS PROVISIONS

6.01 Neither this Sublicensing Agreement nor any rights 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.

6.02 (a) Payments to AT&T under this Sublicensing Agreement shall be made payable and sent to:

AT&T TECHNOLOGIES, INC.
P.O. Box 65080
Charlotte, North Carolina 28265

(b) Correspondence with AT&T relating to this Sublicensing Agreement shall be sent to:

AT&T TECHNOLOGIES, INC.
Software Sales and Marketing Organization
P.O. Box 25000
Greensboro, North Carolina 27420

(c) Any payment, 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 Sublicensing Agreement or to AT&T at the appropriate address specified in this Section 6.02. Each party to this Sublicensing Agreement may change an address relating to it by written notice to the other party.

6.03 The limited grant of rights under patents in the Software Agreement applies to any use permitted under Section 2.01 of this Sublicensing Agreement.

6.04 If LICENSEE is not a corporation, all references to LICENSEE'S SUBSIDIARIES shall be deemed deleted.

6.05 The construction and performance of this Sublicensing Agreement shall be governed by the law of the State of New York.

AT&T TECHNOLOGIES, INC.
Substitution Agreement

CONFIDENTIAL

The following agreements ("the prior agreements") are in effect between AT&T TECHNOLOGIES, INC., a New York corporation ("AT&T"), or an affiliate thereof, and INTERNATIONAL BUSINESS MACHINES CORPORATION, a New York corporation ("LICENSEE"):

1. January 1, 1982 Software Agreement, as Modified, Relating to UNIX* System V, Release 2.0 and other UNIX Operating Systems.
2. June 2, 1983 Supplemental Agreement (Customer Provisions) relating to UNIX System V, Release 2.0 and other UNIX Operating Systems.

Agreement Numbers SOFT-00015 and SUB-00015A----- between AT&T and LICENSEE ("the new agreements") are hereby substituted for the prior agreements. Accordingly, the rights and obligations of the parties under the prior agreements are terminated and replaced by the rights and obligations of the parties under the new agreements. No other agreements between the parties hereto are affected by this Agreement.

The following provision is applicable
 not applicable:

The discount percentage for the initial period pursuant to Agreement No. _____ is _____ %, based on total per-copy fees of \$ _____ paid by LICENSEE under the prior Supplemental Agreement (Customer Provisions) listed above relating to UNIX* System III and/or UNIX System V.

INTERNATIONAL BUSINESS
MACHINES CORPORATION
By *R.A. McDonald* 2/1/85
(Signature) (Date)
R.A. McDonald
(Type or print name)

Accepted by:
AT&T TECHNOLOGIES, INC.
By *O.L. Wilson* 3-1-85
(Signature) (Date)
O. L. WILSON
(Type or print name)

COUNSEL SYSTEMS PRODUCT DIV. Manager, Software Sales and Marketing
(Title) (Title)

*UNIX is a trademark of AT&T Bell Laboratories.



AT&T
Technology Systems

O. L. Wilson
Manager, Software
Sales and Marketing

Guilford Center
P. O. Box 25000
Greensboro, N.C. 27420
919 279-7078

FEB 11 1985

INTERNATIONAL BUSINESS MACHINES CORPORATION
Old Orchard Road
Armonk, New York 10504

Gentlemen:

Re: Software Agreement Number SOFT-00015, Sublicensing
Agreement Number SUB-00015A and Substitution Agreement
Number XFER-00015B

This letter states understandings between our companies relating to the referenced agreements and amends certain sections in such agreements concerning SOFTWARE PRODUCTS subject to the referenced Software Agreement.

A. Software Agreement

1. Regarding Sections 2.01 and 4.01, we will consider extending rights granted under Section 2.01 to include use of SOFTWARE PRODUCTS in countries other than the United States and giving written consent under Section 4.01 to export SOFTWARE PRODUCTS to such countries when specific needs arise. In the case of additional DESIGNATED CPUs in such countries such extension and consents will be given by the Supplements for such CPUs prepared in accordance with Section 2.03. In the case of your export of modified SOFTWARE PRODUCTS to our source licensees in such countries such consents will be given by an appropriate writing consistent with Section 7.06(b). We are presently willing to grant such rights for the countries you have requested, namely, Australia, Austria, Belgium, Canada, Republic of China (Taiwan), Denmark, Finland, France, Federal Republic of Germany (West Germany), Greece, Hong Kong, Ireland, Israel, Italy, Japan, Republic of Korea (South Korea), Luxembourg, The Netherlands, New Zealand, Norway, Sweden, Switzerland, United Kingdom (England, Wales, Scotland, Northern Ireland), and Singapore. We will not unreasonably withhold such permission for such listed countries or for other countries that you may identify. Our concerns in this regard are the laws of the recipient country relating to protection of software and U. S. export control laws.

2. Regarding Section 2.01, we agree that modifications and derivative works prepared by or for you are owned by you. However, ownership of any portion or portions of SOFTWARE PRODUCTS included in any such modification or derivative work remains with us.
3. You have requested that your contractors be permitted to use SOFTWARE PRODUCTS pursuant to the referenced Software Agreement.

Accordingly, notwithstanding any provision to the contrary in the Software Agreement, including Section 7.06(a) as amended hereby, it is agreed that, subject to the conditions set forth herein, the rights granted in Section 2.01 of the Software Agreement be extended to permit you to provide access to and allow use of SOFTWARE PRODUCTS by your contractors.

Such use may be on your DESIGNATED CPUs or on such contractors' CPUs that you designate as additional DESIGNATED CPUs pursuant to Section 2.03 of the Software Agreement. Such use by contractors will be deemed to be for your own internal business purposes. If such use is on a contractor's CPU, you may furnish a copy of a SOFTWARE PRODUCT to such contractor. You shall secure from each such contractor, at the time of or before providing access to or furnishing any copy of a SOFTWARE PRODUCT, the agreement of such contractor in writing that any claim, demand or right of action arising on behalf of such contractor from access to or use of the SOFTWARE PRODUCT shall be solely against you and that such contractor agrees to the same obligations and responsibilities as to confidentiality and other restrictions pertaining to the use of the SOFTWARE PRODUCT as those undertaken by you under the Software Agreement. Each such agreement shall also provide that, when a contractor's work for you is completed, all copies of the SOFTWARE PRODUCT and any software derived from or developed with the use of a SOFTWARE PRODUCT shall be returned to you by such contractor and such contractor shall erase any such software from any storage element of apparatus. Copies of such agreements with contractors shall be provided to us at our request. However, portions of such agreements not specifically required by this paragraph may be deleted. Information furnished by LICENSEE relating to contractors shall be subject to Paragraph A15 in this Letter Agreement.

4. Regarding Section 5.04, we agree that you shall not be obligated to pay any tax based on our net income in the United States or elsewhere.

5. Regarding Section 6.03 of the Software Agreement and Sections 2.07 and 3.03 of the Sublicensing Agreement, we will not terminate your rights for breach, nor will we give notice of termination under such Sections, for breaches we consider to be immaterial. We agree to lengthen the notice period referenced in such Sections from two (2) months to one hundred (100) days. If a breach occurs that causes us to give notice of termination, you may remedy the breach to avoid termination if you are willing and able to do so. In the event that a notice of termination is given to you under either of such Sections and you are making reasonable efforts to remedy the breach but you are unable to complete the remedy in the specified notice period, we will not unreasonably withhold our approval of a request by you for reasonable extension of such period. We will also consider a reasonable extension under Section 2.07 of the Sublicensing Agreement in the case of a DISTRIBUTOR who is making reasonable efforts to remedy a breach.

We will consider arbitration if a dispute arises on payments.

In any event our respective representatives will exert their mutual good faith best efforts to resolve any alleged breach short of termination.

6. Regarding Section 6.05 of the Software Agreement and Section 3.05 of the Sublicensing Agreement, we will offer new software and sublicensing agreements to your former SUBSIDIARIES on the same basis as to any other prospective licensee. A former SUBSIDIARY would be unlicensed during the period between its ceasing to be your SUBSIDIARY and the effective date of such new agreements. Therefore, new agreements should be in effect before a SUBSIDIARY is divested.
7. Regarding Section 7.03, we are not aware of any patent or copyright infringement action against us relating to SOFTWARE PRODUCTS.
8. Regarding Section 7.05, we will cooperate with you in defending litigation arising from your use of SOFTWARE PRODUCTS (or sublicensing of SUBLICENSED PRODUCTS under the Sublicensing Agreement), but the extent of such cooperation cannot be determined until such litigation arises.
9. Amend Section 7.06(a) by replacing such section with the following:

--7.06(a) LICENSEE agrees that it shall hold SOFTWARE PRODUCTS subject to this Agreement in confidence for AT&T. LICENSEE further agrees that it shall not make any disclosure of such SOFTWARE PRODUCTS to anyone, except to employees 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. Nothing in this agreement shall prevent LICENSEE from developing or marketing products or services employing ideas, concepts, know-how or techniques relating to data processing embodied in SOFTWARE PRODUCTS subject to this Agreement, provided that LICENSEE shall not copy any code from such SOFTWARE PRODUCTS into any such product or in connection with any such service and employees of LICENSEE shall not refer to the physical documents and materials comprising SOFTWARE PRODUCTS subject to this Agreement when they are developing any such products or service or providing any such service. 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 or its employees, LICENSEE'S obligations under this section shall not apply to such information after such time.--.

10. Regarding Section 7.06(b), this section covers the situation where one of our licensees wishes to furnish its modified version of our source code for a SOFTWARE PRODUCT to another of our licensees for the same product. The last sentence of this section makes clear that you may receive source code from another such licensee, provided you treat such source code as if it were the source code we furnished to you. This language is not intended to refer to an object-code product that you obtain from another of our licensees pursuant to that licensee's sublicensing rights.
11. Regarding Section 7.06, we recognize that you may at some time be required to disclose a SOFTWARE PRODUCT to others (i) by law, (ii) by a valid order of a court or other governmental body, (iii) by your existing undertaking with the European Economic Community or (iv) in order to establish

your rights under the Software Agreement. You recognize the proprietary nature of SOFTWARE PRODUCTS and the need to protect SOFTWARE PRODUCTS from unrestricted disclosure. Accordingly, you agree not to make any such disclosure without giving notice to us so that we have an opportunity to intervene. We agree to respond to any such notice within a reasonable time, consistent with the requirement that you disclose. You agree to obtain, or assist us in obtaining, a protective order appropriately limiting the extent of any such disclosure that may eventually be made.

12. We agree that all SOFTWARE PRODUCTS, including enhancements to or new versions of existing SOFTWARE PRODUCTS, generally available under the Software Agreement will be made available to you at the fees and under terms, warranties and benefits equivalent to those offered to other licensees.
13. Regarding Section 1(e) of the "Schedule for UNIX* System V, Release 2.0, Version 1.0" attached to Supplement 1 of the Software Agreement, Section 1(c) of the "Schedule for UNIX Documenter's Workbench** Software" attached to Supplement 2 of the Software Agreement, and the "Schedule for 370 DEVELOPMENT SYSTEM V" attached to Supplement 3 of the Software Agreement, we agree that the fees in such Schedules are not subject to increase.
14. Regarding the documentation listed in Section 2 of the Schedule for UNIX System V, Release 2.0, Version 1.0, the documents entitled "UNIX System V System Release Description" and "UNIX System V-International Release Description" are not presently available without restriction to the general public. All other listed documents are available without restriction.
15. We agree that the identities of your contractors, DISTRIBUTORS and AUTHORIZED COPIERS, as well as the types and serial numbers of DESIGNATED CPUS of such parties, are confidential and need only be disclosed to us as specified under the referenced agreements, as modified hereby, and that such information will be used by us only for the purposes of administering and enforcing such agreements and will not be disclosed to anyone except those having a need to know for the purpose of administering the referenced agreements.

*UNIX is a trademark of AT&T Bell Laboratories.

**Documenter's Workbench is a trademark of AT&T Technologies.

B. Sublicensing Agreement

1. A DISTRIBUTOR may also be your contractor pursuant to the terms set forth in item A3 above.
2. We agree that "internal business purposes" in Sections 2.01(a) and 2.01(b) includes the right to offer data processing services to others.
3. Regarding the following IBM form agreements:

<u>Our Reference</u>	<u>Form No.</u>	<u>Title</u>
1.	Z125-3358-0	Agreement for IBM Licensed Programs
2.	Z125-3419-0	IBM Usage License Amendment to Agreement for IBM Licensed Programs
3.	Z125-3301-0	IBM Program License Agreement
4.	Z137-0075-0	IBM Instruments, Inc. Program License Agreement
5.	04-83	Amendment to Agreement for IBM Licensed Programs (Value Added Remarketer)
6.	04-83	Agreement for IBM Licensed Programs (Value Added Remarketer's Licensed End User)
7.	6172208	IBM Program License Agreement
8.	Unnumbered	IBM Personal Computer Retail Dealer Agreement, Software
9.	926-2661-0D	IBM Personal Computer Retail Dealer Agreement

We have reviewed such form agreements for use under the provisions of the Sublicensing Agreement and have no objections to such use, or the use of substantially similar forms, in the United States and Puerto Rico provided that:

(a) In using forms such as 1 and 6 (our references), you will not specify "Installation License Applies" or "Location License Applies";

(b) If your customer is permitted to make its own additional copies of "licensed program materials" for use on additional machines, as permitted under form 1, you treat such additional copies under the Sublicensing Agreement as if you had furnished such copies;

(c) In the next revision of form 3 you correct the language in the second paragraph relating to title to indicate that title may be retained by a third party (or by your licensor);

(d) In the next revision of forms 4 and 7 you include a provision prohibiting reverse assembly or reverse compilation, as appears in forms 1, 3 and 6; and

(e) In dealing with AUTHORIZED COPIERS you obligate such parties to include in copies they make of SUBLICENSED PRODUCTS the notices required by Section 2.08(a) of the Sublicensing Agreement.

4. Amend Section 2.02 by changing "written agreement on the package" to --written agreement on or accompanying the package--.

5. Amend Section 2.05(b) by replacing such Section with the following:

--(b) If an AUTHORIZED COPIER also has been granted a right to use a SOFTWARE PRODUCT, either as a licensee of AT&T (or of a corporate affiliate thereof) or as a contractor of LICENSEE (in accordance with requirements of AT&T), such AUTHORIZED COPIER may use such SOFTWARE PRODUCT to modify a SUBLICENSED PRODUCT derived from such SOFTWARE PRODUCT. If the resulting modifications are owned solely by LICENSEE, then fees for copies of such modified SUBLICENSED PRODUCT distributed to customers by such AUTHORIZED COPIER may be paid to AT&T pursuant to this Sublicensing Agreement or pursuant to a Sublicensing Agreement between AT&T and such AUTHORIZED COPIER, as LICENSEE shall elect. However, if such AUTHORIZED COPIER retains any ownership interest in such modifications, then fees for copies of such modified SUBLICENSED PRODUCT distributed to customers by such AUTHORIZED COPIER must be paid to AT&T only pursuant to a Sublicensing Agreement between AT&T and such AUTHORIZED COPIER. Regardless of which Sublicensing Agreement is involved, only one fee shall be collected by AT&T for such copy.--.

6. Regarding Section 2.06, "best efforts" need be no more than the efforts you would customarily use to enforce equivalent agreements (such as those listed in B3 above) with your customers, value added resellers, end users, and dealers.

7. Regarding Section 2.08(a), only bona fide notices need be included, not irrelevant comments that may appear in a SOFTWARE PRODUCT.

8. Regarding Section 2.09, we have not yet made any copies of software materials available under this Section. If we do so, you may elect whether to make your own copies or purchase such copies from us.
9. Regarding the references you are permitted to make to our trademark under Section 2.10, you are under no obligation to make such references.
10. Amend Section 3.02, first and second lines, by deleting "or AT&T notifies LICENSEE in writing", and, third line, by changing "such party" to --LICENSEE--.
11. The discount provisions in the Sublicensing Agreement are deleted. We will exert our good faith best efforts to propose a new discount provision by April 1, 1985. Such new discount provisions will be retroactive to the effective date of the Sublicensing Agreement and, at a minimum will:
 - (i) provide a discount percentage, applicable to essentially yearly discount periods, of at least two percent (2%) for each whole one hundred thousand dollars (\$100,000.00) of discounted per-copy fees up to a maximum of sixty percent (60%), or equivalent;
 - (ii) require advance payment of per-copy fees by you no more frequently than quarterly;
 - (iii) require no advance commitment by you regarding volume of SUBLICENSSED PRODUCTS furnished to customers or put into use; and
 - (iv) provide for no retention by us of advance payments made by you unless mutually agreed.
12. Regarding Section 5.01, we agree that neither you nor your AUTHORIZED COPIERS or DISTRIBUTORS will be required to provide or disclose the identity of customers to us or our accredited auditing representatives.
13. Regarding Section 5.02(a), we agree that the notification in writing required by such Section may be within thirty (30) days after the date you begin furnishing copies of a SUBLICENSSED PRODUCT to customers or DISTRIBUTORS or putting such copies into use on your CPUs, and that you may pay any Sublicensing Fee for the SOFTWARE PRODUCT on which such SUBLICENSSED PRODUCT is based at the time of such notification.

14. Regarding Section 5.02(c), you need not pay a per-copy fee for copies of SUBLICENSSED PRODUCTS that are returned without having been used or are furnished in place of a defective copy. You are not required to pay an additional per-copy fee for an enhancement if the enhancement does not increase the number of users supported by a product into the next higher category. However, when we furnish later versions of a SOFTWARE PRODUCT with new features, we may require payment of additional sublicensing fees to upgrade your earlier SUBLICENSSED PRODUCTS to include the new features.
15. Regarding the documentation you may furnish to a customer or end user, which documentation is defined as part of a SUBLICENSSED PRODUCT, you may furnish the number of copies necessary to reasonably support the product without paying an additional sublicensing fee. You may also furnish to prospective customers the number of copies of such documentation necessary to reasonably support the marketing of the SUBLICENSSED PRODUCT without paying a sublicensing fee for such copies.
16. Regarding your obligation under the Sublicensing Agreement to pay per-copy sublicensing fees for SUBLICENSSED PRODUCTS furnished to customers (or put into use on your internal CPUs), we recognize that certain of your SUBLICENSSED PRODUCTS may comprise a set of parts, with one major part being a prerequisite for the other, minor part(s), such that if you furnished (or put into use) all the parts together you would be obligated to pay only one per-copy fee. However, we understand that you wish to furnish (or put into use) the parts separately, paying the full per-copy fee when you furnish (or put into use) the major part and no fee at all when you furnish (or put into use) the minor part(s). We agree that you may do this, provided that you report, pursuant to Section 5.02 of the Sublicensing Agreement, the quantities of each major and minor part furnished (or put into use) and that such quantities be reconciled periodically to determine whether the quantity of any minor part ever exceeds the quantity of major parts, and that if there is such an excess, you pay an additional per-copy fee for each excess minor part. We will exert our good faith best efforts to propose by April 1, 1985 methods for such reconciliation and for determining such additional per-copy fees. We would expect such fees to be based on a proportional reduction of the full per-copy fee with the objective of achieving an equitable fee arrangement, taking into account the excess quantities of minor parts over major parts. The discount arrangement applicable to the full per-copy fees will also apply to the additional per-copy fees.

C. Substitution Agreement

Regarding SUBLICENSSED PRODUCTS based on LICENSED SOFTWARE under the prior Software Agreement listed in the Substitution Agreement, we agree that you may elect to pay per-copy sublicensing fees for some such SUBLICENSSED PRODUCTS at the rates set forth in Sections 4.01(a) and (b) of the prior Supplemental Agreement (Customer Provisions) ("the old rates") and other such SUBLICENSSED PRODUCTS at the rates set forth in Section 1(c) of the Schedule for UNIX System V, Release 2.0 ("the new rates"), provided:

(a) You pay the Initial Sublicensing Fee specified in Section 1(c)(i) of such Schedule when you begin paying some per-copy fees at the new rates while continuing to pay other per-copy fees at the old rates. (Such Initial Sublicensing Fee will be waived if you elect to pay all per-copy fees at the new rates.)

(b) Per-copy fees you pay under the old rates do not apply to the determination of any discount percentage under the new Sublicensing Agreement and per-copy fees you pay under the new rates do not apply to the "Cumulative Total of Fees Paid" under the prior Supplemental Agreement (Customer Provisions).

(c) In the statements furnished pursuant to Section 5.02(b) of the new Sublicensing Agreement you clearly distinguish whether you are applying the old rates or the new rates for relevant SUBLICENSSED PRODUCTS.

Capitalized terms in this letter agreement are defined in the referenced agreements.

INTERNATIONAL BUSINESS MACHINES
CORPORATION

11.

If you agree with the above understandings and amendments, please so indicate by signing and dating the attached copy of this letter agreement in the spaces provided therefor and returning such copy to us.

Very truly yours,

AT&T TECHNOLOGIES, INC.

BY *John W. Wilson*
for O.L. Wilson

ACCEPTED AND AGREED TO:

INTERNATIONAL BUSINESS MACHINES CORPORATION

By *B. A. McDonald*
Title *Counsel - System Product Division*
Date *February 1, 1985*

AT&T TECHNOLOGIES, INC.
SOFTWARE AGREEMENT

1. AT&T TECHNOLOGIES, INC., a New York corporation ("AT&T"), having an office at 1 Oak Way, Berkeley Heights, New Jersey 07922, and SEQUENT COMPUTER SYSTEMS, INC., a Delaware corporation having an office at 14360 N. W. Science Park Drive, Portland, Oregon 97229,

for itself and its SUBSIDIARIES (collectively referred to herein as "LICENSEE") agree that, after execution of this Agreement by LICENSEE and acceptance of this Agreement by AT&T, the terms and conditions set forth on pages 1 through 6 of this Agreement shall apply to use by LICENSEE of SOFTWARE PRODUCTS that become subject to this Agreement.

2. AT&T makes certain SOFTWARE PRODUCTS available under this Agreement. Each such SOFTWARE PRODUCT shall become subject to this Agreement on acceptance by AT&T 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. Initially, Supplement(s) numbered 1 ----- are included in and made part of this Agreement.

3. Additional Supplements may be added to this Agreement to add additional SOFTWARE PRODUCTS (and DESIGNATED CPUs therefor) or to add or replace DESIGNATED CPUs for other SOFTWARE PRODUCTS covered by previous Supplements. Each such additional Supplement shall be considered part of this Agreement when executed by LICENSEE and accepted by AT&T.

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 AT&T.

Accepted by:

SEQUENT COMPUTER SYSTEMS, INC.

AT&T TECHNOLOGIES, INC.

By David P. Rodgers 4/12/85
(Signature) (Date)

By O. L. Wilson APR 18 1985
(Signature) (Date)

David P. Rodgers
(Type or print name)

O. L. WILSON
(Type or print name)

Vice President of Engineering Manager, Software Sales and Marketing
(Title) (Title)

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 AT&T for a specific SOFTWARE PRODUCT are listed in the Schedule for such SOFTWARE PRODUCT.

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 AT&T 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 CPUs 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 the resulting materials are treated hereunder as part of the original SOFTWARE PRODUCT.

2.02 A single back-up CPU may be used as a substitute for a DESIGNATED CPU without notice to AT&T during any time when such DESIGNATED CPU is inoperative because it is malfunctioning or undergoing repair, maintenance or other modification.

2.03 LICENSEE may at any time notify AT&T in writing of any changes, such as replacements or additions, that LICENSEE wishes to make to the DESIGNATED CPUs for a specific SOFTWARE PRODUCT. AT&T 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, acceptance thereof by AT&T and, in the case of each additional CPU, receipt by AT&T of the appropriate fee.

2.04 On AT&T'S request, but not more frequently than annually, LICENSEE shall furnish to AT&T a statement, certified by an authorized representative of LICENSEE, listing the location, type and serial number of all DESIGNATED CPUs 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 CPUs (or temporarily on back-up CPUs) for such SOFTWARE PRODUCTS pursuant to the provisions of this Agreement.

2.05 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.

III. DELIVERY

3.01 Within a reasonable time after AT&T receives the fee specified in the first Supplement for a SOFTWARE PRODUCT, AT&T will furnish to LICENSEE one (1) copy of such 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 AT&T of the then-current distribution fee for each such copy.

IV. EXPORT

4.01 LICENSEE agrees that it will not, without the prior written consent of AT&T, export, directly or indirectly, SOFTWARE PRODUCTS covered by this Agreement to any country outside of the United States.

V. FEES AND TAXES

5.01 Within sixty (60) days after acceptance of this Agreement by AT&T, LICENSEE shall pay to AT&T 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 AT&T, LICENSEE shall pay to AT&T any fee required by such additional Supplement for the DESIGNATED CPUs listed in such additional Supplement.

5.03 Payments to AT&T shall be made in United States dollars to AT&T at the address specified in Section 7.11(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 AT&T 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) are exclusive of any taxes. If AT&T is required to collect a tax to be paid by LICENSEE, LICENSEE shall pay such tax to AT&T on demand.

VI. TERM

6.01 This Agreement shall become effective on and as of the date of acceptance by AT&T.

6.02 LICENSEE may terminate its rights under this Agreement by written notice to AT&T 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, AT&T 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, AT&T 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 AT&T 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 2.03.

VII. MISCELLANEOUS PROVISIONS

7.01 Nothing contained herein shall be construed as conferring by implication, estoppel or otherwise any license or right under any patent or trademark. However, in respect of patents under which AT&T can grant rights, AT&T grants to LICENSEE all such rights necessary for the use by LICENSEE, pursuant to the rights granted herein, of SOFTWARE PRODUCTS, except to the extent that such patents apply (i) independently of the use of any such SOFTWARE PRODUCT, (ii) because a DESIGNATED CPU is used in combination with other hardware or (iii) because any such SOFTWARE PRODUCT is modified from the version furnished hereunder to LICENSEE by AT&T or is used in combination with other software.

7.02 This Agreement shall prevail notwithstanding any conflicting terms or legends which may appear in a SOFTWARE PRODUCT.

7.03 AT&T warrants that it is empowered to grant the rights granted hereunder. AT&T makes no other representations or warranties, expressly or impliedly. By way of example but not of limitation, AT&T makes 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. AT&T 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.

7.04 LICENSEE agrees that it will not, without the prior written permission of AT&T, (i) use in advertising, publicity, packaging, labeling or otherwise any trade name, trademark, trade device, service mark, symbol or any other identification or any abbreviation, contraction or simulation thereof owned by AT&T (or a corporate affiliate thereof) or used by AT&T (or such an affiliate) 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 AT&T (or such an affiliate), or is made in accordance with or utilizes any information or documentation of AT&T (or such an affiliate).

7.05 Neither the execution of this Agreement nor anything in it or in any SOFTWARE PRODUCT shall be construed as an obligation upon AT&T 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 pursuant to Sections 3.01 and 3.02.

7.06 (a) LICENSEE agrees that it shall hold all parts of the SOFTWARE PRODUCTS subject to this Agreement in confidence for AT&T. 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 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 or its employees, LICENSEE'S obligations under this section shall not apply to such information after such time.

(b) Notwithstanding the provisions of Section 7.06(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 AT&T (or a corporate affiliate thereof) for the same SOFTWARE PRODUCT, provided that LICENSEE first verifies the status of any such third party in accordance with specific instructions issued by AT&T. Such instructions may be obtained on request from AT&T at the correspondence address specified in Section 7.11(b). 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 as if they were part of such SOFTWARE PRODUCT.

7.07 The obligations of LICENSEE and its employees under Section 7.06(a) shall survive and continue after any termination of rights under this Agreement or cessation of a SUBSIDIARY'S status as a SUBSIDIARY.

7.08 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 7.06(b). Each such copy shall contain the same copyright and/or proprietary notices or notice giving credit to a developer, which appear on or in the SOFTWARE PRODUCT being copied.

7.09 Neither this Agreement nor any rights 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.

7.10 Except as provided in Section 7.06(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.

7.11 (a) Payments to AT&T under this Agreement shall be made payable and sent to:

AT&T TECHNOLOGIES, INC.
P.O. Box 65080
Charlotte, North Carolina 28265

(b) Correspondence with AT&T relating to this Agreement shall be sent to:

AT&T TECHNOLOGIES, INC.
Software Sales and Marketing Organization
P.O. Box 25000
Greensboro, North Carolina 27420

(c) Any payment, 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 AT&T at the appropriate address specified in this Section 7.11. Each party to this Agreement may change an address relating to it by written notice to the other party.

7.12 If LICENSEE is not a corporation, all references to LICENSEE'S SUBSIDIARIES shall be deemed deleted.

7.13 The construction and performance of this Agreement shall be governed by the law of the State of New York.

**AT&T TECHNOLOGIES, INC.
SUBLICENSING AGREEMENT**

1. AT&T TECHNOLOGIES, INC., a New York corporation ("AT&T"), having an office at 1 Oak Way, Berkeley Heights, New Jersey 07922, and SEQUENT COMPUTER SYSTEMS, INC., a Delaware corporation

having an office at 14360 N. W. Science Park Drive, Portland, Oregon 97229,

for itself and its SUBSIDIARIES (collectively referred to herein as "LICENSEE") agree that, after execution of this Sublicensing Agreement by LICENSEE and acceptance of this Sublicensing Agreement by AT&T, the terms and conditions set forth on pages 1 through 9 of this Sublicensing Agreement shall apply to the SOFTWARE PRODUCTS subject to Software Agreement Number between AT&T and LICENSEE ("the Software Agreement").

2. The discount percentage applicable to per-copy fees payable hereunder shall be % during the initial period. The advance commitment for the initial period shall be \$ (See Section 4.02).

3. Except as otherwise specifically provided herein, all the provisions of the Software Agreement remain in full force and effect.

4. This Sublicensing Agreement, together with the Software Agreement and its Supplement(s), sets forth the entire agreement and understanding between the parties as to the subject matter hereof and merges 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 effective date 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 AT&T.

Accepted by:

SEQUENT COMPUTER SYSTEMS, INC.

By David P. Rodgers 1/20/86
(Signature) (Date)

DAVID P. RODGERS
(Type or print name)

VICE-PRESIDENT
(Title)

AT&T TECHNOLOGIES, INC.

By O. L. Wilson JAN 28 1986
(Signature) (Date)

O. L. WILSON
(Type or print name)

Manager, Software Sales and Marketing
(Title)

I. DEFINITIONS

1.01 The terms "CPU", "COMPUTER PROGRAM", "SOFTWARE PRODUCT" and "SUBSIDIARIES" are defined in the Software Agreement.

1.02 AUTHORIZED COPIER means a DISTRIBUTOR authorized by LICENSEE to make copies of SUBLICENSED PRODUCTS.

1.03 DISTRIBUTOR means an entity authorized by LICENSEE or another DISTRIBUTOR to receive copies of SUBLICENSED PRODUCTS from LICENSEE or another DISTRIBUTOR and furnish such copies to customers and/or other DISTRIBUTORS.

1.04 SUBLICENSED PRODUCT means (i) COMPUTER PROGRAMS in object-code format based on a SOFTWARE PRODUCT subject to the Software Agreement and (ii) any other materials identified in the "Sublicensing" section of the Schedule for such SOFTWARE PRODUCT.

II. GRANT OF RIGHTS

2.01 Notwithstanding any provisions to the contrary in the Software Agreement, AT&T grants to LICENSEE personal, nontransferable and nonexclusive rights:

- (a) to make copies of SUBLICENSED PRODUCTS and to furnish, either directly or through DISTRIBUTORS, such copies of SUBLICENSED PRODUCTS to customers anywhere in the world (subject to U.S. government export restrictions) for use on customer CPUs solely for each such customer's internal business purposes, provided that the entity (LICENSEE or a DISTRIBUTOR) furnishing the SUBLICENSED PRODUCTS obtains agreement as specified in Section 2.02 from such a customer, before or at the time of furnishing each copy of a SUBLICENSED PRODUCT, that:
 - (i) only a personal, nontransferable and nonexclusive right to use such copy of the SUBLICENSED PRODUCT on one CPU at a time is granted to such customer;
 - (ii) no title to the intellectual property in the SUBLICENSED PRODUCT is transferred to such customer;
 - (iii) such customer will not copy the SUBLICENSED PRODUCT except as necessary to use such SUBLICENSED PRODUCT on such one CPU;

- (iv) such customer will not transfer the **SUBLICENSSED PRODUCT** to any other party except as authorized by the entity furnishing the **SUBLICENSSED PRODUCT**;
 - (v) such customer will not export or re-export the **SUBLICENSSED PRODUCT** without the appropriate United States or foreign government licenses;
 - (vi) such customer will not reverse compile or disassemble the **SUBLICENSSED PRODUCT**;
- (b) to use **SUBLICENSSED PRODUCTS** on **LICENSEE'S CPUs** solely for **LICENSEE'S** own internal business purposes; and
 - (c) to use, and to permit **DISTRIBUTORS** to use, **SUBLICENSSED PRODUCTS** without fee solely for testing CPUs that are to be delivered to customers and for demonstrating **SUBLICENSSED PRODUCTS** to prospective customers.

2.02 In the United States and in other jurisdictions where an enforceable copyright covering the **COMPUTER PROGRAMS** of the **SUBLICENSSED PRODUCT** exists, the agreement specified in Section 2.01(a) may be a written agreement signed by the customer or a written agreement on the package containing the **SUBLICENSSED PRODUCT** that is fully visible to the customer and that the customer accepts by opening the package. In all other jurisdictions such agreement must be a written agreement signed by the customer. AT&T does not undertake to inform **LICENSEE** of the jurisdictions where such copyright exists.

2.03 **LICENSEE** shall require each **DISTRIBUTOR** to enter into a written agreement with its supplier of **SUBLICENSSED PRODUCTS** (**LICENSEE** or another **DISTRIBUTOR**) before any **SUBLICENSSED PRODUCT** is furnished to such **DISTRIBUTOR**. Such agreement shall include provisions consistent with and containing the relevant substance of Sections 2.01, 2.02, 2.04, 2.07, this Section 2.03 and Section 3.05 of this Sublicensing Agreement. For a **DISTRIBUTOR** who is also to be an **AUTHORIZED COPIER**, such agreement shall also include provisions consistent with and containing the relevant substance of Sections 2.05, 2.08, 2.10 and 5.01 of this Sublicensing Agreement.

2.04 **DISTRIBUTORS** who are not also **AUTHORIZED COPIERS** may not make copies of **SUBLICENSSED PRODUCTS**, but may furnish to customers copies of **SUBLICENSSED PRODUCTS** furnished to such **DISTRIBUTOR** by **LICENSEE** or other **DISTRIBUTORS**. In such cases the product name appearing on such copies shall not be deleted or altered by such a **DISTRIBUTOR**.

2.05 (a) A DISTRIBUTOR who is also an AUTHORIZED COPIER may modify and make copies of SUBLICENSSED PRODUCTS, select a name for SUBLICENSSED PRODUCTS to appear on such copies (consistent with the provisions of Section 2.10), and furnish such copies to customers and other DISTRIBUTORS.

(b) If an AUTHORIZED COPIER also has been granted a right to use a SOFTWARE PRODUCT, either as a licensee of AT&T (or of a corporate affiliate thereof) or as a contractor of LICENSEE (in accordance with requirements of AT&T), such AUTHORIZED COPIER may use such SOFTWARE PRODUCT to modify a SUBLICENSSED PRODUCT derived from such SOFTWARE PRODUCT. If LICENSEE and such AUTHORIZED COPIER agree in writing that all right, title and interest in the resulting modifications belong to LICENSEE, then copies of such modified SUBLICENSSED PRODUCT may be furnished to such customers and fees for such copies may be paid to AT&T pursuant to this Sublicensing Agreement. However, if all right, title and interest in the resulting modifications do not belong to LICENSEE then such AUTHORIZED COPIER must be a licensee of AT&T (or of a corporate affiliate thereof) for such SOFTWARE PRODUCT and copies of such modified SUBLICENSSED PRODUCT must be furnished to customers and fees must be paid to AT&T only pursuant to a Sublicensing Agreement between AT&T and such AUTHORIZED COPIER, even if the version of such SOFTWARE PRODUCT used by such AUTHORIZED COPIER is furnished to such AUTHORIZED COPIER by LICENSEE. Regardless of which Sublicensing Agreement is involved in furnishing a copy of a SUBLICENSSED PRODUCT to a customer, only one fee shall be collected by AT&T for such copy.

2.06 LICENSEE shall use its best efforts to enforce the agreements with DISTRIBUTORS and customers specified in this Sublicensing Agreement.

2.07 If a DISTRIBUTOR fails to fulfill one or more of its obligations under the agreement required by Section 2.03, AT&T may, upon its election and in addition to any other remedies that it may have, at any time notify LICENSEE in writing of such breach and require LICENSEE to terminate all the rights granted in such agreement by not less than two (2) months' written notice to such DISTRIBUTOR specifying any such breach, unless within the period of such notice all breaches specified therein shall have been remedied; upon such termination such DISTRIBUTOR shall within thirty (30) days immediately discontinue use of and return or destroy all copies of SUBLICENSSED PRODUCTS in its possession.

2.08 (a) Any notice acknowledging a contribution of a third party appearing in a SOFTWARE PRODUCT shall be included in corresponding portions of SUBLICENSSED PRODUCTS made by LICENSEE or AUTHORIZED COPIERS.

(b) Each portion of a **SUBLICENSSED PRODUCT** shall include an appropriate copyright notice. Such copyright notice may be the copyright notice or notices appearing in or on the corresponding portions of the **SOFTWARE PRODUCT** on which such **SUBLICENSSED PRODUCT** is based or, if copyrightable changes are made in developing such **SUBLICENSSED PRODUCT**, a copyright notice identifying the owner of such changes.

2.09 In certain cases AT&T may make copies of software materials available on appropriate media for purchase by **LICENSEE** for distribution by **LICENSEE** as **SUBLICENSSED PRODUCTS**. However, purchase of such copies shall not relieve **LICENSEE** of its obligation to pay fees under this Sublicensing Agreement for such **SUBLICENSSED PRODUCTS**.

2.10 No right is granted hereunder or under the Software Agreement to use any trademark of AT&T (or a corporate affiliate thereof) in the name of the **SUBLICENSSED PRODUCTS** offered or furnished to customers by **LICENSEE** or **DISTRIBUTORS**. However, **LICENSEE** and **DISTRIBUTORS** may state in advertising, publicity, packaging, labeling or otherwise that a **SUBLICENSSED PRODUCT** is derived from AT&T'S software under license from AT&T and identify such software (including any trademark, provided the proprietor of the trademark is appropriately identified). **LICENSEE** agrees, for itself and its **DISTRIBUTORS**, not to use a name or trademark for a **SUBLICENSSED PRODUCT** that is confusingly similar to a name or trademark used by AT&T (or a corporate affiliate thereof).

III. TERM

3.01 This Sublicensing Agreement shall become effective for an initial period that expires one year from the end of the quarter (ending March 31st, June 30th, September 30th or December 31st) during which this Sublicensing Agreement is accepted.

3.02 Unless **LICENSEE** notifies AT&T in writing or ~~AT&T notifies **LICENSEE** in writing~~ at least thirty (30) days before the expiration date established in Section 3.01 that such party does not wish renewal, this Sublicensing Agreement shall be renewed automatically for an additional one-year period and shall continue to be renewed in such a manner from year to year. Alternatively, new one-year periods may be initiated as specified in Section 4.02(d).

3.03 If **LICENSEE** fails to fulfill one or more of its obligations under this Sublicensing Agreement or the Software Agreement, AT&T 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 and under the Software Agreement 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** covered by the Software Agreement and immediately discontinue distribution and use of and destroy all copies of **SUBLICENSSED PRODUCTS** in its possession.

3.04 Neither the expiration of this Sublicensing Agreement nor the termination of LICENSEE'S rights hereunder shall relieve LICENSEE of its obligation to pay any fee hereunder. In the event of termination of LICENSEE'S rights hereunder, all fees that LICENSEE has become obligated to pay hereunder shall become immediately due and payable.

3.05 LICENSEE agrees that when a SUBSIDIARY'S or a DISTRIBUTOR'S relationship to LICENSEE changes so that it is no longer a SUBSIDIARY or a DISTRIBUTOR of LICENSEE, all rights of such former SUBSIDIARY or DISTRIBUTOR under this Sublicensing Agreement shall immediately cease, and such former SUBSIDIARY or DISTRIBUTOR shall return to LICENSEE or destroy all copies of SUBLICENSSED PRODUCTS for which per-copy fees have not been paid to AT&T. However, such former SUBSIDIARY or DISTRIBUTOR may continue to use copies of SUBLICENSSED PRODUCTS for which per-copy fees have been paid on the same basis that a customer may use copies of SUBLICENSSED PRODUCTS pursuant to Section 2.01(a).

IV. FEES AND DISCOUNTS

4.01 (a) For rights granted under this Sublicensing Agreement, LICENSEE shall pay to AT&T, in the manner and at the times specified in Article V, any initial sublicensing fee specified for the SOFTWARE PRODUCT on which a SUBLICENSSED PRODUCT is based and a per-copy fee for each copy of a SUBLICENSSED PRODUCT either (i) furnished by LICENSEE to a customer or to a DISTRIBUTOR, (ii) made by an AUTHORIZED COPIER and furnished by such AUTHORIZED COPIER to a customer or to another DISTRIBUTOR or (iii) put into use by LICENSEE on a CPU of LICENSEE. The amounts of such sublicensing fees are listed in the Schedule for each SOFTWARE PRODUCT.

(b) Amounts paid to AT&T under this Sublicensing Agreement for a copy of a SUBLICENSSED PRODUCT furnished to a particular customer shall not be creditable toward any fees payable under any agreement between AT&T (or between a corporate affiliate thereof) and such customer.

(c) Fees paid to AT&T under this Sublicensing Agreement shall not be creditable toward fees that become payable under the Software Agreement. Fees paid under the Software Agreement shall not be creditable toward fees that become payable under this Sublicensing Agreement.

(d) No additional fee is payable for the transfer of a SUBLICENSSED PRODUCT from one customer to another customer in conjunction with the transfer of a CPU between such customers, provided that the first customer does not retain any portion of the SUBLICENSSED PRODUCT after such transfer and that agreement of the second customer is obtained in accordance with Sections 2.01 and 2.02. Such transfer of a SUBLICENSSED PRODUCT may result from, for example, a sale of a CPU by the first customer to the second customer or the termination of a lease with the first customer for a CPU and the execution of a new lease with the second customer for such CPU.

(e) No additional fee is payable for the transfer of a SUBLICENSSED PRODUCT from one CPU of LICENSEE to another or the transfer of a SUBLICENSSED PRODUCT from one CPU of a customer to another CPU of the same customer.

4.02 (a) The discount percentage applicable during the initial period referred to in Section 3.01 shall be based on LICENSEE'S advance commitment to pay a specified minimum total amount of discounted per-copy fees for SUBLICENSSED PRODUCTS furnished or put into use during such initial period. If no such commitment is made, no discount shall be available during the initial period. The discount percentage and the advance commitment, if any, for the initial period are set forth on page 1 of this Sublicensing Agreement. The discount percentage applicable during each additional one-year period referred to in Section 3.02 shall be based either on LICENSEE'S advance commitment to pay a specified minimum total amount of discounted per-copy fees for such additional one-year period or on the actual total of such fees payable for the preceding period, as LICENSEE shall elect.

(b) Such discount percentage shall be two percent (2%) for each whole one hundred thousand dollars (\$100,000.00) of either the advance commitment or the actual total for the preceding period, as the case may be, up to a maximum of sixty percent (60%).

(c) If LICENSEE elects to base its discount percentage for a forthcoming additional period on its advance commitment, LICENSEE shall notify AT&T in writing of the amount of such advance commitment before the end of the preceding period. If such notification is not received by such time, such discount percentage shall be based on the actual total of discounted per-copy fees payable for the preceding period.

(d) An advance commitment may not be reduced. However, LICENSEE may at any time request of AT&T in writing that the then-current initial period or additional one-year period be terminated and that a new one-year period be started, beginning with the next quarter, for which new period LICENSEE shall make an advance commitment corresponding to a higher discount percentage than that currently applicable. Such request will be subject to AT&T'S acceptance. In the case of such termination and start of a new period, the discount percentage for the terminated period shall apply to all transactions occurring before the end of such period.

4.03 The section of the Software Agreement relating to taxes shall apply to fees payable under this Sublicensing Agreement.

V. REPORTS AND PAYMENTS

5.01 (a) LICENSEE shall keep full, clear and accurate records of the number of copies of each SUBLICENSSED PRODUCT furnished by it and AUTHORIZED COPIERS to other DISTRIBUTORS and customers and put into use on LICENSEE'S CPU's.

(b) Each AUTHORIZED COPIER shall keep full, clear and accurate records of the number of copies of each SUBLICENSSED PRODUCT furnished by it to other DISTRIBUTORS and customers.

(c) Each AUTHORIZED COPIER shall furnish a statement at least quarterly to LICENSEE identifying the number of copies recorded according to Section 5.01(b) since the previous such statement was furnished.

(d) LICENSEE shall keep full, clear and accurate records of the identities and locations of AUTHORIZED COPIERS.

(e) AT&T shall have the right through its accredited auditing representatives to make an examination and audit, during normal business hours, not more frequently than annually, of all records kept pursuant to this Section by LICENSEE and AUTHORIZED COPIERS and such other records and accounts as may under recognized accounting practices contain information bearing upon the amounts of fees payable to it under this Sublicensing Agreement. Prompt adjustment shall be made by the proper party to compensate for any errors or omissions disclosed by such examination or audit. Neither such right to examine and audit nor the right to receive such adjustment shall be affected by any statement to the contrary, appearing on checks or otherwise, unless such statement appears in a letter, signed by the party having such right and delivered to the other party, expressly waiving such right.

5.02 (a) LICENSEE shall notify AT&T in writing at least thirty (30) days in advance of the date LICENSEE intends to begin furnishing copies of a SUBLICENSSED PRODUCT to customers or DISTRIBUTORS or putting any such copies into use on LICENSEE'S CPUs. Before such date LICENSEE shall pay to AT&T any initial sublicensing fee specified for the SOFTWARE PRODUCT on which such SUBLICENSSED PRODUCT is based. Discount percentages established under Section 4.02 do not apply to initial sublicensing fees.

(b) Within thirty (30) days after the end of each quarter ending on March 31st, June 30th, September 30th or December 31st, commencing with the quarter during which this Sublicensing Agreement first becomes effective, LICENSEE shall furnish to AT&T a statement, in form acceptable to AT&T, certified by an authorized representative of LICENSEE, identifying the number of copies of each SUBLICENSSED PRODUCT furnished by it and AUTHORIZED COPIERS or put into use on LICENSEE'S CPUs, the SOFTWARE PRODUCT on which each such SUBLICENSSED PRODUCT is based, the per-copy fees for such copies and the net fees payable after the applicable discount percentage is taken into account. If the per-copy fees for a particular SUBLICENSSED PRODUCT are based on a characteristic such as number of users supported, information on such characteristic for the copies of such SUBLICENSSED PRODUCT furnished or put into use shall also be included in such statement. Each SUBLICENSSED PRODUCT for which LICENSEE has given notice to AT&T pursuant to Section 5.02(a) shall be covered by such statement. In each such statement, LICENSEE shall also fully identify any AUTHORIZED COPIER added or terminated during the quarter covered by such statement.

(c) Within such thirty (30) days LICENSEE shall, irrespective of its own business and accounting methods, pay to AT&T the net fees payable for such quarter as shown in the statement required by Section 5.02(b), except that if the applicable discount percentage is based on an advance commitment for a period, LICENSEE shall pay the net fees payable for such quarter plus any additional amount necessary for the total of amounts paid for such period after the first, second, third and fourth full quarters thereof to be, respectively, one-quarter, one-half, three-quarters and the full amount of such advance commitment. Any such additional amount paid during a period shall be creditable against net fees payable later in the same period, but no such additional amount remaining at the end of the fourth full quarter of a period shall be refunded or creditable against any other amounts payable to AT&T. If AT&T accepts a new one-year period pursuant to Section 4.02(d), no such additional amount remaining at the end of the last full quarter of the terminated period shall be refunded or creditable against any other amounts payable to AT&T.

(d) LICENSEE shall furnish whatever additional information AT&T may reasonably prescribe from time to time to enable AT&T to ascertain the amounts of fees payable pursuant hereto.

5.03 Payments provided for in this Sublicensing Agreement shall, when overdue, be subject to a late payment charge calculated at an annual rate of one percent (1%) over the posted prime rate or successive posted prime rates in effect in New York City during delinquency; provided, however, that if the amount of such late payment charge exceeds the maximum permitted by law for such charge, such charge shall be reduced to such maximum amount.

VI. MISCELLANEOUS PROVISIONS

6.01 Neither this Sublicensing Agreement nor any rights 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.

6.02 (a) Payments to AT&T under this Sublicensing Agreement shall be made payable and sent to:

AT&T TECHNOLOGIES, INC.
P.O. Box 65080
Charlotte, North Carolina 28265

(b) Correspondence with AT&T relating to this Sublicensing Agreement shall be sent to:

AT&T TECHNOLOGIES, INC.
Software Sales and Marketing Organization
P.O. Box 25000
Greensboro, North Carolina 27420

(c) Any payment, 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 Sublicensing Agreement or to AT&T at the appropriate address specified in this Section 6.02. Each party to this Sublicensing Agreement may change an address relating to it by written notice to the other party.

6.03 The limited grant of rights under patents in the Software Agreement applies to any use permitted under Section 2.01 of this Sublicensing Agreement.

6.04 If LICENSEE is not a corporation, all references to LICENSEE'S SUBSIDIARIES shall be deemed deleted.

6.05 The construction and performance of this Sublicensing Agreement shall be governed by the law of the State of New York.

AT&T TECHNOLOGIES, INC.
Substitution Agreement

The following agreements ("the prior agreements") are in effect between AT&T TECHNOLOGIES, INC., a New York corporation ("AT&T"), or an affiliate thereof, and SEQUENT COMPUTER SYSTEMS, INC., a Delaware corporation, ----- ("LICENSEE"):

1. April 1, 1983 Software Agreement, as Modified, relating to UNIXTM System V, Release 2.0 and other UNIX Operating Systems.
2. March 1, 1984 Supplemental Agreement (Customer Provisions) relating to UNIX System V, Release 2.0 and other UNIX Operating Systems.

Agreement Numbers SOFT-000321 and SUB-000321A -----between AT&T and LICENSEE ("the new agreements") are hereby substituted for the prior agreements. Accordingly, the rights and obligations of the parties under the prior agreements are terminated and replaced by the rights and obligations of the parties under the new agreements. No other agreements between the parties hereto are affected by this Agreement.

The following provision is: applicable
 not applicable:

The discount percentage for the initial period pursuant to Agreement No. _____ is _____ %, based on total per-copy fees of \$ _____ paid by LICENSEE under the prior Supplemental Agreement (Customer Provisions) listed above relating to UNIX[®] System III and/or UNIX System V.

Accepted by:

SEQUENT COMPUTER SYSTEMS, INC.

By David P. Rodgers 1/20/86
(Signature) (Date)

DAVID P RODGERS
(Type or print name)

VICE-PRESIDENT
(Title)

AT&T TECHNOLOGIES, INC.

By O. L. Wilson JAN 28 1986
(Signature) (Date)

O. L. WILSON
(Type or print name)

Manager - Software Sales and Marketing
(Title)

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April 1985

New Product Announcements

- Toolchest
- UNIX System V, Release 1.2

Business Issues

- OEM/VAR Seminar
- Licensing Agreement Changes

Technical Information

- UNIX Software Advisor Column
- UNIX System Release Comparison



\$ echo

\$ echo is published for UNIX System V licensees by
AT&T Software Sales and Licensing.

AT&T
P.O. Box 25000
Greenboro, North Carolina 27420
1-800-828-LINUX

\$ echo Newsletter

A message from the Editor:

\$ echo is the newsletter published by the AT&T Software Sales and Licensing organization for licensees of UNIX[®] System V.

Licensees for UNIX Software products and services are located throughout the world. Having a customer network this large poses a special problem in establishing effective communication lines. This newsletter is designed to make our organization more responsive to our customers' needs through a structured information dissemination medium.

The purpose of *\$ echo* is to reach all UNIX System V licensees through one defined medium. It serves as a constant channel of communication to our licensees and keeps them abreast of any product announcements, policy changes, company business and pricing structures.

Subscriptions may be purchased through the Software Sales and Licensing organization.

Subscription Rate - \$87 per year

Make checks payable to AT&T and send orders to:

\$ echo Subscriptions
AT&T Software Sales and Licensing
P.O. Box 25000
Greensboro, North Carolina 27420

Any comments or questions regarding *\$ echo* should be addressed to The Editor, *\$ echo*, AT&T, Software Sales and Licensing, P.O. Box 25000, Greensboro, North Carolina 27420. Telephone: 1-800-328-UNIX.

Other AT&T Software Sales Offices:

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Chiyoda-ku, Tokyo 100 Japan
03-683-3301

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(416) 449-4300

AT&T Software Sales and Licensing
1090 East Duane
Sunnyvale, California 94085
(408) 746-5011

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NEW PRODUCT ANNOUNCEMENTS

UNIX SYSTEM TOOLCHEST OFFERS ELECTRONIC LICENSING

The UNIX System Toolchest is now available from AT&T to UNIX System V source licensees in the continental United States and Canada. It is an electronic catalog of utility programs, editors and other software development tools. There is an EMACS editor, a relational database manager, and a utility package for managing background processes. All are available in source code, run under UNIX System V, and are available electronically.

Each Toolchest program has been carefully selected by AT&T's development community for its functionality, technical merit, and robustness. It is all part of an internal effort to identify and share those packages that contribute to AT&T's own productivity. Now customers can select from among the best of those programs and login to a continuing supply of new tools and utilities.

For the first quarter of 1985, AT&T has test marketed Toolchest among its UNIX System V OEM/VAR licensees. Now it is available to the full complement of all System V source licensees.

Unlocking the Toolchest

From anywhere within the continental United States and Canada, at any time, night or day, one can unlock the Toolchest by simply dialing 201-522-6900 and logging in to the AT&T 3B computer that hosts the Toolchest electronic catalog.

The login guest, is the key to unlocking the Toolchest.

Once inside, an easy-to-use menu system guides the browser who is free to look around without cost or obligation.

Browsing through the electronic catalog, the customer will find descriptions of all the Toolchest programs, complete with information on documentation and memory requirements. Prices for many of the toolchest packages are below those for binary software.

Persons with a question about the software, the documentation, or the Toolchest program itself should simply type it in and the Toolchest administrator will get back to them with the answer.

All Toolchest software is distributed electronically, via uucp. All AT&T needs is a customer electronic mail address. All the customer needs is licensing authority and a system equipped with uucp.

Because Toolchest software is used primarily in a development environment, it is licensed "as is," without technical support. The savings in support costs have been passed along to the customer as low prices. Those savings, combined with economical electronic distribution, mean outstanding value for the customer's software dollar.

Licensing the Toolchest

Although each of the Toolchest programs is priced individually, all are licensed under a single umbrella agreement. The agreement conveys the software for the customer's own internal use and grants the right to distribute copies internally on as many processors as one wishes. There are no CPU numbers to keep up with and no reporting requirements.

When one is ready to order from the Toolchest, the system will check for licensing authority. The agreement can be requested while on line. AT&T will waive the \$100.00 registration fee for UNIX System V source licensees.

Sublicensing Toolchest Software

Toolchest software is also available for sublicensing under a "lump sum" arrangement. One simple fee per package and an acknowledgement of the source in any promotional material and the customer can offer binary copies commercially. There are no royalties and no reporting.

Current Contents Available

New tools will continue to be added at regular intervals. The following is a list with brief descriptions of the tools currently available in the AT&T UNIX System Toolchest.

TOOLCHEST TOOLS

Name	Description	\$ Source	\$ Sublicensing
Database UNITY-TC	Relational db for Simple Files	1,250	10,000
Debugger LTRACE SLOQ	lax and yacc Debugger Flexib's arc Level Logging Facility	75 100	250 450
Driver QBUS-TC	ibv 486 Interface Driver	2,000	18,000
Editor EMACS-TC TECO-TC	Full Screen Editor, Split Screen Popular DEC Editor for the UNIX System	900 450	10,000 3,000
Environment 4415WDW VSH-TC	Windowing for AT&T-IS 4415 Terminal Menu Shell	95 250	1,000 1,500
File Utility FASTDD FILE-UTIL 1 MAKE-UTIL VSORT	Faster 'fd' Command Extract Lines; Extract ASCII Strings Makefile Generator and Analyzer Sort for Large and/or Binary Files	200 100 85 450	2,000 450 500 2,000
Game TTTT	3 Dimensional Tic Tac Toe for 2 Players	40	200
Language KSH LISP-TC	Korn Shell Lisp Interpreter	2,000 300	20,000 2,000
Office Auto. DATEBOOK FMAIL	Maintain Personal Appointment Calendar Full Screen Interface to std Mail	450 450	7,500 2,500
Program. Aid BPTAP CONV-DT INEDIT NCSL SH-PGMG1 SH-PGMG2	Background Process Term Access Package Date Conversion Package Input Line Editor Count Non-Commentary Source Lines Set of Useful Shell Prog. Tools Set of Useful Shell Prog. Tools	250 150 75 200 100 50	450 450 250 1,000 450 250

	Source	Sublicensing
Average	< 450	< 3,700
Median	200	1,000
Range	40 - 2,000	200 - 20,000

MAINTENANCE RELEASE UNIX SYSTEM V, RELEASE 1.2 AVAILABLE MAY 1

AT&T has announced May 1 availability of UNIX System V, Release 1.2, the latest maintenance update for UNIX System V, Release 1.0.

Included in this release are high priority customer maintenance fixes and Disk File Controller (DFC) Generic 3 support software (for the AT&T 3B20 computer).

The product will be supplied at no charge to customers with support contracts as a maintenance update. It is available to unsupported customers who have a UNIX System V license for a fee of \$5,000.00. Non-supported educational licenses will be charged \$800.00.

The product will be furnished on 1600 BPI tape media for DEC VAX² computers and AT&T 3B20 computers, and on 800 BPI for PDP 11/70 machines. The documentation set for this release will consist of the complete set of UNIX System V, Release 1.0 documentation. The only new document will be the System Release Description (SRD). This product is available for both domestic and international markets.

AT&T ANNOUNCES ENHANCEMENTS TO UNIX INSTRUCTIONAL WORKBENCH SOFTWARE

AT&T has announced a number of enhancements to UNIX INSTRUCTIONAL WORKBENCH³ Software, the interactive computer-based training package.

The enhancements include:

- Performance improvements of approximately 25 percent.
- Improved administrative and course management capabilities to provide more effective reporting on student progress.
- More flexible courseware registration procedures.
- An "unbundling" of the AT&T courseware and delivery system. Potential customers may license just the courseware and delivery system, or if they prefer, they can license the entire package complete with the authoring system.

Components of the INSTRUCTIONAL WORKBENCH Software

The INSTRUCTIONAL WORKBENCH package contains three major components:

- A powerful Authoring System that allows writers, even those with little or no computer experience, to create effective computer-based training material;
- A Delivery System that presents the courseware in a logical and non-threatening manner, evaluates the student's responses, and monitors and tracks the student's progress. The delivery system also includes administrative features that provide on-line student registration, maintain student records and produce a variety of administrative reports; and
- A set of five courses developed by AT&T that offers introductory training for users of UNIX System V. The courses are:
 1. Fundamentals of the UNIX Operating System
 2. Advanced Use of the UNIX System Text Editor (ed)
 3. Memorandum Macros (for use with UNIX DOCUMENTER'S WORKBENCH Software)
 4. Table Processing Using tbl (for use with UNIX DOCUMENTER'S WORKBENCH Software)
 5. Touch Typing

Authoring Courseware Under UNIX INSTRUCTIONAL WORKBENCH Software

The UNIX INSTRUCTIONAL WORKBENCH authoring system includes COMPOSE, a powerful courseware development system that allows authors with little or no computer experience to write and display sophisticated computer-based training material. COMPOSE offers a set of standard screen templates for creating text, exercises and a variety of tests (such as multiple-choice and true/false). COMPOSE prompts the author to fill in these templates using a descriptive and conversational set of commands. A "preview" facility allows the writer to view the course exactly as the student would.

The COMPOSE command set is a natural language extension of the lower-level TOPIC language that forms the foundation of the authoring system. With its greater flexibility and sophistication, the TOPIC language allows more experienced developers to create

their own templates and customize the presentation of the course material.

Ideally suited for an organization developing computer-based training or providing embedded training with their own systems and software, UNIX INSTRUCTIONAL WORKBENCH Software is available in source code for the AT&T 3B20 and 3B5 computers and the DEC VAX computer running

under UNIX System V. The source code is priced at \$12,000.00 for the initial copy of the entire system (\$3,500.00 for qualified educational institutions), or \$9,000.00 for the initial copy (\$1,000.00 educational) for just the delivery system and the AT&T courseware. Sublicensing rights are also available.

Binary systems are also available for the AT&T 3B20, 3B5 and 3B2 computers.

BUSINESS ISSUES

AT&T SPONSORS UNIX SYSTEM BUSINESS AND TECHNICAL SEMINAR

AT&T sponsored a UNIX System Business and Technical Seminar March 4-5 in New York and March 7-8 in Santa Clara for UNIX System licensees who also have sublicensing rights. The purpose of the seminar was to provide statements of direction in both the technical and business areas, to hear input from licensees, and to share proposals affecting licensing, pricing, and business procedures.

The following is a brief synopsis of the presentations by members of AT&T Bell Laboratories UNIX Software Development organization and the Software Sales and Licensing management.

Dick Shahparian, Director, Software Sales and Licensing, opened the session with an overview of AT&T's objectives for the UNIX operating system:

- To encourage broad usage
- To establish UNIX System V as a standard
- To provide customers with quality products and service

Bob Mitze made a presentation on directions for the UNIX System. He discussed porting base issues, directions for new development, file system hardening, file and record locking, and System V implementation.

Doug Kevorkian discussed the System V Interface Definition and Verification Service. He outlined the objectives of the Interface Definition as follows:

- To define a common computing environment for applications and users of System V implementations

- To facilitate portability of application code
- To define partitioned sets of services based on functionality

He also explained the two level verification process for software developers and end users and distributors.

Laurance Brown made a presentation on System V networking plans. His topics included philosophy, kernel services, and network service extensions.

Distributed UNIX System was the topic for Dick Hamilton. He discussed transparent remote file system access, comprehensive administration, stream-based networking, and recovery.

Sue Picus discussed AT&T's plans for language products. She described plans for evolution, standardization and enhancements of the C Language. She stressed AT&T's commitment to upward compatibility for its language products.

Jeanne Baccash covered user friendly features of UNIX System V. Her points included the on-line help facility, command syntax standards, error handling standards, computer professional interface, and user interface services.

Gary Lindgren discussed internationalizing the UNIX System. AT&T's objectives are to provide a standard UNIX System that supports all domestic and foreign customers; to provide a framework/tool for local character sets, error messages in local languages, and multi-lingual help facility; and to identify enhancements to UNIX System V to support international needs.

Cathi Brooks described the UNIX System Toolchest. Its goal is to encourage UNIX system application development by providing source material and tools. It is a new distribution channel for "as is" UNIX system tools and AT&T's first attempt at electronic software distribution. (See article on Toolchest in this issue.)

Miguel Velez discussed training, documentation and support for the UNIX System. He also described the process of licensing courseware from AT&T.

Dave Frasure made a presentation on licensing UNIX System software and outlined several changes that AT&T is making in the licensing and sublicensing agreements. (See article on licensing in this issue.)

An equally important objective of the conference was to build a stronger business relationship with those vendors who resell AT&T's UNIX Software. "From that perspective, the conference was an enormous success," said Olin Wilson, Manager of Software Sales and Licensing. "More than 60 percent of the respondents to our evaluation questionnaire agreed or strongly agreed that the conference gave them a better insight into AT&T's business and development direction, and an equal percentage felt that the information they received would assist them in their own business and development planning."

"In addition to the information we gave out, we also received some very good input from the customers - ideas, concerns and suggestions that we are now studying," said Wilson.

Among those topics are issues relating to the migration of the porting base to the AT&T 3B2 computer and the impact that action will have on VAR and end-user customers. Discussion on the System V verification service also provided valuable advice on how the service might best be administered and provided. Discussion of the pricing structure for sublicensing suggests a thorough evaluation of alternative pricing models.

"In many respects the conference accomplished all of the objectives we had set out for it," said Wilson. "The success has encouraged us to provide similar forums on a periodic basis."

AT&T ANNOUNCES CHANGES/CLARIFICATIONS TO SOFTWARE AND SUBLICENSING AGREEMENTS

At the Business and Technical Seminars held March 3-4 and March 6-7, Dave Frasure, Sales Manager, Software Sales and Licensing, described several modifications that will be made to AT&T's software contracts.

These changes are in response to direct feedback from AT&T's licensees and are intended to make the contracts more responsive to the needs of the licensees. The following is a summary list of the changes.

Changes to the Software Agreement

Contractor Provisions

- The language for Contractor Provisions will be incorporated into the standard Software Agreement.
- Software Agreement Supplements will be modified to identify contractor's CPUs.

Supplements

- The licensee's signature will no longer be required on supplements to add additional CPUs, transfer CPUs, etc.
- Signatures will be required only on the initial supplement for a product.

Paragraph 7.06(B)

- Paragraph 7.06(B) will be modified to include procedures for verifying and approving the exchange of source code between licensees.

Clarification of Ownership of Derived Works

- Language changes will be made to clarify ownership of modifications or derivative works prepared by a licensee.

Changes to the Sublicensing Agreement

Use of Reduced Source Code Fees

- Licensees who do not sublicense binary derivative works either to themselves or in the marketplace and want to take advantage of the reduced source code fees will not be required to execute a sublicensing agreement.
- After the initial CPU fee of \$48,000.00 and an additional CPU fee of \$16,000.00 is paid, the licensee can obtain rights to utilize the reduced source code fee schedule by paying a fee of \$25,000.00. An authorization letter will be issued by AT&T, granting the right to the reduced fees. The licensee may then replicate the UNIX System V source code for internal use machines for the following fees:

1-32 User Systems:	\$1,000
1-64 User Systems:	\$3,500
> 64 User Systems:	\$7,000

All CPUs must be licensed as designated CPUs.

- If the licensee wants to distribute binary products internally or in the marketplace, then a sublicensing agreement must be executed. The \$25,000.00 fee previously paid will be credited.

Authorization Letters

- Authorization letters indicating the right to sublicense a product will be prepared by AT&T and mailed to the licensee when the licensee remits the initial sublicensing fee for a product.

Clarification of Paragraph 2.05(B)

Reporting royalties when distributing through authorized copiers.

(The following comments set out that the authorized copier is a licensee of AT&T and has sublicensing rights.)

- If modifications to the product are owned solely by the licensee and distributed by the authorized copier, then the royalty fee may be reported by either the licensee or the authorized copier, as the licensee shall elect. (Note: Discounts will apply only to the company that reports the royalty fee.)

- If the authorized copier retains any ownership interest in the modifications, then royalty fees for copies distributed by the authorized copier must be paid to AT&T via a sublicensing agreement between AT&T and the authorized copier. Royalty fees for copies distributed by the licensee must be paid to AT&T via a sublicensing agreement between AT&T and the licensee.

Fee Changes

- Licensees will be given a 90-day notice when fees change for sublicensed products.
- Licensees may continue to use the existing per copy fees until the end of the reporting period in which the new fees are announced.
- If the fees decrease, such fees may begin to be used when they become effective.

Paragraph 5.02(a)

- The language will be changed to require payment of the sublicensing fee prior to furnishing copies of the sublicensed product. This will eliminate the previous requirement for a 90-day notice.

Paragraph 5.02

- Eliminate "or AT&T notifies licensee in writing" so that the paragraph begins as follows:

"Unless licensee notifies AT&T in writing at least thirty (30) days before the expiration date established in Section 5.01 that such party does not wish renewal . . ."

Paragraph 2.04

- Add "and other distributors" so that the paragraph begins as follows:

"Distributors who are not also authorized copiers may not make copies of sublicensed products, but may furnish to customers and other distributors copies of sublicensed products . . ."

1-16 User Per-Copy Fee Change

- The per-copy royalty fee for UNIX Operating Systems in the 1-16 user category has been reduced effective April 1, 1985 from \$500.00 to \$250.00.

TECHNICAL INFORMATION

THE UNIX SOFTWARE ADVISOR

Question: How can I get in touch with my Software Sales Account Executive electronically?

Answer: An electronic mail address has been established for cases where this type of communication is deemed beneficial.

A gateway UNIX System computer is being provided for mail forwarding to AT&T at Summit, New Jersey. The "uucp" information for the gateway computer is:

attunix Any ACU (20K) 1-2015226805
login:-login: attunix

Question: What is AT&T's policy regarding fees for a customer's binary product which is derived by commingling code from any two System V family members (e.g., VAX and M68000)?

Answer: If the derived product is a single UNIX System product (i.e., a single binary load module), then only one sublicensing fee and one per copy royalty fee is due AT&T although source from multiple source product families may have been used to derive the product.

If the derived product includes multiple UNIX operating systems on a single medium that has been derived from different source products, then multiple sublicensing fees and per copy royalty fees will be due AT&T. An example of this would be someone distributing two products to run on a M68000 based product: one ported from VAX technology and the other based on the M68000 port.

The determining factor is whether the derived product is a single system product or multiple products in a single distribution.

Question: What is AT&T's policy regarding sublicensing fees and per copy royalties for a customer's binary product which is derived by combining an add-on product with the operating system (e.g., Documenter's Workbench and System V, Release 2.0)?

Answer: AT&T's policy is that the initial sublicensing fee and the appropriate per copy fee for each of the products included in the software is due AT&T for that customer software.

Question: Is AT&T considering expanding the section in the software contract that allows the use of certain run-time libraries or files for use in customer developed application software without payment of a sublicensing fee to AT&T?

Answer: Yes. The software contracts are being modified to read as follows:

Routines from files in /lib whose pathnames end in .o or .a and from files in /usr/lib whose pathnames end in .a may be included in object-code format in customer developed applications software without payment of a sublicensing fee to AT&T.

The files /usr/lib/yaccpar, /usr/lib/tex/ucform, and /usr/lib/tex/ucform may also be included in customer developed applications software without payment of a sublicensing fee to AT&T.

UNIX SYSTEM V, RELEASE 2.0 TO SYSTEM V RELEASE 2 VERSION 2 COMPARISON

The following is a basic comparison of UNIX System V, Release 2.0 to UNIX System V, Release 2.0 Version 2 (Paging Release).

A customer upgrading from UNIX System V Release 2.0 to System V Release 2.0 Version 2 will enjoy the following additional features:

- Paging
- F77 Enhancements
- Record and File Locking
- Security Administration Package

Also included in this release are software generation system (SGS) enhancements that provide a.out (object) files in aligned format. This enables the operating system to page directly out of the file system.

This release executes on the Digital Equipment Corporation VAX and VAX 11/780 processors.

Paging

The swapping based memory manager has been replaced by a demand paging memory manager. Paging allows fuller use of the existing hardware by:

1. allowing execution of programs much larger than main memory, and
2. giving a higher degree of multiprogramming.

In short, paging allows more and larger processes to execute simultaneously.

F77 Enhancements

The F77 enhancements provide the following:

- Passes the ANSI FORTRAN 77 validation tests.
- Properly invokes the processor control interface (PCI) when using the `-O` option
- Contains FORTRAN Military Standard intrinsic functions which are documented in mil(SF) of "The UNIX System V Programmer Reference Manual."
- Incorporates numerous bug fixes.

Record and File Locking

A synchronization method has been provided to enable multiple users to access files in a way that would prevent other users from either writing or reading a section of a file while a given process has the given section either read (share) locked or write (exclusive) locked, respectively. This feature may be used by database developers to control access to their files.

Security Administration Package

Because of the U.S. State Department regulations restricting encryption/decryption software to customers

in the U.S.A., a new "selectable" package, the "Security Administration" package, is being provided in this release. This "selectable" package is provided with the release source tape, but must be installed separately.

There are certain changes that both System Administrators and users will encounter. They are summarized below, but the appropriate documentation should be consulted for more detailed information.

1. In creating a system configuration file (the `dfile`), the `unable` parameters `tests` and `swappcap` are no longer supported and must be deleted.
2. In the system configuration file, a new parameter, `regions`, is required and should initially be set to 2.5 times the value of `procn`.
3. Because the maximum process size has increased from 1MB to 16MB, additional swap space should be allocated on each system. Initially, 10,000 blocks of swap space should be allocated for each 1MB of physical memory. If desired, the `swap(1m)` command can be used to allocate additional space without requiring a rebuild of the kernel and reboot of the system. If such additional space will be allocated on a regular basis, the `swap` command should be included in `/etc/rc`.

In addition to UNIX System V Release 2.0 documentation, the following updates and new documentation are available:

- UNIX System V Release 2.0 Product Overview VAX 11/750 and 11/780 Processors Version 2
- UNIX System V Release 2.0 Installation Guide and Release Notes VAX 11/750 and 11/780 Processors Version 2
- UNIX System V Release 2.0 VAX 11/750 and 11/780 Processors Version 2 Supplement

¹ UNIX is a trademark of AT&T Bell Laboratories

² DEC and VAX are trademarks of Digital Equipment Corporation

³ Trademark of A-T&T Technologies

UNIX® Software Product Line

UNIX Systems

UNIX System V, Release 2.0 AT&T 3B20 Version 4
UNIX System V, Release 2.0 VAX™ 11/780 Version 2
UNIX System V/M68000
UNIX System V, Release 2.0 IAPX386 Version 1
UNIX System V, Release 2.0 NSC32000 Version 1

Workbenches

UNIX Writer's Workbench™ Software
UNIX Instructional Workbench™ Software
UNIX Documenter's Workbench™ Software

Networking/Communications Software

AT&T 3BNET Software
COMMKIT™ Software HYPERchannel# Interface
COMMKIT™ Software Synchronous Terminal Interface
COMMKIT™ Software ETHERNET## Interface
COMMKIT™ Software Basic Networking Utilities

Languages and Programming Tools

BASIC Language For The UNIX System
C/COL Syntax Checker For The UNIX System
Motorola 68000 C Compiler System
Pascal Language For UNIX System V
UNIX System AT&T 3B2/3B5 C Compilation System

Other Software

562) DMD Software Core Package
562) DMD Software Development Package
562) DMD Software Text Package

Non-Supported Software

C/370 C Compilation System
Device Independent TROFF
S Statistical Analysis Package
UNIX System V TEXT MANAGER
UNIX System Toolchest

Machine Readable Documentation

UNIX System V

* Trademark of AT&T Bell Laboratories
** Trademark of AT&T Technologies
*** Trademark of Digital Equipment Corporation
Trademark of Network Systems Corporation
Trademark of XEROX Corporation

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- Changes To Licensing Agreements

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- AT&T Announces New Hardware, Software Products

Technical Information

- UNIX Software Advisor Column



\$ echo

\$ echo is published for UNIX System V licensees by
AT&T Software Sales and Licensing.

AT&T
P.O. Box 25000
Greensboro, North Carolina 27420
1-800-828-UNIX

\$ echo Newsletter

A message from the Editor:

\$ echo is the newsletter published by the AT&T Software Sales and Licensing organization for licensees of UNIX™ System V.

Licensees for UNIX Software products and services are located throughout the world. Having a customer network this large poses a special problem in establishing effective communication lines. This newsletter is designed to make our organization more responsive to our customers' needs through a structured information dissemination medium.

The purpose of *\$ echo* is to reach all UNIX System V licensees through one defined medium. It serves as a consistent channel of communication to our licensees and keeps them abreast of any product announcements, policy changes, company business and pricing structures.

Subscriptions may be purchased through the Software Sales and Licensing organization.

Subscription Rate - \$87 per year

Make checks payable to AT&T and send orders to:

\$ echo Subscriptions
AT&T Software Sales and Licensing
P.O. Box 25000
Greensboro, North Carolina 27420

Any comments or questions regarding *\$ echo* should be addressed to The Editor, *\$ echo*, AT&T, Software Sales and Licensing, P.O. Box 25000, Greensboro, North Carolina 27420. Telephone: 1-800-825-UNIX.

Other AT&T Software Sales Offices:

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Chiyoda-ku, Tokyo 100 Japan
011-81-3-593-3801

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(408) 746-5011

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Don Mills, Ontario
Canada M3B 3K4
(416) 449-4800

UNIX Europe Limited
27A Carlton Drive
London, England SW15
011-44-785-6972

**SOFTWARE SALES AND LICENSING MOVES TO
AT&T INFORMATION SYSTEMS**

Effective July 1, 1985, Software Sales and Licensing, the organization responsible for licensing UNIX™ operating systems and related software, was transferred from AT&T Technologies to AT&T Information Systems.

Accordingly, payments made under current software and/or sublicensing agreements should henceforth be made payable to AT&T Information Systems Inc. and sent to:

AT&T INFORMATION SYSTEMS
P. O. Box 65000
Charlotte, North Carolina 28265

Correspondence regarding agreements should be sent to:

AT&T INFORMATION SYSTEMS
Software Sales and Licensing Organization
P. O. Box 25000
Greensboro, North Carolina 27420

The telephone number has remained the same: 1-800-828-UNIX. Customers are urged to call if they have questions.

COME TO NEW YORK

AT&T will be exhibiting its hardware and software products at the UNIX Expo in New York City September 18-20. Customers are encouraged to stop by and get a "hands-on" demonstration of the UNIX PC.

AT&T will be showing the PC interface which allows non-UNIX PCs to talk with AT&T 3B2s. AT&T will have the 3B2-400 and 3B2-300 XM all up and running with application software.

Bill O'Shea, Executive Director, Software Systems, will deliver the keynote address Wednesday, September 18, at 10:00 a.m.

Why not arrange to hear Bill O'Shea's talk Wednesday, visit the show floor, and then attend one of AT&T's 20 tutorials. Titles range from "UNIX Systems in an IBM Environment" to "Using UNIX as a Sales Tool," and of course the standards such as "Overview of UNIX System Internals."

AT&T hopes to see you there.

NEW PRODUCT ANNOUNCEMENTS

MRD OFFERED FOR UNIX SYSTEM V, DWB

Effective August 1 AT&T will offer Machine Readable Documentation (MRD) for two source code products: UNIX System V, Release 2.0 Versions 1 & 2 and UNIX DOCUMENTER'S WORKBENCH™ Release 1.0.

The MRDs will be offered as add-on products for customers having a software source license for the corresponding software products. This will give them the ability to produce hardcopy and on-line documents for internal use or for shipment with their product.

The text files and formatting macros provided with the MRD products are structured to produce documentation identical to the hardcopy documents shipped with the software products.

The MRD products are designed to meet specific needs of our OEM/VAR source licensees. They are

meant to be the source for the documents these customers require for internal use as well as for customized documents for distribution.

Through a sublicensing arrangement the MRDs, either in original form or as modified by the licensee, may also be passed on to authorized copiers or distributors for final printing and distribution.

Prices for the MRD products are as follows:

	UNIX System V, Release 2.0	DWB
First CPU	\$10,000	\$ 4,000
Additional CPU	400	400
Update Fee	2,500	-
Sublicensing Fee	25,000	10,000
Per Copy Fee	7,500	3,000

BUSINESS ISSUES

UNIX SYSTEM CENTRAL TO AT&T COMPUTER STRATEGY

As a part of AT&T's June 24 announcements, AT&T outlined its computer strategy which has the UNIX System as a central element. Following is a summary of the key points made in the strategy statement.

AT&T faces unique challenges as it traverses the uncharted, fiercely competitive, and rapidly changing world of information movement and management. Succeeding in that world requires a clear strategy, a blueprint that describes in detail the steps we must take to get to where we want to go.

Customers have consistently said that technology itself is less important than how it is used in the customer's individual situation. They have said, in effect, that it is more important to do the right thing than to simply do things right.

Computer Systems has developed a strategy to ensure that AT&T does the right thing. That strategy has three guiding principles:

- To develop and provide systems based on communications and networking. One of AT&T's proven strengths is its ability to make products that communicate efficiently and easily with each other and — more importantly — with the people who use them.

The company is also known for its ability to link highly complex technologies into highly efficient networks.

Computer Systems believes that AT&T's heritage of communications and networking is an invaluable legacy. It gives AT&T the unique ability to deliver integrated, complete solutions to customers' information movement and management problems.

- To support existing standards. This is a recognition that there are technical and other standards in the computer business — some official, some de facto — that must be adhered to if AT&T is going to win the game. To do otherwise serves neither the customers' interests nor our own.
- To protect the customer's investment. The company recognizes that customers have huge investments in hardware, software, and the training required for both. Customers are not about to throw it all away simply because AT&T says it has something better. AT&T will introduce them to better technology, but in a way that does not force them to scrap what they already have.

Software

A critical element in all AT&T products is software. The AT&T Computer Software Guide describes approximately 500 software packages in the current edition that run on our computers. These represent only a small portion of the thousands of programs that run on AT&T-compatibles. The items included in the Guide are only those AT&T has evaluated and tested.

AT&T constantly seeks out high-quality applications software packages targeted to specific customer sets. This enables it to offer not only excellent computer products, but the software that enables those products to meet customers' specific needs.

In addition, the UNIX system will continue to be central to AT&T software strategy. It has an innate ability to facilitate communications among computers. And, the UNIX system is portable. A customer can easily move expensive software applications from one machine based on the UNIX System to another machine — regardless of either machine's manufacturer.

The alternative would be for the customer to scrap that software, and build replacements from the ground up.

The UNIX system is the only commercially available operating system that serves the entire range of computers — from minis to mainframes. It is also very flexible, with its multi-user, multi-tasking capability and civilized user interface.

The UNIX system is a key reason why AT&T is "the right choice" in computers.

USE OF THE TRADEMARK UNIX

UNIX is an unregistered trademark of AT&T, used to identify its particular brand of software. The trademark is used in conjunction with several time-sharing operating systems developed at AT&T Bell Laboratories and licensed by AT&T, and might be used in the future on other kinds of software and products.

A trademark identifies the source of a product. Some trademark owners license their trademarks for use by others. A product marked with such a trademark might come from either the trademark owner or from one of its licensees. However, it is AT&T's policy not to license parties outside the company to use the trademark UNIX to identify their products. There are specific provisions in our software agreements for UNIX operating systems on this point.

Notwithstanding this policy, anyone may use the trademark UNIX to refer to the UNIX operating systems developed at AT&T Bell Laboratories. However, to protect AT&T's interest in the trademark, we must ask that others use the trademark correctly. Following are several comments on correct and incorrect use of the trademark. The comments are organized in outline form for convenient reference.

A. Trademark Appearance

1. The trademark UNIX must always appear in a form that is typographically distinct.
2. The trademark UNIX must be clearly and legibly identified as a trademark of AT&T at least once in any article, advertisement or document in which the trademark appears, preferably the first time such trademark is used.
3. The trademark UNIX is an unregistered trademark of AT&T. It is incorrect to use the symbol "®" in connection with the trademark UNIX or to state that UNIX is a registered trademark or service mark.

B. Outside Parties

1. Parties outside AT&T may not state or imply that they furnish UNIX operating systems to others and may not use the trademark UNIX in the name of software that they furnish to others. Even if such parties are licensed by AT&T to use UNIX operating systems or to furnish object code derived from such operating systems to others, they are not licensed to use the trademark to identify their product.

2. The trademark UNIX may not be used in the name of a publication, business or other organization (such as a user group).

C. Grammatical Usage

1. The trademark UNIX may not be used as a noun, but must always be used as an adjective modifying a common noun as in "UNIX operating system."
2. The trademark UNIX must always be used to modify a common name for something that is a product with which the trademark is used. For example, it is incorrect to refer to "a UNIX USER," "UNIX terminals" or "UNIX support." Correct usage is "a user of UNIX operating system," "terminal on a computer running a UNIX operating system" or "support for UNIX operating system."

A way to check whether usage of the trademark is correct is to mentally insert the word "Brand" between the trademark and the common name. "UNIX Brand operating system" sounds reasonable but "UNIX Brand user" does not.

3. The trademark UNIX may not be used in a hyphenated expression such as "UNIX-based" or "UNIX-like."
4. The trademark UNIX may not be combined with the trademark of another party unless the independence of the trademark is clear.

D. Official Names

1. Reference to "the UNIX operating system" is inappropriate. There are several UNIX operating systems. For a collective term, use "UNIX operating system," if that is what is meant.
2. It is inappropriate to use the trademark UNIX in any label (such as file name, subroutine call or the like) in any software.

These agreements are designed to protect AT&T's trademark and proprietary interests in the technology and both AT&T's and the customer's investment.

The following is a definition and brief description of those agreements.

— Commercial Software Agreement —

A commercial software agreement grants the rights to use an AT&T software package for internal business purposes to an organization such as a commercial entity, a government agency, or an educational institution. The terms include an obligation to hold the software package in confidence and require payment of a fee for each central processing unit on which the software is used. The use for internal business purposes includes uses for research even where a third party receives preferential access or rights to the fruits of such research.

— Sublicensing Agreement —

A sublicensing agreement grants the rights to make binary copies of the sublicensed products and to furnish copies, either directly or through distributors, to customers for internal business purposes.

— Educational Software Agreement —

An educational software agreement grants the rights to use an AT&T software package for academic and educational purposes to a non-profit, post-secondary, educational institution having an ongoing teaching and degree-granting program in compliance with governmental regulations. The terms include an obligation to hold the software package in confidence. They also require payment of a service charge and require identification of usage on each central processing unit on which the software is used. Uses for academic and educational purposes are uses directly related to a teaching or degree granting program or uses for student or faculty research. All other uses, such as commercial uses, administrative uses, or uses for research where a third party receives rights or preferential access to the fruits of such research, are not permitted.

— Administrative Software Agreement —

An administrative software agreement grants the rights to use an AT&T software package for administrative purposes to a non-profit, post-secondary, educational institution having an ongoing teaching and degree-granting program in compliance with governmental regulations. The terms include an

SOFTWARE AGREEMENTS OFFERED BY AT&T

AT&T offers several types of software agreements to commercial, educational, administrative, and government customers, as well as support agreements to all customers and sublicensing agreements to commercial and government clients.

obligation to hold the software package in confidence. They require payment of a fee (lower than the fee applicable under a commercial software agreement) for each central processing unit on which the software package is used. Use for administrative purposes includes uses directly related to the administration and operation of the educational institution, but excludes commercial uses or uses for research where a third party receives preferential access or rights to the fruits of such research.

— Government Software Agreement —

A government software agreement is similar in terms to the commercial software agreement which grants the right to use an AT&T software package for internal business purposes to an agency of the U.S. government. The terms include an obligation to hold the software package in confidence and require payment of a fee for each central processing unit on which the software is used.

— Support Agreement —

A support agreement grants the right to request maintenance services from AT&T.

AT&T MAKES CHANGES TO SOFTWARE AGREEMENTS

As discussed in the OEM/VAR Seminar in March, AT&T has made several significant changes to the software agreements. In the interest of keeping licensees up to date, the changes are listed here. Contact your Account Executive for information or specimen copies.

Changes To The Software Agreement

First page of agreement: change of name, corporate address and state of incorporation. Previous agreement had 6 pages, now 8 pages.

Section 1.04 - Last sentence added to note that AT&T's software products available under this license agreement may contain materials prepared by other developers.

Section 2.01 - The last sentence was added to assure licensees that AT&T will claim no ownership in the software that they developed -- only the portion of the software developed by AT&T.

Section 2.02 - This section was added to permit the licensee to allow its contractor to use the SOFTWARE PRODUCT subject to restrictions in Section 2.02 of the agreement. This section eliminates the need for the contractor's letters issued in the past.

Section 2.03 - Previously 2.02. No change.

Section 2.04 - Previously 2.03 -- "If required" was added to the last sentence. In the past, all Supplements were required to be signed by licensee as well as AT&T. Certain Supplements are now signed by AT&T only.

Section 2.05 - Previously 2.04. No change.

Section 2.06 - Previously 2.05. This section was changed to reflect the inclusion of contractor provisions in the software agreement as well as any special provisions that might be made between AT&T and licensee.

Section 4.01 - The last sentence was added to note that licensees are responsible for obtaining the necessary export licenses.

Section 5.03 - The section referenced was changed from Section 7.11(a) to Section 7.10(a).

Section 6.05 - Section reference in last sentence changed from Section 2.03 to Section 2.04.

Section 7.01 - No Change. Previously 7.02. Section 7.01 from previous agreement deleted from this agreement.

Section 7.02 - Previously 7.03. This section was changed to give a 90-day warranty on magnetic medium, and references materials provided by other developers.

Section 7.03 - Previously 7.04. This section was revised to clarify use of trademarks.

Section 7.04 - Previously 7.05. First sentence changed to include "any other developer."

Section 7.05(a) - Previously 7.05(a). This section was changed to include contractors.

Section 7.05(b) - Previously 7.05(b). This section was changed to include instruction for verification of a recipient's license status. This information was previously conveyed by letter.

Section 7.06 - Previously 7.07. Section reference changed from Section 7.06(a) to Section 7.05(a).

Section 7.07 - Previously 7.08. The last sentence was added to note that instructions appearing in or on the Software Product may also appear in the Schedules for those products. Reference section changed from Section 7.06(b) to Section 7.05(b).

Section 7.08 - Previously 7.09. No change.

Section 7.09 - Previously 7.10. No change.

Section 7.10 - Previously 7.11. Company name change only.

Section 7.11 - Previously 7.12. No change.

Section 7.12 - Previously 7.13. No change.

Changes To The Sublicensing Agreement

Page 1 - Name change only.

Section 2.01(a) - First sentence revised to clarify licensee's obligations to satisfy U.S. Government export requirements.

Section 2.02 - Language added to clarify responsibilities of licensee when distributing sublicensed products.

Section 2.04 - Revised to include Distributor.

Section 2.05(b) - Language added to include contractors provisions - rights and obligations under the agreement.

Section 2.08(a) - Language added to state that instructions may appear in Schedules for certain Software Products.

Section 2.09 - Previously 2.10. (Section 2.09 from previous agreement deleted) No change.

Section 3.01 - "by AT&T-IS" added to last sentence.

Section 3.02 - Language deleted which allowed the termination of the agreement by AT&T.

Section 4.01(a) - This section was changed to note the procedure for payment of initial per-copy sublicensing fees.

Section 4.01(b) - "amounts" changed to "a fee".

Section 5.02(a) - Changed to replace 30-day advance notice to the actual time the licensee begins furnishing copies of a sublicensed product to customers.

Section 5.03 - Changed to show a late payment increase from 1% to 3%.

Section 6.02(a) - Name change.

Section 6.02(b) - Name and organization changed.

Section 6.03 - Previously 6.04. (Section 6.03 from previous agreement deleted.)

Section 6.04 - Previously 6.05. No change.

RELATED AT&T COMPUTER ANNOUNCEMENTS

AT&T ANNOUNCES NEW HARDWARE, SOFTWARE PRODUCTS

Continuing its move into the computer market, AT&T announced June 24 more than 70 new products that enable businesses to interconnect work groups to form integrated data networks and then link those networks to centralized data bases on mainframe computers.

AT&T's Computer Systems President James Edwards said that the new products "form a communications mosaic that connects data and voice into networks that run from centralized data processing centers down through departments to desktops. This end-to-end connectivity of a company's computers enables customers to be more productive and efficient as they build bridges among their islands of office automation."

The key product groups AT&T announced are:

- A group of hardware and software products that enable customers to connect their PCs, workstations,

and minicomputers to their mainframes easily and economically. When coupled with other AT&T network offerings such as DATAPHONE[®] II Network Management System, these new capabilities give customers a wide range of networking and communications power.

- Two new members of its 3B family of computers - the 3B2/400, a super microcomputer for up to 25 simultaneous users, and the 3B15, a super minicomputer that supports up to 60 simultaneous users, both with floating point capability. In addition, there are major enhancements to AT&T's existing machines, the 3B2/300 and the 3B5, and a more than 20 percent price reduction on the 3B2/300. This expands the 3B product family and provides AT&T customers with a logical, cost-effective path as their needs grow.
- Applications software designed especially for specific customers such as accountants and mortgage companies. These packages provide savings for customers who, until now, had to write their own software or do without.

- Software that enables customers to develop applications on their mainframes, and then use those applications on their 3B systems at the department or work group level.

Under the umbrella of Integrated Service Management, AT&T will offer customers a range of customized service options including technical consulting, project implementation and management and operations services. In addition, the company has opened six new Customer Programming Service Centers to develop custom software.

Standard service offerings range from 24-hour-a-day maintenance hotline support, backed up by locally-developed systems technicians, to a national parts sales center from which do-it-yourself customers can order equipment modules and parts for overnight shipment.

Edwards emphasized that the announcements are an integrated extension of the workstation products and systems — the AT&T UNIX PC, the enhanced AT&T PC 6300, and the AT&T STARLAN Network — introduced just three months ago. "We are delivering on our commitments to our customers. We are delivering... on our promise of compatibility and connectivity... on our commitment to protect our customers' investment... on our pledge of outstanding service," he declared.

Applications Software

AT&T's UNIX System V operating system, which runs on the AT&T 3B computer family, has a library of applications software that is growing steadily. The list includes vertical packages to fill the special needs of a particular industry or a specific type of business; horizontal packages such as spreadsheets and word processing programs; and a comprehensive array of compilers, utilities and communications software.

Much of this UNIX software is developed by Independent Software Vendors (ISVs) and Value Added Resellers (VARs).

The software developed by ISVs and VARs, as well as software developed by AT&T, is listed in the recently issued AT&T Computer Software Guide (Reston Publishing, \$19.95) which is available at computer and software specialty stores, bookstores, educational institutions and libraries.

The software for the 3B Computer family includes:

VERTICAL INDUSTRY SOFTWARE

- AT&T Supply Link (3B2)
- AT&T Mortgage Line (3B2)
- AT&T Gift Registry (3B2)
- AT&T GLOWS and AT&T GLOWS FM (3B2)

PROGRAMMING AND DEVELOPMENT

- UX-Basic (3B2, 3B5)
- RM-COBOL (3B2, 3B5)
- LEVEL II COBOL (3B2, 3B5)

ACCOUNTING

- AT&T Business Accounting System (3B2, 3B5)
- AT&T Communications Management Control System (3B5)

DATABASES

- dBASE II (3B2, 3B5)
- AT&T INGRES (3B5)
- AT&T INGRES/CS (3B2)
- File-It! (3B2, 3B5)
- INFORMIX (3B2, 3B5)
- C-ISAM (3B2, 3B5)

OFFICE PRODUCTIVITY

- Microsoft Word (3B2, 3B5)
- CrystalWriter (3B2, 3B5)
- EDIX/WORDIX (3B2, 3B5)
- Multiplan (3B2, 3B5)
- UltraCalc (3B2, 3B5)

OPERATING SYSTEMS

- AT&T V-VM (3B2, 3B5)

Customers may contact their AT&T Account Executive for detailed information on pricing and availability.

TECHNICAL INFORMATION

THE UNIX SOFTWARE ADVISOR

Question: The information on electronic mail to my Software Sales Account Executive was incomplete in the last issue of *J crn*. Would you please supply the additional information?

Answer: We apologize for our error. Here is the correct electronic mail address. The "uucp" information for the gateway computer is:

atunix Any ACU 120) 1-201-622-6805
login:--login: atunix

After this information is added to your Lsys. file, you can send mail to your AE using the following command:

```
mail atunix@gem201-----
```

(The blank spaces are for the recipient's login.)

Question: Are the new prices for COMMKIT™ Software Basic Networking Utilities now available?

Answer: Yes. Here is a summary of those prices.

	Commercial	Educational	Administrative			
First	\$3,000	\$ 400	\$1,000			
Add'l	1,000	400	1,000			
Sublicensing:	0					
Per Copy Sublicensing:						
Max Users	2	8	16	32	64	>64
Price	\$20	\$50	\$75	\$100	\$125	\$150

Question: Where may customers get information on the UNIX PC and the software to run on it?

Answer: Customers may call 1-800-247-1212 for information on the UNIX PC and its software. This is also the number for inquiries about the AT&T 3B Computer Products.

Question: What steps will AT&T take to make a driver development kit available?

Answer: We believe the correct approach is to give support to our commercial source licensees to allow them to build and deliver System V driver writing kits for their products. We do not believe AT&T should undertake the task of writing and maintaining these tools, because they are extremely machine-dependent, and the necessary expertise resides with each vendor.

Specific steps that we are taking are as follows:

1. We will grant permission to our source licensees to develop and distribute the source code for sample device drivers for their products. These drivers will not necessarily be in operational form, but will serve as models that could be modified or extended for actual use.
2. We are immediately lifting any restrictions that might exist on the ability of our source licensees to distribute certain files listed below as part of a binary distribution. These files may be required on a binary system to configure and install new drivers.

```
/usr/src/uts/uts.mk
/usr/src/uts/MI/MI.mk
/usr/src/uts/MI/ub?
/usr/src/uts/MI/ASM.s
/usr/src/uts/MI/DATA*
/usr/src/uts/MI/cf/cf.mk
/usr/src/uts/MI/cf/Makefile
/usr/src/uts/MI/cf/name.c
/usr/src/uts/MI/cf/linesw.c
/usr/src/uts/MI/cf/DFILE
/usr/src/uts/MI/cf/DATA*
/usr/src/uts/MI/oa/oa.mk
/usr/src/uts/MI/oa/oa.mk
/usr/src/uts/MI/ml/ml.mk
/usr/src/uts/MI/pwb/pwb.mk
```

(Our schedules relating to UNIX System V have been modified to reflect these changes.)

UNIX™ Software Product Line

UNIX Systems

UNIX System V, Release 2.0 AT&T 8B20 Version 4
UNIX System V, Release 2.0 VAX 11/760 Version 2
UNIX System V/M68000, Release 1.0
UNIX System V, Release 2.0 NSC32000 Version 1
UNIX System V, Release 2.0 AT&T 3B5 Version 2

Workbenches

UNIX Programmer's Workbench™ Software
UNIX Instructional Workbench™ Software, Release 3.1
UNIX Documenter's Workbench™ Software

Networking/Communications Software

AT&T QMNET
COMMIT™ SOFTWARE HYPERchannel™ INTERFACE
COMMIT™ SOFTWARE SYNCHRONOUS TERMINAL
INTERFACE
COMMIT™ SOFTWARE ETHERNET™ INTERFACE
UNIX System V COMMIT™ Software Basic Networking Utilities 1.0

Language and Programming Tools

UNIX System V Basic Interpreter
COBOL Syntax Checker
M68000 C Compilation System
UNIX PASCAL COMPILER
UNIX SYSTEM AT&T SB2/SB5 C COMPILATION SYSTEM

Other Software

5620 DMD Software Core Package, Release 1.2
5620 DMD Software Development Package, Release 1.2
5620 DMD Software Text Package, Release 1.2

Non-Supported Software

C/370 C Compilation System
Device Independent TROFF
\$ SOFTWARE
UNIX System V TEXT MANAGER, Release 1.0
UNIX System Toolkit

Machine Readable Documentation

UNIX SYSTEM V

• Trademark of Digital Equipment Corporation
-- Trademark of Network Systems Corporation
--- Trademark of XEROX Corporation

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E-85

AT&T INFORMATION SYSTEMS INC. SOFTWARE AGREEMENT

1. AT&T INFORMATION SYSTEMS INC., a Delaware corporation ("AT&T-IS"), having an office at 100 Southgate Parkway, Morristown, New Jersey 07960, and THE SANTA CRUZ OPERATION, INC., a California corporation, having an office at 500 Chestnut Street, Santa Cruz, California 95061

for itself and its SUBSIDIARIES (collectively referred to herein as "LICENSEE") agree that, after execution of this Agreement by LICENSEE and acceptance of this Agreement by AT&T-IS, the terms and conditions set forth on pages 1 through 8 of this Agreement shall apply to use by LICENSEE of SOFTWARE PRODUCTS that become subject to this Agreement.

2. AT&T-IS makes certain SOFTWARE PRODUCTS available under this Agreement. Each such SOFTWARE PRODUCT shall become subject to this Agreement on acceptance by AT&T-IS 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. Initially, Supplement(s) numbered 1 are included in and made part of this Agreement.

3. Additional Supplements may be added to this Agreement to add additional SOFTWARE PRODUCTS (and DESIGNATED CPUs therefor) or to add or replace DESIGNATED CPUs for other SOFTWARE PRODUCTS covered by previous Supplements. Each such additional Supplement shall be considered part of this Agreement when executed by LICENSEE, if required, and accepted by AT&T-IS.

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 AT&T-IS.

Accepted by:

SCO CONFIDENTIAL DO NOT

THE SANTA CRUZ OPERATION, INC.

AT&T INFORMATION SYSTEMS INC.

By [Signature] (Date)

By [Signature] MAY 6 1987 (Date)

Larry Michels (Type or print name)

O. L. WILSON (Type or print name)

President (Title)

Manager, UNIX Software Licensing (Title)

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 AT&T-IS 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 AT&T-IS 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 CPUs 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. AT&T-IS 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 CPUs, 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' CPUs as DESIGNATED CPUs pursuant to Section 2.04 and furnish SOFTWARE PRODUCTS to contractors for use on such CPUs.

(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 AT&T-IS 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 AT&T-IS 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 AT&T-IS 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 AT&T-IS in writing of any changes, such as replacements or additions, that LICENSEE wishes to make to the DESIGNATED CPUs for a specific SOFTWARE PRODUCT. AT&T-IS 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 AT&T-IS and, in the case of each additional CPU, receipt by AT&T-IS of the appropriate fee.

2.05 On AT&T-IS'S request, but not more frequently than annually, LICENSEE shall furnish to AT&T-IS a statement, certified by an authorized representative of LICENSEE, listing the location, type and serial number of all DESIGNATED CPUs 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 CPUs (or temporarily on back-up CPUs) 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 AT&T-IS receives the fee specified in the first Supplement for a SOFTWARE PRODUCT, AT&T-IS will furnish to LICENSEE one (1) copy of such 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 AT&T-IS of the then-current distribution fee for each such copy.

IV. EXPORT

4.01 LICENSEE agrees that it will not, without the prior written consent of AT&T-IS, 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.

*Amended
by letter
8-4-89*

V. FEES AND TAXES

5.01 Within sixty (60) days after acceptance of this Agreement by AT&T-IS, LICENSEE shall pay to AT&T-IS the fees required by the Supplement(s) initially attached hereto for the DESIGNATED CPU's listed in such Supplement(s).

5.02 Within sixty (60) days after acceptance of each additional Supplement by AT&T-IS, LICENSEE shall pay to AT&T-IS any fee required by such additional Supplement for the DESIGNATED CPU's listed in such additional Supplement.

5.03 Payments to AT&T-IS shall be made in United States dollars to AT&T-IS 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 AT&T-IS 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 AT&T-IS is required to collect a tax to be paid by LICENSEE, LICENSEE shall pay such tax to AT&T-IS on demand.

VI. TERM

6.01 This Agreement shall become effective on and as of the date of acceptance by AT&T-IS.

6.02 LICENSEE may terminate its rights under this Agreement by written notice to AT&T-IS 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, AT&T-IS 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, AT&T-IS 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 AT&T-IS 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 AT&T-IS 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. AT&T-IS also warrants that it is empowered to grant the rights granted herein. AT&T-IS and other developers make no other representations or warranties, expressly or impliedly. By way of example but not of limitation, AT&T-IS 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. AT&T-IS 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, AT&T-IS or a corporate affiliate thereof. LICENSEE agrees that it will not, without the prior written permission of AT&T-IS, (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 AT&T-IS or such an affiliate or is made in accordance with or utilizes any information or documentation of AT&T-IS 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 AT&T-IS 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 AT&T-IS 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 AT&T-IS. 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 AT&T-IS (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 AT&T-IS at 800-828-8649 (or other number specified by AT&T-IS). AT&T-IS 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 AT&T-IS 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 AT&T-IS 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 rights 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 AT&T-IS under this Agreement shall be made payable and sent to:

AT&T INFORMATION SYSTEMS
P.O. Box 65080
Charlotte, North Carolina 28265

(b) Correspondence with AT&T-IS relating to this Agreement shall be sent to:

AT&T INFORMATION SYSTEMS
UNIX™ Software Licensing
P.O. Box 25000
Greensboro, North Carolina 27420

(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 AT&T-IS 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.

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 York.