

SOFTWARE LEASE AGREEMENT

PLEASE READ THIS LEASE AGREEMENT CAREFULLY BEFORE OPENING THE SEALED PACKAGE. BY DOWNLOADING AND INSTALLING THE SOFTWARE PACKAGE, YOU ACKNOWLEDGE AND ACCEPT THE TERMS AND CONDITIONS OF THE SOFTWARE LEASE AGREEMENT BELOW:

This **SOFTWARE LEASE AGREEMENT** is entered into, by and between TimberWolf Systems, Inc., a Texas corporation located at 10880 Cassandra Way, Dallas, Texas 75228 (hereinafter the "Lessor"), and _____ located at _____ (hereinafter the "Lessee"), to lease its Software Product set forth in Exhibit A. Effective this _____ day of _____, 201__ on the terms and conditions hereinafter set forth, for the consideration stated herein.

Quantity

Description

iTools Place and Route Software Package

SOFTWARE LOCATION:(IF OTHER THAN ABOVE ADDRESS OF CUSTOMER)

Term of Lease	1 year
Number of Lease Payments:	1

Rental Payments payable as follows:

Lease Payment:	\$
Insurance Costs (if applicable)	\$
Applicable Rental/Use Taxes to be Billed (or are included)	\$
Total Payment Per Period:	\$

TERMS AND CONDITIONS

- LEASE.** Lessor leases to Lessee and Lessee hereby hires and takes from Lessor the personal property consisting of certain proprietary computer software as set forth on the above lease schedule which shall include all replacement parts, additions, upgrades and bug maintenance as shown in Exhibit B (hereinafter referred to as the "Software"). The Software is and shall at all times be and remain the sole and exclusive property of the Lessor and Lessee shall have no right, title or interest therein or thereto except as to the use thereof subject to the terms and conditions of this Lease.

2. **RENTALS.** During and before the original term of the Lease, Lessee hereby agrees to pay rent to Lessor in the amounts set forth above, without deduction or setoff. All payments shall be made at the office of Lessor at 10880 Cassandra Way, Dallas, Texas 75228, or as otherwise directed by Lessor in writing.
3. **SECURITY DEPOSIT.** Lessor shall not require Lessee to pay a security deposit.
4. **LIMITED WARRANTY.** Lessor makes no warranties (express, implied or statutory) with respect to the Software and the accompanying written materials including, but not limited to, any implied warranties of merchantability or fitness for a particular purpose. In no event will Lessor be liable to Lessee for any direct or indirect damages including loss of profits, lost savings, loss of data, or other special incidental or consequential damages arising out of Lessee's use of or inability to use the Software. In no event, will Lessor's liability exceed the amount of the lease payments charged.
5. **TERM AND RENEWAL.** The original and non-cancelable term of this Lease shall commence on the effective date as set forth above and shall terminate at the expiration of one (1) year. Lessee shall have the option to renew the lease yearly, giving the Lessor a thirty (30) day renewal notice before the expiration date.
6. **SOFTWARE ACCEPTANCE.** Lessee's execution of this Agreement acknowledges that all Software set forth above was received and installed and is in good and operable condition and that Lessor has fully and satisfactorily performed all covenants and conditions to be performed by it under this Lease Agreement.
7. **FINANCE LEASE.** Lessor and Lessee agree that this Lease is a finance lease as that term is defined in Article 2a of the Uniform Commercial Code and Lessee hereby waives any and all rights and remedies granted to it by Sections 2a-506 through 2a-522 of the Uniform Commercial Code. Lessee further acknowledges that this is a business and commercial lease and not intended for household or personal use.
8. **PLACE OF USE.** Lessee shall keep the Software at its place of business as specified above. Lessee covenants and agrees not to allow the use of the Software by other business's, entities or individuals and that said Software shall be used only on the work stations authorized by this Lease. Lessee further covenants and agrees not to copy, rent, sublease, license, transfer, donate, commercially exploit, reverse engineer, decompile, disassemble (or allow the same to occur) the Software, or any part thereof.
9. **USE AND RETURN OF SOFTWARE.** Lessee shall exercise due and proper care in the use of the Software. Upon expiration or termination of this Lease, Lessee, at its sole expense, shall forthwith pack and return the Software to Lessor at 10880 Cassandra Way, Dallas Texas 75228 or such place as may be designated by Lessor in the same condition as when received by the Lessee, reasonable wear and tear alone excepted.

10. **TAXES.** Lessee shall pay all taxes and assignments (including interest, penalties, court costs and attorneys' fees, if any) which may be levied directly or indirectly against the Software, or any interest therein, or with respect to the ownership, possession or use thereof, whether such taxes are levied against Lessor or Lessee. Such taxes to be paid by the Lessee shall include without limitation property, sales, rent, lease and use taxes and any other tax measured by the gross rent payable hereunder but shall not include net income or franchise taxes payable by the Lessor. If such taxes are levied against the Lessor, it shall notify Lessee of such fact and the Lessor shall have the right, but not the obligation, to pay any such taxes whether levied against the Lessor or the Lessee. In such event, the Lessee shall reimburse the Lessor therefor within twenty (20) days from receipt of invoice and upon the failure to make such reimbursement when due, the Lessor shall have all remedies provided herein with respect to the nonpayment of rent hereunder.
11. **INDEMNITY.** Lessee shall indemnify and hold Lessor harmless of and from any and all claims, losses, liabilities (including negligence, tort and strict liability), damages, judgments, suits or legal proceedings, including court costs, expenses and reasonable attorneys' fees, related to the use of the Software, provided however that Lessor shall indemnify and hold Lessee harmless to the same degree expressed herein from any claim that Lessee's use of the Software violates the intellectual property rights of another.
12. **TITLE.** All of the Software shall remain personal property and the title thereto shall remain with the Lessor at all times. Lessee shall keep the Software free from any and all judgments, liens and encumbrances. Lessee shall give Lessor immediate notice of the attachment or other judicial process, lien or encumbrance affecting the Software and shall indemnify and save Lessor harmless of and from any loss or damage caused thereby.
13. **CONFIDENTIALITY.** During the course of this Agreement, either party may have or may be provided access to the other's proprietary items or confidential information ("Confidential Information"). Each party agrees to maintain the confidentiality of the other's Confidential Information in accordance with this provision and any separate nondisclosure agreement that expressly references the disclosure(s) between Lessor and Lessee. At a minimum, each party agrees that it shall not make the other's Confidential Information available to any third party without the written consent of the other and that title and ownership of the Confidential Information provided by one party to the other shall remain the exclusive property of that party who has the right to possess the Confidential Information.
14. **RIGHT OF INSPECTION.** Lessor, its agents and representatives shall have the right at any time during usual business hours to inspect the Software and for that purpose to have access to the location of the Software.
15. **NON-WAIVER.** Lessor's failure at any time to require strict performance from Lessee of any of the provisions hereof shall not waive or diminish Lessor's right thereafter to demand strict compliance therewith or with any other provision. Waiver of any default shall not waive any other default. Lessor's rights hereunder are cumulative and not alternative.

16. **POSSESSION OF SOFTWARE.** Lessor covenants to and with Lessee that Lessor is the lawful owner of said Software and that conditioned upon Lessee's performance of the conditions herein, Lessee shall peacefully and quietly hold and use the Software during the term of this Lease without hindrance.

17. **DEFAULT.** If Lessee fails to pay any rent or other amount herein provided within five (5) days after the same is due and payable; or if Lessee fails to observe, keep or perform any other provision of this Lease required to be observed, kept or performed by Lessee; or if a petition is filed by or against Lessee under the Bankruptcy Act or any amendment thereto (including a petition for reorganization or an arrangement); or if a receiver is appointed for Lessee and its property; or if Lessee commits an act of bankruptcy, becomes insolvent, makes an assignment for the benefit of creditors, or offers a composition or extension of any of its indebtedness; or if Lessee, without Lessor's prior consent, attempts to alter, modify, translate, decompile, disassemble, copy, sell, trade, transfer, encumber, pledge, sublease or in any way dispose of the Software, then Lessor or its agents shall have the right to exercise any one or more of the following remedies:

- a. Declare the entire amount of the rent hereunder immediately due and payable without notice or demand to Lessee.
- b. To sue and recover from Lessee and amount equal to the unpaid balance of any rent or other amounts due, or to become due, during the term of this Lease as well as reasonable attorneys' fees and other expenses incurred by Lessor in an attempt to enforce the provisions of this Lease.
- c. To sue for and recover damages for the Lessee's default.
- d. To demand and take possession of the Software without demand or notice where ever the same may be located, with or without court order. Lessee hereby waives any and all damages occasioned by such retaking of possession of such Software. Any said taking of possession shall not constitute a termination of this Lease and shall not relieve Lessee of its original obligations under this Lease unless Lessor expressly so notifies Lessee in writing.

Additionally, Lessor shall have upon default such other and further remedies and rights as may be available at law by reason of the Lessee's default.

18. **ATTORNEYS' FEES.** In the event either the Lessor or Lessee is required to retain the services of any attorney to enforce their rights under this Lease, and the same results in legal action being filed, then the prevailing party shall be entitled to all reasonable and necessary attorneys' fees, court costs and disbursements.

19. **ASSIGNMENTS.** Neither Lessee nor Lessor shall assign any rights or obligations herein with regard to this Lease without the written consent of the other party.

20. **RISK OF LOSS.** Lessee hereby assumes and shall bear the entire risk of loss, theft, damage and destruction of the Software from any cause whatsoever and no loss, theft, damage or destruction of the Software shall relieve Lessee of any obligations under this Lease and this Lease shall remain in full force and effect. Lessee shall promptly notify Lessor in writing of any such loss, theft, damage or destruction of the Software.

21. **BINDING AGREEMENT.** This Lease shall be binding upon the Lessee and its heirs, legal representatives, successors and assigns and shall inure to the benefit of the Lessor, its successors, legal representatives and assigns.

22. **GOVERNING LAW. THIS AGREEMENT SHALL BE DEEMED TO BE MADE AND EXECUTED IN DALLAS COUNTY, TEXAS AND SHALL BE INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.**

23. **SEVERABILITY.** If any provision hereof or any remedy herein provided for is invalid under any applicable law, such provision shall be inapplicable and deemed omitted. However, the remaining portions herein, including remaining default remedies, shall be given full force and effect in accordance with the intent of this document.

24. **NO OTHER AGREEMENTS.** This instrument and the related Escrow Agreement dated on _____ contains the entire agreement between the parties hereto with respect to the subject matter contained herein. There are no other agreements, written or unwritten, that shall bind the parties.

TimberWolf Systems, Inc./Lessor

Customer/Lessee

By: _____

By: _____
(print)

Title: _____

Title: _____

Signature: _____

Signature: _____

Email: _____
(print)

EXHIBIT A - SOFTWARE PRODUCT

itools
igrouter
ifp
iplacesc
iplacesc.v1
cluster
genrows
iccompact
simplify
syntax
iplacega.v1
ladmin
iclicensed
analyze_timing
itranslate
iroute
idetailer
icplugin.so

EXHIBIT B - BUG FIXES

Program Errors will be handled as follows: Upon lessor's receipt of an error report and test case from the lessee's designated technical contact, lessor will take corrective action so as to remedy the reported problems within the following time schedule.

Classification	Remedy		
	1st Level	2nd Level	Final Level
X	8 hours	Constant Effort	Within 60 days
A	8 hours	8 days	70 days
B	48 hours	12 days	100 days
C	10 days	N/A	150 days

The bug/errors are classified by Lessee and are as follows:

- **X-FATAL:** Errors preventing all useful work from being done.
- **A-SEVERE IMPACT:** Errors which disable major functions from being performed.
- **B-DEGRADED OPERATIONS:** Errors disabling only certain non-essential functions.
- **C-MINIMAL IMPACT:** All other errors.

The remedies for each error classification at each level specified above are:

- **1ST LEVEL:** Acknowledgment of receipt of error report with written confirmation delivered to Lessee during the next business day.
- **2ND LEVEL:** Patch or work-around, temporary fix, or update of major release. Including applicable document changes.
- **FINAL LEVEL:** Official fix, update, or major release, including applicable document changes. For this purpose a day is defined as a 24-hour period, regardless of whether work is scheduled during that period.