

SOFTWARE DEVELOPMENT AND LICENSE AGREEMENT

This Software Development and License Agreement (“**Agreement**”) is made and entered into as of July 16, 2013 (“**Effective Date**”) by and between The IntelliCAD Technology Corporation (the “**ITC**”), on one hand and the several entities listed on **Exhibit C** attached hereto (individually, a “**Company**” and, together, the “**Companies**”), on the other.

BACKGROUND. Each of the Companies is a member of the ITC and desires that the ITC undertake certain software development work on the Company’s behalf. The ITC is willing to undertake such work as an accommodation to its members and on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties agree as follows:

1. DEFINITIONS

1.1 “Deliverables” means any items that may be so designated in the Statement of Work from time to time.

1.2 “Milestone” means a progress point to be completed in the development of the Software, if identified in the Statement of Work.

1.3 “Representative” means Carlson Software, Inc., which is the Company that acts on behalf of all Companies hereunder to receive and deliver notices and other communications (unless otherwise specified herein) and to receive and accept or reject Deliverables.

1.4 “Software” means the computer software to be developed by the ITC as described in the Statement of Work.

1.5 “Schedule” is defined in Section 2.1.

1.6 “Services” is defined in Section 2.1.

1.7 “Specifications” means the specifications provided by the Companies to the ITC for the Software, and for specific features of the Software, including all tests of the Software or its features.

1.8 “Statement of Work” means the statement of work attached as **Exhibit A** and any modifications thereto agreed upon by the parties.

1.9 “Work Product” means the Software, documentation, specifications, and other materials included in Deliverables.

2. DEVELOPMENT, DELIVERY, AND ACCEPTANCE

2.1 Statement of Work. the ITC shall perform the development services described in the Statement of Work (“**Services**”), and complete each Milestone (including, if applicable, delivery of the related Deliverable) for which the ITC is designated as responsible in the Statement of Work. Each Company shall perform any Milestones, if any, for which such Company is designated as responsible under the Statement of Work. The parties acknowledge that the first Deliverable will consist of a development plan (the “**Plan**”) that sets forth the schedule for performance of the Services (the “**Schedule**”), the Specifications that the Companies must provide to the ITC and the schedule for delivery of the Specifications. The Plan will be provided by the ITC and, once agreed upon by the parties, the Plan will be attached hereto as **Exhibit B**. The Companies understand that the Services consist of research and development work that may result in the necessity of modifying the Statement of Work, including any Milestones and Deliverables, and the Schedule from time to time. the ITC shall promptly notify the Representative of any modifications to the Statement of Work or in the event that the ITC determines that the Schedule will change by at least 30 days; and such modifications or changes to the Schedule shall be subject to the approval of the Companies, such approval not to be unreasonably withheld.

2.2 Delivery and Completion. Any Milestone will be considered complete upon notice to Representative by the ITC, unless such Milestone includes a Deliverable. If the Milestone includes a Deliverable, Representative shall review the Deliverable, and perform interim testing of the Deliverable at the request of the ITC (itself, or with the other Companies), and Representative shall provide feedback promptly upon delivery by the ITC. If the Deliverable passes a test that is part of the Specifications, the Companies may not reject the Deliverable. Refusal to accept a Deliverable must be in writing and must be accompanied by a notice in reasonable detail of a material non-conformity with the Specifications for such Deliverable. Any Deliverable will be deemed accepted if the ITC has not received from Representative notification of rejection of the Deliverable within 15 business days after delivery thereof. In the event a Deliverable is properly rejected, the ITC shall use reasonable efforts to correct such Deliverable and deliver a corrected Deliverable within 15 business days after receiving notice of rejection, and the procedure above will be repeated until such Deliverable is accepted. Each Milestone that includes a Deliverable will be deemed complete upon acceptance as described in this Section 2.2. Each Deliverable consisting of computer software will be delivered in source code format unless otherwise agreed by the ITC and the Companies, as a group.

2.3 Staffing. Until Milestone 1 on **Exhibit B** is completed, the ITC staff engaged in Services shall not exceed two. Afterward, the number of staff may be increased subject to the approval of the Companies.

3. FEES AND PAYMENTS

3.1 Consideration. In consideration for the Services and the Deliverables, including the Software, each Company shall pay to the ITC the amount to cover the salaries of the ITC staff engaged in Services at the rates set forth opposite such Company’s name on **Exhibit C**, payable in four quarterly installments per year. The first quarterly payment shall be due immediately upon the ITC’s commencement of the Services and subsequent quarterly

payments shall be due each 3 months thereafter per the payment terms set forth in Section 3.2 after receipt by Company of an invoice from the ITC for such quarterly payment.

3.2 Payment. Each Company shall pay to the ITC all amounts invoiced to it no later than 30 business days after receipt of such invoice. In the event of a past due payment, the ITC will promptly notify all Companies that a payment has been missed, identifying the delinquent Company and the amount owed to the ITC. The remaining Companies may then pay the delinquent invoice in a manner to be agreed between themselves. If any payment is more than 60 days past due, the ITC may terminate this Agreement immediately upon notice to the Representative.

4. OWNERSHIP RIGHTS AND LICENSES

4.1 Work Product. Each Company acknowledges and agrees that all Work Product will be the sole property of the ITC.

4.2 License to Companies. the ITC hereby grants to each Company a worldwide, nonexclusive, perpetual (for so long as the Company is a member of the ITC and provided that the ITC has not terminated this Agreement with respect to such Company pursuant to Section 5.2.1), irrevocable, fully paid-up, nontransferable, royalty-free license under all of the ITC's rights in the Work Product, to use and copy the Work Product and to develop, make, have made, use, sell and distribute for resale any of its products, whether in existence now or as developed in the future, based on or incorporating the Work Product. Under no circumstances may a Company, directly or indirectly, sublicense, transfer, sell or distribute the Work Product on a standalone basis. The license to a Company hereunder shall immediately, automatically, and without notice, terminate on the date such Company ceases to be a member of the ITC.

4.3 Excluded ITC Members: ITC members not included among Companies in this Agreement will not have access or rights to the Work Product.

4.4 Third Party Materials. For any materials designated as “**Third Party Materials**” in the Statement of Work, the parties acknowledge that such materials will be necessary for a Company to use the Work Product, and each Company will be solely responsible for obtaining necessary licenses to the Third Party Materials.

4.5 Pre-Existing Materials. Each Company acknowledges that the ITC may include in the Deliverables certain materials developed prior to the Effective Date or outside the scope of this Agreement (“**Pre-Existing Materials**”). Each Company agrees that such materials will remain the sole property of the ITC or its licensors. The ITC hereby grants to each Company a worldwide, perpetual, irrevocable, royalty-free license to use the Pre-Existing Materials solely as part of the Work Product. No other grants of licenses or rights to a Company will be implied from the provisions stated in this Agreement.

4.6 Reservation of Rights. Each party hereby reserves all rights not expressly granted herein. Each Company shall reproduce and shall not obliterate or remove the ITC's intellectual property notices contained in the Work Product and Pre-Existing Materials.

5. TERM AND TERMINATION

5.1 Term. The term of this Agreement will commence on the Effective Date and will continue until completion of the last Milestone, unless earlier terminated under this Section 5.

5.2 Termination for Cause.

5.2.1. By the ITC. In addition to its termination rights under Section 3.2, the ITC may terminate this Agreement on written notice upon any material breach hereof by any of the Companies, if the breaching Company has not cured such breach within 30 days after receipt of written notice from the ITC. For avoidance of doubt, the ITC may terminate this Agreement in its entirety under this Section 5.2.1 even if less than all of the Companies are in breach or, in the ITC's sole discretion, the ITC may terminate the Agreement with respect to the breaching Company only.

5.2.2. By the Companies. The Companies may terminate this Agreement on written notice by Representative to the ITC upon any material breach hereof by the ITC, if the ITC has not cured such breach within 30 days after receipt of written notice from Representative.

5.3 Termination for Convenience. A Company may terminate this Agreement without cause, with respect to such Company only, on three (3) months prior written notice to the ITC, effective on the next quarterly payment due date following the three-month notice period.

5.4 Survival. The obligations in the following Sections will survive any expiration or termination of this Agreement: 1, 3.2, 4.1, 4.4, 4.6, 5.4, 6, 7 and 8. Furthermore, the licenses granted pursuant to Section 4.2 and 4.5 shall survive with respect to each Company for so long as such Company remains a member of the ITC, provided that the ITC has not terminated this Agreement with respect to such Company pursuant to Section 5.2.1. If there is a termination of this Agreement pursuant to Section 5.3, then at a Company's sole discretion, such Company shall be entitled to delivery of the most current version of the Work Product.

6. CONFIDENTIALITY

6.1 Confidential Information. "Confidential Information" means any proprietary information, technical data, trade secrets or know-how, including, without limitation, source code, research, product plans, products, services, customers, customer lists, markets, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, or other business information of a party to this Agreement, disclosed by one party to any other during the term of this Agreement or learned by a party in connection with this Agreement. Any source code, technical documentation and source materials for the Software will be the Confidential Information of each of the Companies and of the ITC.

6.2 Exceptions. Confidential Information will not include any information that: (a) was publicly known and made generally available prior to the time of disclosure by the disclosing party; (b) becomes publicly known and made generally available after disclosure by disclosing party to receiving party; (c) is already in the possession of receiving party at the time of disclosure; (d) is obtained by receiving party from a third party without a breach of such third party's obligations of confidentiality; (e) is independently developed by receiving party without use of or reference to disclosing party's Confidential Information; or (f) is required by law to be disclosed by receiving party, provided that receiving party gives disclosing party advance notice thereof to enable disclosing party to seek a protective order or otherwise prevent such disclosure.

6.3 Nonuse and Nondisclosure. No party: (a) shall use any Confidential Information of any other party except for the purpose of exercising its rights and performing its obligations under this Agreement; and (b) shall disclose such Confidential Information to any third party, except on a "need to know" basis to persons or entities that have signed a non-disclosure agreement containing substantially the terms of Sections 6.1, 6.2 and 6.3.

6.4 Confidentiality and Press Release. No party shall disclose any terms of this Agreement to any third party without the consent of the other parties, except as required by applicable laws, or as disclosed to such party's accountants, attorneys and other professional advisors, provided that such parties are acting under a duty of confidentiality.

7. INDEMNIFICATION

7.1 Mutual Indemnity. Each party ("**Indemnifying Party**") shall indemnify, at its own expense, defend or, at its option, settle any claim brought against the other party ("**Indemnified Party**") or its employees, directors, distributors, agents, customers, licensees, successors and assigns, for, from and against any associated third-party claims, demands, damages, losses, liabilities, judgments, costs, expenses (including reasonable attorneys' fees) or settlements arising out of: (a) any breach of any warranty made by the Indemnifying Party herein; or (b) the alleged infringement or misappropriation of any third party intellectual property right by the materials provided by the Indemnifying Party hereunder.

7.2 Limitation. The Indemnifying Party will have no obligation with respect to any claim under Section 7.1 unless: (a) such Indemnifying Party is promptly notified of such claim (provided that where the Indemnified Party is the ITC, notice need only be given to Representative); (b) the Indemnified Party allows the Indemnifying Party sole control of the defense and settlement of such claim; and (c) the Indemnified Party provides the Indemnifying Party with reasonable assistance, at the Indemnifying Party's expense, in connection with the Indemnifying Party's defense and settlement of such claim.

7.3 ITC Options. If the Work Product, or any portion thereof, infringes or misappropriates or, in the reasonable determination of the ITC is likely to infringe or misappropriate, any third party's intellectual property rights, then the ITC may, at its sole option and expense: (a) obtain from such third party the right to continue to use the Work Product consistent with the rights granted hereunder; or (b) modify the Work Product to avoid and eliminate such infringement or misappropriation.

7.4 Exclusions. The ITC will not be liable for any infringement based on: (a) modification of the Work Product by any party other than the ITC; or (b) the combination of the Work Product with other software, items or processes not furnished or supported by the ITC if such infringement would have been avoided by the use of the Work Product without such other software, items or processes; or (c) use of the Work Product in violation of Section 4.2; (d) use of the Pre-Existing Materials in violation of Section 4.5; or (e) Third Party Materials.

7.5 Exclusive Remedy. THE FOREGOING PROVISIONS OF THIS SECTION 7 STATE THE ENTIRE LIABILITY AND OBLIGATIONS OF EACH PARTY, AND THE EXCLUSIVE REMEDY OF EACH PARTY, WITH RESPECT TO ANY ACTUAL OR ALLEGED INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHT.

8. GENERAL PROVISIONS

8.1 Independent Contractors. the ITC is an independent contractor. Nothing in this Agreement will in any way be construed to: (a) give any party the power to direct and control the day-to-day activities of any other party; (b) constitute the ITC and the Companies as partners, joint ventures, co-owners or otherwise as participants in a joint or common undertaking; or (c) allow any party to create or assume any obligation on behalf of any other party.

8.2 Nature of Obligations. All obligations of the Companies under this Agreement shall be several and not joint. No Company shall have any responsibility or liability to the ITC for any obligation of any other Company hereunder or for the breach of this Agreement by any other Company.

8.3 Government Rights. The Software and accompanying documentation are deemed to be “commercial computer software” and “commercial computer software documentation,” respectively, pursuant to DFAR Section 227.7202 and FAR Section 12.212, as applicable. Any use, modification, reproduction release, performance, display or disclosure of the Software or accompanying documentation by the U.S. government or any agency thereof will be governed solely by the terms of this Agreement and will be prohibited except to the extent expressly permitted by the terms of this Agreement.

8.4 Export Restrictions. Each Company will comply with all applicable export control laws, regulations, rules, orders and other requirements of the United States and any other governmental authorities having jurisdiction, in its performance of this Agreement and its use of the Work Product, including, without limitation, the U.S. Export Administration Regulations (“Export Control Laws”). No Company shall download, transmit, export, re-export, or otherwise transfer (directly or indirectly) the Work Product or any related technology: (a) to any person, entity, or country prohibited by Export Control Laws (including, without limitation, the prohibition against exports, (i) into, or to a national or resident of, any country subject to a U.S. embargo or similar export restrictions; or (ii) to anyone on the U.S. Treasury Department’s list of Specially Designated Nationals, the U.S. Department of Commerce’s Denied Persons List or Entity List, or other export control lists); or (b) for any purpose prohibited by Export Control Laws, including, without limitation, nuclear, chemical or biological weapons proliferation or development of missile technology. Each Company will obtain any necessary export licenses,

approvals or other documentation prior to exporting or re-exporting the Work Product or related technology.

8.5 Dispute Resolution. All disputes, controversies, claims, and defenses arising out of, relating to, or involving this Agreement, whether involving theories of tort, contract, or violation of statutory laws (“Claims”) are subject to the following provisions.

8.5.1. Arbitration. Except as to actions, suits, or proceedings commenced or maintained by persons not parties hereto, any party may elect to have any Claim be determined by binding arbitration. The election shall be made by written notice. Unless the parties otherwise agree in writing, the arbitration shall be conducted in Portland, Oregon before a single arbitrator and in accordance with the commercial arbitration rules of the Arbitration Service of Portland, Inc. If the parties are unable to agree on an arbitrator within 14 days of an election to arbitrate, the arbitrator shall be appointed in accordance with the procedures set forth in ORS Chapter 36. The arbitrator shall issue an award within 30 days of conclusion of the hearing. The award of the arbitrator shall be final and binding. Judgment on any arbitration award may be entered in any court with jurisdiction.

8.5.2. Provisional Remedies. If a party elects to have any Claims determined by arbitration, any provisional remedy issued prior thereto may remain in effect until such time as an arbitrator is selected or appointed and has assumed to determine the Claim. Thereafter the arbitrator may issue, continue, or terminate provisional relief or may permit a party to pursue provisional relief in court.

8.5.3. Applicable Law; Jurisdiction and Venue. This Agreement will be interpreted, construed and enforced in all respects in accordance with the laws of the State of Oregon without reference to its choice of law rules. All actions or suits by a party shall be brought and maintained in Portland, Oregon. Each party consents to personal jurisdiction in Oregon and waives any right to seek a change of venue.

8.5.4. Costs and Attorney Fees. The prevailing party in a judicial action, suit or arbitration proceeding shall be awarded all reasonable costs, attorneys’ fees and expenses incurred in connection with the proceeding and on any appeal except that the costs and fees of the arbitrator shall be shared equally.

8.6 Notices. Any notice required or permitted under the terms of this Agreement or required by law must be in writing and must be: (a) delivered in person; (b) sent by first-class registered mail, or air-mail, as appropriate; or (c) sent by overnight air courier, in each case properly posted and fully prepaid to the recipient’s address indicated on the signature page hereof. Any party may change its address for notice by notice to the other parties given in accordance with this Section. Notices will be considered to have been given at the time of actual delivery in person, 3 business days after deposit in the mail as set forth above, or one day after delivery to an overnight air courier service. Each Company hereby acknowledges and agrees that

except where notice to a Company is required by a specific provision of this Agreement, notice given to Representative shall constitute notice given to each Company.

Address for serving notices to Representative:

Carlson Software

102 West Second Street

Maysville, KY 41056

8.7 Nonassignability and Binding Effect. No party may assign or delegate this Agreement or any of its licenses, rights or duties under this Agreement without prior written consent of the other parties. Notwithstanding the foregoing a party may assign this Agreement without consent of the other parties to an entity with which it has merged or that has otherwise succeeded to all or substantially all of its business, stock, or assets, and that has assumed in writing its obligations under this Agreement.

8.8 Additional Companies. The ITC may decide to admit an additional entity or entities as a “Company” hereunder provided the ITC gives Representative written notice thereof, that the additional “Company” pays the ITC an amount determined by the ITC in consideration of the payments already made by existing Companies and that the additional entity is a member in good standing of the ITC. The additional Company shall share in Companies’ obligations hereunder and be added to the cost sharing of **Exhibit C**. Under no circumstances may any entity be a “Company” hereunder for any purpose unless and until the ITC and Representative have received a copy of this Agreement signed by such entity.

8.9 Severability. If any term, condition or provision in this Agreement is found to be invalid, unlawful or unenforceable to any extent, the parties shall endeavor in good faith to agree to such amendments that will preserve, as far as possible, the intentions expressed in this Agreement. If the parties fail to agree on such amendments, then such invalid term, condition, or provision will be severed from the remaining terms, conditions and provisions, which will continue to be valid and enforceable to the fullest extent permitted by law.

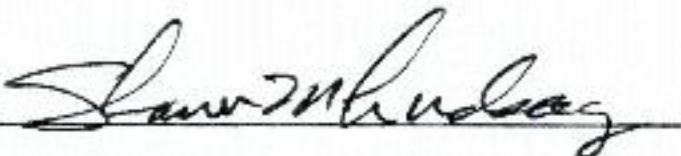
8.10 Integration. This Agreement, including the Statement of Work, constitutes the entire agreement between the parties and supersedes all previous communications, representations, understandings and agreements, either oral or written, among the parties with respect to the subject matter of this Agreement. Neither this Agreement, nor the Schedule or a Statement of Work may be modified or amended, except in writing and signed by a duly authorized representative of each party to this Agreement.

8.11 Force Majeure. No party will be liable to any other party on account of any loss or damage resulting from any delay or failure to perform all or any part of this Agreement if such delay or failure is caused, in whole or in part, by events, occurrences, or causes beyond the control of such party. Such events, occurrences, or causes will include, without limitation, acts of God, strikes, lockouts, riots, acts of war, acts of deadly violence, earthquakes, floods, fires and explosions.

8.12 Counterparts. This Agreement may be executed in counterparts, each of which so executed will be deemed to be an original. Such counterparts together will constitute one and the same agreement.

8.13 LIMITATION OF REMEDIES AND DAMAGES. THE LIABILITY OF THE ITC ARISING HEREUNDER WILL BE LIMITED TO FEES PAYABLE BY THE COMPANIES HEREUNDER. THE ITC WILL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, PUNITIVE, SPECIAL OR INDIRECT DAMAGES INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS, LOSS OF PROFITS AND/OR BUSINESS INTERRUPTION, WHETHER FORESEEABLE OR NOT, AND WHETHER ARISING IN CONTRACT, TORT, OR NEGLIGENCE, EVEN IF THE ITC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING ANY FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. EACH COMPANY ACKNOWLEDGES THAT THE FOREGOING LIMITATION OF LIABILITY IS A MATERIAL INDUCEMENT FOR THE ITC TO ENTER INTO THIS AGREEMENT.

"The ITC"

By: 

Print Name: Shawn M. Lindsay

Title: Attorney-in-Fact and at the directions of
Darcy Detlor, ITC Secretary-Treasurer

"COMPANY" / "REPRESENTATIVE"

Carlson Software

By: 

Print Name: David Carlson

Title: VP

Address: 102 West Second Street

Maysville, Kentucky, U.S.A. 41056

EXHIBIT A -- STATEMENT OF WORK

Services:

Use the ODA DGN libraries to add support for DGN by working directly with the DGN database without conversions between DWG and DGN. When the user opens a DGN, IntelliCAD would work in DGN mode and save as DGN. CAD functions would operate on the DGN entities except for any CAD functions that are DWG specific. Also, some operations would not be allowed like using Insert to add a DWG to a DGN. The SDS API would work on the DGN entities.

Priorities will be determined in cooperation between the parties.

EXHIBIT B – DEVELOPMENT PLAN

The parties to the Software Development and License Agreement dated July 16, 2013 (the “Agreement”) agreed to the below plan on July 16, 2013 per Section 2.1 of the Agreement.

Milestone 1: Estimate amount of work and outline plan for project. Release of IntelliCAD 8.

Milestone 2: Create DGN work mode within IntelliCAD with support for open/save DGN and basic model space viewing.

Milestone 3: Basic CAD editing on the DGN database.

Milestone 4: Basic SDS style API functions on DGN database.

Milestone 5: Complete core CAD functions for DGN database.

Milestone 6: Complete core SDS style API functions on DGN database.

EXHIBIT C – LIST OF COMPANIES

Initial Companies:

Name	Share of Costs
Carlson Software, Inc.	100%

Additional Companies: