



SUN RIDGE SYSTEMS SOFTWARE LICENSE AGREEMENT

PLEASE READ THE TERMS AND CONDITIONS OF THIS SOFTWARE LICENSE AGREEMENT CAREFULLY. BY ACCEPTING AND USING THE SOFTWARE PROVIDED TO YOU BY SUN RIDGE SYSTEMS, INC. (“SUN RIDGE”), YOU (“LICENSEE”) ARE AGREEING TO THE TERMS AND CONDITIONS OF THIS SOFTWARE LICENSE AGREEMENT AND TO BE BOUND UNDER SUCH TERMS AND CONDITIONS WITH RESPECT TO YOUR USE AND POSSESSION OF THE SOFTWARE.

RECITALS

1. SUN RIDGE owns, or has licensed from the owner, certain computer software collectively known as “RIMS” (the “SOFTWARE”).
2. LICENSEE enters into this SOFTWARE LICENSE AGREEMENT (“LICENSE AGREEMENT”) because it desires to obtain the right to use the SOFTWARE, subject to the terms, conditions, and limitations set forth herein below.

Accordingly, the parties to this LICENSE AGREEMENT covenant and agree as follows:

3. DEFINITIONS. The terms enumerated in this Section have the following meanings when used in this LICENSE AGREEMENT:
 - 3.1. “Confidential Information” means any and all confidential information of a party to this LICENSE AGREEMENT that is not generally known to or by businesses that compete with such a party, including but not limited to source code for the SOFTWARE.
 - 3.2. “Documentation” means those visually readable materials developed by or for SUN RIDGE for use in connection with the SOFTWARE, in either written or digital form.
4. LICENSE
 - 4.1. SUN RIDGE grants to the LICENSEE a nonexclusive and non-transferable license to use the SOFTWARE in connection with LICENSEE’s normal and customary daily operations substantially as they exist as of the date of commencement of the TERM as described below (the “LICENSE”). LICENSEE shall acquire no ownership or other rights in or to the SOFTWARE except for the LICENSE granted hereunder, and title to the SOFTWARE shall at all times remain with SUN RIDGE. Pursuant to the LICENSE, LICENSEE may do the following:

- 4.1.1. Use the SOFTWARE on all computers in LICENSEE's agency and in any other agencies explicitly agreed to in writing by SUN RIDGE;
- 4.1.2. Make a copy of the SOFTWARE for backup or modification purposes only in support of LICENSEE's authorized use of the SOFTWARE hereunder; and
- 4.1.3. Modify the SOFTWARE and/or merge it into other software only in support of LICENSEE's authorized use of the SOFTWARE hereunder.
- 4.1.4. No one using the SOFTWARE, and no one for whose benefit the SOFTWARE is being used, shall provide or otherwise make available the SOFTWARE or any part or copies thereof to any third party.
- 4.1.5. The Licensee shall not use the Software to disrupt, disable, or otherwise harm the operations, software, hardware, equipment, and/or systems of a business, institution, or other entity, including, without limitation, exposing the business, institution, or other entity to any computer virus, or other harmful, disruptive, or unauthorized component.
- 4.1.6. The Licensee shall not embed the Software in any third-party applications, unless expressly permitted under this Agreement or otherwise authorized in writing in advance by an authorized officer of Sun Ridge.
- 4.1.7. The LICENSE granted under this LICENSE AGREEMENT shall apply only to the object code for the SOFTWARE. No one using the SOFTWARE, and no one for whose benefit the SOFTWARE is being used shall have the right to use or have access to the source code for the SOFTWARE, and neither LICENSEE nor anyone using the SOFTWARE pursuant to this LICENSE will modify, change, merge, adapt, translate, reverse engineer, decompile, disassemble or prepare derivative works based upon the SOFTWARE.
- 4.1.8. LICENSEE acknowledges that the SOFTWARE and the Documentation constitute trade secrets of SUN RIDGE. LICENSEE agrees to maintain the confidentiality of the SOFTWARE and the Documentation, and shall take commercially reasonable steps to preserve that confidentiality.

5. TERM

- 5.1. The term of this LICENSE AGREEMENT, and of the LICENSE granted hereunder, shall commence upon installation of the SOFTWARE at LICENSEE's business location and shall continue until this LICENSE AGREEMENT is terminated (the "TERM").
- 5.2. SUN RIDGE may immediately terminate this LICENSE AGREEMENT and the LICENSE in the event of any failure by LICENSEE to comply with the terms or conditions of this LICENSE AGREEMENT by giving written notice of such termination to LICENSEE. Upon such termination, LICENSEE shall immediately

cease further use of the SOFTWARE and will cause all copies of the SOFTWARE to be destroyed or returned to SUN RIDGE.

- 5.3. LICENSEE may terminate this LICENSE AGREEMENT and the LICENSE at any time by giving written notice thereof to SUN RIDGE and by destroying or returning to SUN RIDGE all copies of the SOFTWARE.
- 5.4. Upon any termination or expiration of this LICENSE AGREEMENT, an authorized representative of LICENSEE shall certify in writing to SUN RIDGE that all copies of the SOFTWARE which were the subject of the LICENSE have either been destroyed or returned to SUN RIDGE as required above.

6. INDEMNITY

- 6.1. INDEMNIFICATION OF SUN RIDGE BY LICENSEE. LICENSEE hereby agrees to indemnify, defend, and hold harmless SUN RIDGE and its officers, directors, shareholders, employees, and agents (the SUN RIDGE Indemnified Parties") from any and all claims, demands, liabilities, and costs, including attorney's fees, arising out of or relating to LICENSEE's or any of its directors, officers', employees' or agents' use or misuse of the SOFTWARE. This indemnity obligation shall survive the expiration, cancellation or termination of this LICENSE AGREEMENT.
- 6.2. INDEMNIFICATION OF LICENSEE BY SUN RIDGE. SUN RIDGE agrees to indemnify, defend, and hold harmless the LICENSEE and its officers, directors, shareholders, employees, and agents (the LICENSEE Indemnified Parties") from any and all claims, demands, liabilities, and costs, including attorney's fees, arising out of or relating to (i) any actual infringement of a third-party's intellectual property or (ii) the gross negligence or willful misconduct of any employee or agent of SUN RIDGE. This indemnity obligation shall survive the expiration, cancellation or termination of this LICENSE AGREEMENT. Notwithstanding the foregoing, LICENSEE expressly waives, releases, and agrees that neither SUN RIDGE nor any of the SUN RIDGE Indemnified Parties shall have any liability for any individual's or entity's lost business, direct damages, incidental or consequential damages, or any other claim arising out of or related to the use or implementation of the SOFTWARE.

7. WARRANTY/DISCLAIMER OF LIABILITY

SUN RIDGE warrants that upon delivery the SOFTWARE substantially conforms to its Documentation and is free from defects which will materially impair its use. The LICENSEE's sole remedy for breach of this warranty will be repair or replacement of the SOFTWARE. SUN RIDGE will make reasonable efforts to correct errors in the SOFTWARE, but does not warrant that the SOFTWARE is error-free or will perform without interruption. LICENSEE has relied solely upon its own investigation and judgment in selecting the SOFTWARE, and not upon any representations or promises of SUN RIDGE except as may be expressly stated herein.

THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, AND SUN RIDGE SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

IN NO EVENT WILL SUN RIDGE BE LIABLE FOR LOST BUSINESS, DIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, HOWEVER CAUSED, WHETHER FOR BREACH OF WARRANTY, CONTRACT, TORT (INCLUDING NEGLIGENCE, STRICT LIABILITY, OR OTHERWISE) ARISING OUT OF THE QUALITY, CONDITION OR USE OF THE SOFTWARE. IN NO EVENT WILL SUN RIDGE BE LIABLE FOR ANY AMOUNT WHICH EXCEEDS THE AMOUNT PAID BY THE LICENSEE FOR THE SOFTWARE.

8. UPDATES

SUN RIDGE may, at its option, release updates to or new versions of the SOFTWARE. If LICENSEE elects to obtain any update or new version of the SOFTWARE, the use of such update or new version will be subject to the terms and conditions of this LICENSE AGREEMENT.

9. OWNERSHIP

Except as expressly provided in this LICENSE AGREEMENT, SUN RIDGE retains all intellectual property rights and other rights to the SOFTWARE, Documentation, and the source code for the SOFTWARE.

10. CONFIDENTIALITY

Each party agrees to protect the other party's Confidential Information. Confidential Information will not be used or disclosed except as authorized by the providing party. Confidential Information will be disclosed to employees of the receiving party only on a "need to know" basis and only after such employees are informed of the confidential nature of the information and obligated to maintain confidentiality. Confidential Information shall not include information that is now or becomes part of the public domain, was already known by the receiving party at the time of disclosure, is independently developed by the receiving party without any use of Confidential Information, or is lawfully obtained from a third party.

11. GENERAL TERMS

11.1. GOVERNING LAW. This LICENSE AGREEMENT will be construed by and enforced in accordance with the laws of the state of California, exclusive of choice of law or conflicts of law rules or principles.

11.2. ARBITRATION. If a dispute arises from or related to this LICENSE AGREEMENT or the breach of this LICENSE AGREEMENT and if such dispute cannot be settled through direct discussions, the parties agree to first endeavor to settle the dispute in an amicable manner by mediation to be held in Sacramento, California, under the Commercial Mediation Rules of the American Arbitration Association before resorting to arbitration. Thereafter, any unresolved controversy or claim arising from or relating to this LICENSE AGREEMENT, or

breach of this LICENSE AGREEMENT, shall be settled in arbitration to be held in Sacramento, California. The arbitration will be governed by the Commercial Arbitration Rules of the American Arbitration Association, and the parties shall be allowed discovery in accordance with the California Code of Civil Procedure. If SUN RIDGE and LICENSEE cannot jointly select a single arbitrator to determine the matter, one arbitrator shall be chosen by each of SUN RIDGE and LICENSEE (or, if a party fails to make a choice, by the American Arbitration Association on behalf of such party) and the two arbitrators so chosen will select one additional arbitrator. The decision of the single arbitrator jointly selected by SUN RIDGE and LICENSEE, or, if three arbitrators are selected, the decision of any two of them will be final and binding on the parties and the judgment of a court of competent jurisdiction may be entered on such decision. The prevailing party shall be entitled to recover reasonable fees and expenses resulting from any arbitration proceeding.

- 11.3. SEVERABILITY. If any provision of this LICENSE AGREEMENT shall be held to be invalid, illegal, or unenforceable, such finding shall not affect the validity, legality, or enforceability of the remaining provisions.
- 11.4. ASSIGNMENT. LICENSEE may not transfer, assign, or sublicense this LICENSE AGREEMENT, any license hereunder, or any of its rights or duties hereunder to any other person, firm or corporation without the prior written consent of SUN RIDGE. Any attempted transfer, assignment, or sublicense made without SUN RIDGE's prior written consent shall be completely void.
- 11.5. INDEPENDENT CONTRACTORS. The parties to this LICENSE AGREEMENT shall constitute independent contractors. Nothing in this LICENSE AGREEMENT shall be construed as establishing any employment, partnership, joint venture or similar arrangement between the parties, and no party has any authority to commit any other party to any obligation to any other person or entity, unless expressly agreed to in writing signed by such party.
- 11.6. FORCE MAJEURE. SUN RIDGE shall not be responsible for interruption of, interference with, diminution of, or suspension of any of its products or services, including performance failure, which are caused by strike, lockout, riot, epidemics, war, government regulation, fire, flood, natural disaster, acts of God, utility failures, losses or injuries arising directly or indirectly from criminal acts, negligent acts of others, malfunctions or inadequacies of equipment or service not directly within the control of SUN RIDGE.
- 11.7. AUTHORIZATION/ENTIRE AGREEMENT/MODIFICATION. This LICENSE AGREEMENT will be effective upon delivery of this LICENSE AGREEMENT to LICENSEE. This LICENSE AGREEMENT is the complete and final LICENSE AGREEMENT of the parties relating to the subject of this LICENSE AGREEMENT and it replaces and supersedes any prior or contemporaneous oral or written understandings or agreements. This LICENSE AGREEMENT may be amended only by a writing signed by the duly authorized representative of the party to be charged.