MECHANICAL DYNAMICS, INC.
UNIVERSITY SOFTWARE LICENSE AGREEMENT

Mechanical Dynamics, Inc. ("MDI") owns certain proprietary computer programs, including the software identified herein. Licensee desires to use such software under the conditions set forth in this Agreement.

1. UNIVERSITY NAME AND ADDRESS OF LICENSEE: **2. DATE OF AGREEMENT:** _____

_____

_____

_____

3. GRANT OF LICENSE
 a. MDI hereby grants to Licensee a non-exclusive, non-transferable, single site license to install and use the object code version of the computer program(s) identified on Schedule 1 hereto (the "Software") and the related Documentation. The Software must be installed on the single server designated on Schedule 1 hereto (the "Designated CPU"). Licensee shall be entitled to use the Software on a network, provided that Licensee shall be limited to the number of concurrent users of the Software as set forth in Schedule 1.
 b. **USE OF THE SOFTWARE UNDER THIS LICENSE IS LIMITED SOLELY TO TESTING AND EVALUATING THE SOFTWARE AND TO ACADEMIC, EDUCATIONAL AND RESEARCH APPLICATIONS. THE SOFTWARE MAY NOT BE USED FOR ANY COMMERCIAL APPLICATION OR TO PROVIDE CONSULTING SERVICES.**
 c. MDI is the owner of and retains title to all proprietary rights and intellectual property rights in the Software and Documentation, including copyrights, trade secrets, trademarks and know-how. Where title to portions of the Software is retained by MDI's licensors, MDI represents that it has rights sufficient to enter into this Agreement. Licensee acknowledges the foregoing and agrees that it has no right, title or interest in the Software or Documentation, except the right to use the Software as expressly set forth herein.

4. USE OF SOFTWARE
 a. Except for copies made in the ordinary course of Licensee's back-up procedures, Licensee shall not copy the Software. Licensee agrees that it will not modify the Software or the Documentation, and will not reverse engineer, disassemble or decompile the Software. Licensee shall not remove any proprietary rights legend on the Software or Documentation. Licensee shall not use the Software to provide time-sharing or service bureau services.
 b. All Software and Documentation shall be kept in a secure place, shall be used only by Licensee's faculty, staff and students, and shall be maintained under reasonable access and use restrictions not less strict than those followed by Licensee with respect to its own confidential information.
 c. Licensee shall notify MDI if Licensee needs to transfer the Software to another CPU. Transfers must be approved by MDI and transfer fees paid according to MDI's then-current transfer policy. Schedule 1 shall be amended to reflect such change or transfer and Licensee shall execute a Certificate of Discontinuance in the form attached as Exhibit A.
 d. Licensee's obligations regarding confidentiality and proprietary rights shall survive termination of this Agreement.

5. DELIVERY OF SOFTWARE
 Within thirty (30) days after execution of this Agreement, MDI will deliver to Licensee the Software in the media specified in Schedule 1 and the Documentation. Licensee shall be responsible for installation of the Software.

6. FEES AND PAYMENT
 Following delivery of the Software, Licensee shall pay MDI the Fees specified in Schedule 1 within thirty (30) days, unless MDI's invoice provides other terms. Licensee agrees to pay all state and local use or sales taxes, and any other taxes or charges, however characterized, which may be directly or indirectly imposed or based upon the licensing, transportation, delivery or use of the Software, other than MDI's taxes on its income relating to the Software.

7. MAINTENANCE, ENHANCEMENTS AND SUPPORT
 a. During the license term specified in Schedule 1 hereto, MDI shall provide maintenance, enhancements and technical support for the Software, consisting of: (i) updates to the Software made generally available to other MDI customers for the hardware and operating system identified on Schedule 1; (ii) priority #2 telephone, telefax or electronic e-mail technical support for one designated professor/instructor per License; and (iii) best efforts to correct documented program errors appearing through authorized use of the Software, where the error causes the Software to fail to perform as provided in the Documentation.
 Maintenance with respect to a given program error will be provided after MDI has received a written request from Licensee. MDI's "best efforts" is limited, at the option of MDI, to one of the following: (i) correction of the error and forwarding a corrected version of the Software to Licensee; (ii) providing an alternative method to circumvent the error; or (iii) correction of the error in subsequent Software releases.
 b. If MDI investigates an "error" pursuant to Licensee's request and such "error" is found to be caused by Licensee, data supplied by Licensee, operator error or misuse, or any other cause not inherent in the Software, MDI reserves the right to charge Licensee for such services at MDI's then-current rates.

8. LIMITED WARRANTY
MDI warrants that, for a period of ninety (90) days following delivery of the Software to Licensee, the Software will perform, under normal use, as provided in the Documentation, except that the "restricted" version of the Software will permit the creation of only limited size models. MDI does not warrant that the functions contained in the Software will meet Licensee's requirements, or will operate in the variations which may be selected for use by Licensee, or that the Software will be error-free, or that all program defects will be corrected. Licensee's sole remedy under this limited warranty is limited to correction of program errors as set forth in Section 7. This warranty applies only to Software used in accordance with this Agreement.

THIS LIMITED WARRANTY IS IN LIEU OF, AND LICENSEE WAIVES, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

9. LIMITATION OF LIABILITY FOR DAMAGES

The Software is not a substitute for professional judgment. Licensee assumes sole responsibility for the selection of the Software, determination as to the appropriateness of the Software for Licensee's needs, and the application of the results obtained from the Software. The remedies set forth in Section 7 are exclusive. MDI shall not be liable for incidental, consequential, special, direct or indirect damages in connection with the Software.

10. INDEMNIFICATION

a. MDI shall indemnify Licensee for all damages and costs, including reasonable attorneys' fees, arising out of Licensee's use of the Software or Documentation when such claim is based upon a claim of infringement of a United States patent, trademark or copyright; provided that: (i) Licensee has used the Software as provided in this Agreement; (ii) Licensee promptly notifies MDI in writing of such claim; (iii) MDI has sole control over the investigation, litigation and negotiation of the claim; and (iv) Licensee cooperates in MDI's defense of such claim.

b. If the Software or Documentation becomes, or in MDI's opinion is likely to become, the subject of such a claim, MDI may procure for Licensee the right to continue using the Software or Documentation, or replace or modify the Software or Documentation to make it noninfringing. If neither of the foregoing alternatives is reasonably available to MDI, then MDI may terminate this Agreement and License. The foregoing states the entire liability of MDI with respect to indemnification of Licensee.

11. TERM AND TERMINATION

a. This License is effective from the date set forth in Section 2, and shall continue for the term provided in Paragraph 3 of Schedule 1 unless otherwise terminated as provided below.

b. If Licensee (i) breaches any material obligation under this Agreement and License or (ii) ceases to have sole control over the Designated CPU or this License, then MDI may terminate this Agreement and License immediately by written notice.

c. Upon termination of this License, Licensee shall immediately discontinue use of the Software and return the Software and Documentation to MDI and execute a Certificate of Discontinuance in the form attached as Exhibit A.

12. GENERAL PROVISIONS:

a. This Agreement shall be governed by and construed under and in accordance with the laws of the State of Michigan. The 1980 U.N. Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

b. This Agreement contains the full understanding of the parties with respect to the subject matter and supersedes all prior understandings and writings relating thereto. No waiver, alteration or modification of any provision hereof shall be binding unless made in writing in accordance with the provisions of Paragraph 7 of Schedule 1 and signed by an authorized representative of MDI. If Licensee issues any Purchase Order(s) in connection with this Agreement, such Order(s) shall not modify or augment the terms of this Agreement, but shall be deemed effective solely to provide shipping instructions, addresses, contact persons and the like. MDI's shipment against such Order(s) shall not constitute acceptance of any terms printed thereon.

c. The remedies accorded MDI are cumulative and in addition to those provided by law.

d. The waiver by either party of a breach of any provision hereof by the other party shall not be construed as a waiver of any succeeding breach of the same or any other provision, nor shall any delay or omission on the part of either party to exercise any right that it has operate as a waiver of any right by that party.

e. All notices must be in writing and sent either by Certified Mail, Return Receipt Requested, or by courier, and shall be effective when received by such party at the address set forth herein or such other address as shall have been specified in writing by a party.

f. Neither party shall be liable for any delay in fulfilling an obligation when such delay is due to matters beyond that party's control, such as Acts of God, strikes or other labor disputes, vandalism, disruption of facilities, natural disaster, or act of government.

g. If any provision of this Agreement is determined to be invalid or unenforceable by a court of competent jurisdiction, such determination shall have no effect upon the validity or enforceability of the remaining provisions, but shall permit MDI to terminate this Agreement by written notice to Licensee.

AGREED AND ACCEPTED AS OF THE DATE SET FORTH IN SECTION 2, ABOVE:

MECHANICAL DYNAMICS, INC.   **LICENSEE :**

By:_____   By:_____

Name:_____   Name:_____

Title:_____   Title:_____

Date:_____   Date:_____

MECHANICAL DYNAMICS, INC.
UNIVERSITY LICENSE AGREEMENT
SCHEDULE 1 (No.____)

1. LICENSED SOFTWARE:

Software Description	License Fee	No. of Permitted Concurrent Users
a. _____		
b. _____		
c. _____		
d. _____		

2. DESIGNATED CENTRAL PROCESSING UNIT:

a. Manufacturer:_____ _____   b. Model :_____ _____

c. System id #_____   d. Hostname:_____

e. Operating System Name:_____   f. Operating System Version No.:_____

g. Distribution Media:_____

h. Street address of CPU location:_____

i. Engineering contact name and telephone:_____

j. System contact name and telephone:_____

3. TERM OF SOFTWARE LICENSE: _____

4. MAINTENANCE, ENHANCEMENT AND SUPPORT: Initial designated professor/instructor: _____

5. MDI ADDRESS FOR NOTICES:

> Mechanical Dynamics, Inc.
> 2300 Traverwood Drive
> Ann Arbor, MI 48105
> ATTN: Contracts Administrator

6. ADDITIONAL INFORMATION:

_____

_____

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7. AMENDMENT OF SCHEDULE 1: Licensee may request an amendment to this License Agreement to add or delete Software, change the duration of the license for any Software product or permanently change the Designated CPU by delivering to MDI a purchase order (or letter) signed by an authorized representative of Licensee and specifying the requested change. Requested changes not involving any fee (e.g., a request for a short-term trial license or temporary change in Designated CPU) may be made in the manner specified above or by telephone request. Any request by Licensee to amend this License Agreement which involves a change in Designated CPU (other than a temporary change) shall be deemed by the parties to include a certification by Licensee that the Software resident on the former Designated CPU has been deleted and de-installed from such Designated CPU and that all copies of the password relating to such Software, if any, have been destroyed. If MDI accepts Licensee's requested amendment, MDI will complete and sign a revised Schedule 1 amending this License Agreement to incorporate the requested change and the following information:

 Licensee's authorization:

This revised Schedule 1 has been completed by MDI following acceptance of Licensee's request for an amendment to this License Agreement as set forth above and is effective as of the date upon which it is signed by MDI's authorized representative as indicated below. If any information in this revised Schedule 1 is inaccurate, contact the representative who has signed this revised Schedule 1 at (734) 994-3800.

REPRESENTATIVE OF MECHANICAL DYNAMICS, INC.

By:_____

Name:_____

Title:_____

Effective Date:_____

Telephone Extension:_____

EXHIBIT A

CERTIFICATE OF DISCONTINUANCE
MECHANICAL DYNAMICS, INC.

1. CERTIFICATE OF DISCONTINUANCE FOR AMENDMENT TO SCHEDULE 1

On _____, 20_____, Schedule 1 (No._____) was amended as follows:

_____ The following Software was deleted:_____

_____ The following Software _____

    was transferred from the following CPU:

    a. Manufacturer:_____

    b. Model No.:_____

    c. Identification No.:_____

    d.Hostname:_____

    and now resides on the CPU identified in Schedule 1 (No._____).

2. CERTIFICATE OF DISCONTINUANCE FOR TERMINATION OF SOFTWARE LICENSE

    According to the License Agreement dated _____, 20_____, you are obligated to deliver to MDI all Software, Documentation and related materials licensed thereunder immediately after the termination of such License. The License was terminated on _____.

PLEASE SIGN AND DATE THIS CERTIFICATE AND PROMPTLY RETURN IT TO MDI.

Licensee certifies that all copies of the deleted or terminated Software, both whole and partial, regardless of form, have been returned to MDI and those Software copies contained within the Designated CPU or in any other form have been destroyed; and all Documentation and MDI materials relating to such Software have been returned to MDI at:

_____

LICENSEE:_____

By:_____
              (signature)

Name:_____

Title:_____

Date:_____

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Rev 11/14/01