

WATFIV-S EDUCATIONAL AGREEMENT

Between:

UNIVERSITY OF WATERLOO, a University incorporated by special act of Legislature of the Province of Ontario having its head office at the City of Waterloo, in the Regional Municipality of Waterloo, herein called the "Licensor".

—and—

herein called the "Licensee".

IN CONSIDERATION of the general covenants and agreements herein contained, the Licensor doth hereby grant to the Licensee a non-exclusive licence to use the WATFIV System or Program (hereinafter called "the Program"), produced by the Licensor, this licence to be subject to the terms and conditions hereinafter set out:

1. This Licence shall run for a term of _____ years from the _____ day of _____ 19 _____ provided that if the Licensee shall not then be in default with respect to the terms of this Agreement, the term hereof, at the option of the Licensee, may be extended, upon giving written notice to that effect to the Licensor, and provided that the Licensor consents in writing, this Agreement shall be extended for an additional period of one (1) year and, at the option of the Licensee, and with the written consent of the Licensor, the term hereof may be further extended, in similar manner and provided that the Licensee shall not then be in default, from year to year during each renewal year thereafter. Such notice of renewal shall be given by the Licensee to the Licensor at least forty-five (45) days prior to the date of expiration of the then current licence year and the Licensor shall give notice of consent to the renewal within thirty (30) days of the expiration of the then current licence year. Each renewal shall be upon the same terms and conditions as herein set out.

2. The Program shall be used by the Licensee only at the location and on the computers (herein referred as the "CPU's") hereinafter referred to:

- (i) Computer Models
- (ii) C.P.U. Serial Numbers
- (iii) Installation Location

In context of this paragraph, use shall mean the copying of any portion of the instructions or data in the program and/or any material associated therewith from storage units or media into the CPU's or other central processing units referred to above for processing.

The Licensee, upon giving written notice to the Licensor, shall be permitted to use the Program on a back-up central processing unit, until the CPU's are restored to operative status and processing of the data already entered into the back-up central processing unit shall be completed, firstly, if the CPU's above referred to, shall be inoperative due to malfunction, or be unavailable due to the performance of preventative maintenance, engineering changes, or changes in features or model, or secondly, if the specifications of the CPU's, above referred to, are such that the said Program cannot be assembled or compiled on those CPU's.

Should the CPU's, above referred to, become inoperative or unavailable as aforesaid, the Licensee shall cause the above specified CPU's to be made operable or available as expeditiously as possible.

3. The Licensee shall pay to the Licensor yearly and every year during the said term, for the use of the said Program, a licence fee of Nine Hundred Dollars (\$900.00), the first of such payments to be made in advance on the date of the commencement of the licence term referred to above and the subsequent yearly payments of Nine Hundred Dollars (\$900.00), shall be made in advance within thirty (30) days of the date of commencement of each year of the date of commencement of each year of the said licence term or any renewal thereof.

4. The Licensor and the Licensee agree that the content of the WATFIV Program is fully defined in the Source Listing, in card image form, on the WATFIV Distribution Tape to be delivered by the Licensor to the Licensee; the said parties hereto also agree that there are no understandings, agreements, warranties or representations, express or implied, between the said parties with respect to or relating to the content of the WATFIV Program other than as defined by the said Distribution Tape.

5. The Licensor agrees to furnish and provide such maintenance, without charge, at such time or times, and for such period of time, as the Licensor in its absolute discretion shall deem necessary and advisable. Any communications regarding Program Maintenance shall be addressed to the WATFIV Co-ordinator, Computing Centre, University of Waterloo, Waterloo, Ontario N2L 3G1.

6. This Licence shall be non-exclusive and the Licensor shall have the right to grant any further and additional licences or to make such other use of the said Program as it shall desire.

7. Title to the Program and any material associated therewith shall at all times remain in the Licensor.

8. The Licensee may modify the said Program and/or any material associated therewith, in machine readable form, to adapt the same for the Licensee's own use having regard to the Licensee's own peculiar requirements and to this extent may merge the program into other program material to form an updated work, provided that upon termination of this licence, the program and material associated therewith shall be removed from the updated work and shall be destroyed as provided in the within Agreement. The Program, though merged with any other program material, shall be used only on the CPU's above referred to and shall remain subject to the terms of the within Agreement.

9. The Licensee shall acquire no right, title or interest in, to or with respect to, the name "WATFIV" or to the Program itself and Licensee agrees that the name WATFIV and the Programs are and shall at all times be the sole property of the University of Waterloo.

10. The Licensee shall at all times hereafter keep secret and confidential, the Program and all technical information, data or materials relating to the Program.

11. The Licensee shall permit, subject to limitations which may be imposed by federal, state, provincial, municipal or other government security regulations, representatives of the Licensor to enter and inspect any location in which the Program is being used, at all reasonable times, for the purpose of determining that the Licensee is not in default with respect to the terms of this Agreement.

12. Subject to Paragraph 22, the Licensee shall not assign, sublet or transfer the within Licence, nor shall the Licensee for purposes of financial gain, offer a service to any person, corporation or entity, which service includes the use of the said Program.

13. The Licensee shall restrict the use of the Program to its own computers at the location above referred to and by its own students, faculty members, administrative staff and research personnel. The Licensee may also authorize the use of the Program to external users provided that the gross revenue received by the Licensee from the use of the Program for commercial purposes shall not exceed, during any one year of the term of the within Agreement the "one year licence fee" stipulated in the Licensor's "WATFIV Commercial Agreement", which fee is Eighteen Hundred Dollars (\$1,800.00) per year. If the said gross revenue shall exceed the said licence fee, the Licensor shall have the option, upon giving to the Licensee thirty (30) days written notice, to terminate the within Agreement and to request that the Licensee enter into a "WATFIV Commercial Agreement" for the continued use of the Program.