



Certainty 3D

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To: General Release

From: Ted Knaak
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Re: TopoDOT License Programs Explained (#1010) rev: A

Background

Certainty 3D offers a unique selection of licensing programs designed to represent our customer's best interests. In developing these programs, we considered the needs of our customers for:

- Low entry price
- Scalability to operations
- On-going and accessible training
- Maintenance fees tied to TopoDOT generated income

The TopoDOT licensing program achieves these objectives. While terms and conditions are provided in our "formal" license agreement document the necessary *legalese* often cloud what in essence is a very simple, easily understood and low risk program.

This document offers overviews of four individual TopoDOT license programs. We discuss the economics of the program, actual expected costs, how it contributes to scaling your operations and suggestions for planning an annual budget around TopoDOT's dynamic annual maintenance fees.

Certainty 3D offers four basic license packages to our customers. They are:

- TopoDOT Single Workstation
- TopoDOT Enterprise 500
- TopoDOT Enterprise 1000
- TopoDOT Flex 250

TopoDOT Single Workstation Program

The TopoDOT Single Workstation license ties TopoDOT to a single workstation for unlimited use. As such it is more traditional and is designed for those customers in smaller organizations needing to effectively access and process point cloud data on occasion.

Cost

License - \$3,995 (one time payment)

Maintenance fees - \$12 / User-day OR \$2,995 Flat Rate

How the Single Workstation program works

The TopoDOT Single Workstation license is offered at a very low initial price. Market research places this price at about 20% of the industry standard. Given TopoDOT's extremely high performance this represents a great value.

TopoDOT requires a web connection at least once every 14 days for license authentication and usage monitoring. TopoDOT is monitored with a count of total days used (User-days) accruing annually.

Maintenance fees include all upgrades, technical support and training. Web-based training is "not" an additional cost to the customer.

Annual maintenance fees are determined annually as Total User-days x \$12/ User-day. This represents a great value to the customer. Annual costs for maintaining TopoDOT are thus proportional to TopoDOT usage. When one considers that there are only about 250 working days per year, the "maximum" annual maintenance fee exposure is only \$3,000. However the annual costs will most likely be significantly lower. Use TopoDOT two weeks per month, for example, and annual costs will be about \$2,016.

Budgeting

As our customers are frequently more familiar with a "locked-in" fixed annual software maintenance fee price regardless of use, we have had questions about how to "budget" for the program. We recommend simply keeping in mind that each Workstation will "at most" be used no more than 250 days per year. Thus one can budget \$3,000 per Workstation license to be "safe" and enjoy the probable end of year savings as costs come in well below this.

TopoDOT Enterprise 500 Program

The TopoDOT enterprise 500 solution is designed for small to mid-size organizations. Typically these organizations might be focused completely on survey/mapping may include engineering and design departments as well. These customers want to adopt TopoDOT quickly and employ it across several operations. The TopoDOT Enterprise 500 Program provides them the initial low cost up front while facilitating low cost scalability as they expand TopoDOT usage across their operations.

Cost

License - \$8,500 (initial purchase of 500 User-days)

Additional User-days - \$21 / day

Annual Maintenance Fee - \$12 / User-day

How the Enterprise Program Works

The TopoDOT Enterprise 500 program requires the purchase of a 500 User-day Account Balance. Install TopoDOT anywhere/anytime at no additional cost. Certainty 3D will simply monitor the total User-days accrued annually. Expand your TopoDOT usage to meet your operational requirements over one or more offices or any location at no additional cost per year. Training is included in your annual maintenance, so you will have no additional annual costs.

At the beginning of each year, you will receive one invoice listing two items. Consider the following two scenarios.

Scenario #1: Customer uses TopoDOT 600 Days Jan 1st thru Dec 31st.

The first item will require you to purchase annual User-days exceeding your Account Balance. For example,

Initial Account Balance –	500 days
Your annual use --	<u>-600 days</u>
End of Year Balance	-100 days

You owe 100 days x \$21 = \$2,100

Note: Following Year Account Balance renewed at 600 days.

The second item will be for annual Maintenance including software upgrades, technical support, training, access to C3D University and more. In this example,

Your annual use --- 600 days x \$12 = \$7,200

Total invoice is \$7,200+ \$2,100 = \$9,300

Scenario #2: Customer uses TopoDOT 350 Days Jan 1st thru Dec 31st.

The first item will require you to purchase annual User-days exceeding your Account Balance. For example,

Initial Account Balance –	500 days
Your annual use --	<u>-350 days</u>
End of year Balance	150 days (No charge if Account Balance not exceeded)

Note: Following Year Account Balance renews at 500 days.

The second item will be for annual Maintenance including software upgrades, technical support, training, access to C3D University and more. In this example,

Your annual use --- 350 days x \$12 = \$4,200

Total invoice is \$4,200+ \$0 = \$4,200

TopoDOT Annual Costs Are Proportional to Your TopoDOT Generated Income!!

Budgeting

As our customers are frequently used to a “locked-in” fixed annual software maintenance fee price regardless of use, we have had questions about how to “budget” for the program. As with the Single User License, we recommend simply keeping in mind that each Workstation will “at most” be used no more than 250 days per year for 100% usage. This would imply a \$3,000 annual maintenance fee per “full-time” usage.

However even a full-time processing technician’s time will be based on actual project time. Since you don’t pay for “not” using TopoDOT we’d suggest rating even a full-time processor at about 75% or 200 days accounting for vacations, time between projects, etc. That would imply a \$2,400 annual maintenance fee.

Similarly, you can rate each installation of TopoDOT based on the: 1) the number of scanning projects you expect annually and 2) the focus of each professional’s activity with TopoDOT. A dedicated modeling person with full-time focus on TopoDOT might go as high as \$2,400 annually. A satellite office with several scanning projects annually might be rated at 50% per installation. A designer, engineer, construction planner, who may require only make an occasional measurement might only be rated at 10% usage.

So budgeting becomes rather easy. Simply query your staff of installed TopoDOT users and categorize them as say full-time, part-time and occasional users. Assign \$2,400, \$1,200 and \$240 in annual maintenance fees respectively and your budget should be pretty close.

Be sure to track your actual Account Balance and User-days via the Certainty 3D website at any time to make sure you are one track with your estimates.

TopoDOT Enterprise 1000 Program

The TopoDOT Enterprise 1000 program is designed for the largest organizations. Typically these organizations typically include departments across the entire design build spectrum of operations, i.e. survey, design, engineering, construction, etc. These customers want to adopt TopoDOT quickly and employ it across all operations. The TopoDOT Enterprise 1000 program functions exactly as the TopoDOT Enterprise 500 program. The only difference is cost.

Cost

License - \$12,000 (initial purchase of 1000 User-days)

Additional User-days - \$18 / day

Annual Maintenance Fee - \$10/ User-day

The TopoDOT Enterprise 1000 program will lock in a 20% decrease in Maintenance fees for the initial up-front purchase of 1000 User-days. This might make economic sense for the largest companies planning on widespread TopoDOT adoption across all operations.

Unlimited installation, one annual payment, and annual Maintenance fees proportional to TopoDOT generated income are innovations unique to Certainty 3D. Certainty 3D has positioned ourselves on the same side as our customers as we focus together on the widespread adoption of TopoDOT and the productive and profitable use of point clouds, calibrated images and related data across your operations.

TopoDOT Flex 250 Program

The TopoDOT Flex 250 program is primarily designed for those customers wanting the flexibility of unlimited installations offered by the Enterprise programs but requiring a fixed annual Maintenance Fee cost structure. The program requires an initial purchase of a 250 User-day Account Balance. Certainty 3D will monitor the total User-days accrued. In contrast to the Enterprise programs, the Flex 250 imposes a “hard-limit” on the User-days allowing no negative annual Account Balances. Customers requiring additional User-days exceeding their Account Balance will be required to supplement their Account Balance with additional Flex 250 purchases. The total Account Balance purchased is renewed in January of each year.

Cost

License - \$3995 (initial purchase of 250 User-days)

Additional User-days - \$3995 in blocks of 250

Annual Maintenance Fee - \$2995 per each 250 User-day Account Balance

How the Flex 250 Program Works

The TopoDOT Flex 250 program requires the purchase of a 250 User-day Account Balance. Install TopoDOT anywhere/anytime at no additional cost. Certainty 3D will simply monitor the total User-days accrued. Training is included in your annual maintenance.

At the beginning of each year, you will receive one invoice listing two items. Consider the following two scenarios.

Scenario #1: Customer uses TopoDOT 245 Days Jan 1st thru Dec 31st.

The first item will require you to purchase annual User-days exceeding your Account Balance. For example,

Flex Account Balance –	250 days
Your annual use --	<u>-245 days</u>
	5 days (requiring no further 250 User-day purchase)

Note: Following Year Account Balance renewed at 250 days on January 1st.

The second item will be for annual Maintenance including software upgrades, technical support, training, access to C3D University and more. In this example,

Fixed annual Maintenance Fee ---\$2995

Scenario #2: Customer uses TopoDOT 350 Days Jan 1st thru Dec 31st.

Since Flex 250 does not allow for negative Account Balance, sometime during the year another Flex license was purchased. For example,

Initial Flex 250 Balance –	250 days
Your Use --	<u>-250 days</u> (limit reached during year)
	0 days (Account Balance hit zero during year)

2 nd Flex 250 Balance	250 days (purchased during year)
Your Use thru year--	<u>-100 days</u>
	150 days (Account Balance end of year)

Note: Following Year Account Balance renews at 250 + 250 = 500 days on January 1st.

January 1st Maintenance Fee is \$2995 per Flex 250 license or 2 x \$2995 = \$5990.

One should note that since each Flex 250 license does not allow User-days to exceed 250 for each license purchased. Therefore exceeding 250 User-days requires the purchase of an additional Flex 250 license. So the annual cost would also include this purchase.

Total cost is 2^{nd} Flex 250 + 2 x (Maintenance Fee) =
 $\$3995 + (2 \times \$2995) = \$9,985$

For subsequent years these licenses would renew for a total of $2 \times 250 = 500$ User-day Account Balance. If usage does not exceed 500 User-days, annual Maintenance Fees would be $2 \times \$2995 = \5990 .

Budgeting

The Flex 250 program was designed for fixed price maintenance and flexibility in installation. Each Flex 250 purchased requires a Maintenance Fee of \$2995. As with all other TopoDOT license programs, the Maintenance Fee includes training and support.

Be sure to track your actual Account Balance and User-days via the Certainty 3D website at any time to make sure you are one track with your estimates.

Questions and/or Comments

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