UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the calendar year ended **December 31, 2011**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 0-20008

ASURE SOFTWARE, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**74-2415696**
(State of other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
110 Wild Basin Road, Suite 100 Austin, Texas	**78746**
(Address of Principal Executive Offices)	(Zip Code)

(512) 437-2700
(Registrant's Telephone Number, including Area Code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:
None

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
Common Stock, $0.01 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 ("Exchange Act") during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filings pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer, as defined in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the 2,450,706 shares of the registrant's Common Stock held by non-affiliates on June 30, 2011 was approximately $7,082,540. For purposes of this computation all officers, directors and 5% beneficial owners of the registrant are deemed to be affiliates. Such determination should not be deemed an admission that such officers, directors and beneficial owners are, in fact, affiliates of the registrant.

At March 23, 2012 there were 3,090,665 shares of the registrant's Common Stock, $.01 par value, issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement relating to its 2012 Annual Meeting of Shareholders are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. Such Proxy Statement, or an amendment to this report containing the Items comprising Part III, will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

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PART I
(Dollar amounts in thousands, except per share data or otherwise noted)

ITEM 1. BUSINESS

GENERAL

Asure Software, Inc. ("Asure" or the "Company") a Delaware corporation, is a provider of web-based workforce management solutions that enable organizations to manage their office environment as well as their human resource and payroll processes effectively and efficiently. The Company was incorporated in 1985 and has principal executive offices located at 110 Wild Basin Road, Austin, Texas 78746. The Company telephone number is (512) 437-2700 and the Company website is www.asuresoftware.com. The Company does not intend for information contained on its website to be part of this Annual Report on Form 10-K (the "Report"). Asure makes available free of charge, on or through its website, its annual report on Form 10-K, its quarterly reports on Form 10-Q, its current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after the Company electronically files such material or furnishes it to the Securities and Exchange Commission.

In September 2007, the Company announced its name change to “Asure Software” to reflect the Company’s focus on its software business for its future growth. As a software and services provider, in October 2007, Asure purchased iSarla Inc., a Delaware corporation and application service provider that offers on-demand software solutions. As a result of the iEmployee acquisition, the Company currently offers two main product lines in its software and services business: NetSimplicity and iEmployee. Asure’s NetSimplicity product line provides simple and affordable solutions to common office administration problems. NetSimplicity’s flagship product, Meeting Room Manager, automates the entire facility scheduling process: reserving rooms, requesting equipment, ordering food, sending invitations, reporting on the meeting environment and more. Asure’s iEmployee product line helps simplify the HR process and improves employee productivity by managing and communicating human resources, employee benefits and payroll information. iEmployee's web-based solutions include Time & Attendance, Timesheets, Human Resource Benefits, Expenses and others. Additional business information is contained elsewhere in this Report, including under Item 7 of Part II (*Management’s Discussion and Analysis of Financial Condition and Results of Operations*).

On January 29, 2009, Asure’s Board announced its plan to take the Company private. Due to concerns including the loss of liquidity and reduced requirements for regular financial reporting and disclosure, a group of shareholders led by Red Oak Fund, LP (“Red Oak”) opposed the Go-Private effort. As shareholder vote counts substantiated that a majority of shareholders also opposed the go-private effort, the Board canceled the special meeting and withdrew its proposal to go private. Subsequently, Red Oak nominated a slate of board directors, and such slate was elected to replace Asure’s prior Board during the Company’s annual shareholders’ meeting on August 28, 2009.

On October 1, 2011, the Company, through ADI Software, LLC, a wholly owned subsidiary of the Company (“Purchaser”), purchased substantially all of the assets and assumed certain liabilities of ADI Time, LLC (“Seller”) relating to its time and attendance software and management services business, pursuant to an Asset Purchase Agreement (“APA”) by and among the Company, Purchaser and Seller. The APA contains certain customary representations, warranties, indemnities and covenants of the Company, Purchaser and Seller.

The purchase price for the assets consisted of $6,000 in cash and a promissory note of the Purchaser (“Purchaser Note”) in the aggregate principal amount of $1,095. The Purchaser Note bears interest at an annual rate of 0.16%, will mature on October 1, 2014, and is guaranteed by the Company. The Purchaser may offset any indemnification payments owed by the Seller under the APA against up to $1 million under the Purchaser Note. The cash portion of the purchase price was funded with the Company’s cash on hand and proceeds from the Credit Agreement and the Subordinated Notes.

On December 14, 2011, the Company, through Asure Legiant, LLC, a wholly owned subsidiary of the Company (“Purchaser”), purchased substantially all of the assets and assumed certain liabilities of WG Ross Corp., d/b/a Legiant (“Seller”), relating to its cloud computing time and attendance software and management services pursuant to an Asset Purchase Agreement (“APA”) by and among the Company, Purchaser, Seller and, with respect to Section 6.6 only, ADI Software, LLC, a wholly owned subsidiary of the Company. The APA contains certain customary representations, warranties, indemnities and covenants of the Company, Purchaser and Seller.

The purchase price for the assets was $4,000, consisting of $1,511 in cash and three subordinated promissory notes of the Purchaser in the aggregate principal amount of $2,489, as adjusted pursuant to the terms of the APA. One of the promissory notes is for an aggregate principal amount of $250, bears interest at an annual rate of 0.20%, and will mature on February 1, 2012. The second promissory note is for an aggregate principal amount of $478, bears interest at an annual rate of 5.00%, and will mature on October 1, 2014. The third promissory note is for an aggregate principal amount of $1,761, bears interest at an annual rate of 0.20%, and will mature on October 1, 2014. The Purchaser may offset any indemnification payments owed by the Seller under the APA against up to $1 million under the third promissory note. All three promissory notes are guaranteed by the Company and are subordinated to the Company’s bank financing. The cash portion of the purchase price was funded with the Company’s cash on hand and proceeds from the Company’s bank financing.

According to the Nasdaq Capital Markets Rule 5550 (b) on Continue Listing Standards for Primary Equity Securities, the Company failed to meet the minimum stockholders' equity requirement of $2,500 as of December 31, 2011. The Company's stockholders' equity as of December 31, 2011 was $2,064. The Company did not meet this requirement primarily due to the mark-to-market impact of the derivative liability associated with the subordinated convertible notes outstanding. Subsequent to December 31, 2011, the terms of the subordinated convertible notes were amended to eliminate the embedded derivative features resulting in a settlement or extinguishment of the derivative liability. The Company estimates that the impact of this transaction will result in the Company exceeding the minimum stockholders' equity requirement as of March 31, 2012. The Company has informed Nasdaq's MarketWatch department regarding this matter.

PRODUCTS AND SERVICES

Asure Software, Inc. is a provider of cloud based workplace management solutions that enable organizations to manage their office environment and human resource processes effectively and efficiently. Asure Software offers two main product lines which provide workspace management solutions and workforce management solutions. These services are delivered to customers under the "SaaS" model, which is software as a service offered on a subscription basis. In recent years, this has come to be referred to as a "cloud based" solution.

Asure Software's workspace management solution (Netsimplicity) automates the scheduling of a facility, including reserving rooms, requesting equipment, ordering food, sending invitations, and reporting on the meeting environment. This solution includes a Microsoft Outlook add-on which provides additional scheduling tools that Outlook is unable to provide. The software can be accessed from a browser, Microsoft Outlook, mobile devices, or from LCD panels that Asure provides. Asure Software is a Microsoft Gold Certified Partner, which means that solution team "is the top level of Microsoft solutions partners and have access to the tools and support they need to help them stand out in the marketplace." The Company believes that this certification is a testament to the quality of Asure Software's workspace management solution.

Asure Software's workforce management product line simplifies HR processes and improves productivity by managing and communicating human resource information, employee benefits and payroll information. This solution set includes Time & Labor Management, Timesheets, Expenses, Accrual Management and other features which further enable HR Management teams with full featured workforce management solutions. The software products associated with this product line include iEmployee, ADI Time and Legiant.

Asure Software also has a proprietary line of time clocks and mobile applications which complement the workforce management software product set. The time clocks provide bar code, proximity and biometric inputs options which give options to best fit the client environmental needs. The Company believes these technology additions continue to improve the its ability to provide HR management solutions to all employees through every communication medium.

To help expand and grow the company, Asure Software recently acquired ADI Time and Legiant who are leading providers of cloud computing time and attendance solutions. These acquisitions provided the company with a complementary client base in manufacturing, healthcare, retail and distribution industries among others.

Following these acquisitions, Asure Software's workforce management and workplace management solutions have approximately 1,550 and 1,000 customers, respectively. The Company has a base of multinationals that it services, including such companies as Microsoft, McDonalds, and Nike, Inc.

Support and professional services are other key elements of Asure's software and services business. As an extension of its perpetual software product offerings, Asure offers its customers maintenance and support contracts that provide ready access to qualified support staff, software patches and upgrades to the Company's software products, all without any additional cost to the customer. At the customer's request, the Company provides installation of and training on its products, add-on software customization, and other professional services

PRODUCT DEVELOPMENT

The technology industry is characterized by continuing improvements in technology, resulting in the frequent introduction of new products, short product life cycles, changes in customer needs and continual improvement in product performance characteristics. To be successful, Asure strives to be cost-effective and timely in enhancing its current software applications, developing new innovative software solutions that address the increasingly sophisticated and varied needs of an evolving range of customers, and anticipating technological advances and evolving industry standards and practices. Asure's strategy is to deliver the right technology to its customer base in order to realize efficiencies in the workplace.

Asure Software's development teams are located in Warwick, Rhode Island and Austin, Texas, and are staffed with software developers, quality assurance engineers and support specialists who work closely with the Company's customers and the Company's sales and marketing teams to build products based on market requirements and customer feedback. The product roadmaps are developed based on inputs from customers, competitive comparisons, and relevant technology innovations.

The Company's research and development strategy is to continue to enhance the functionality of its software and hardware products through new releases and new feature developments. Asure will also continue to evaluate opportunities for developing new software so that organizations may further streamline and automate the tasks associated with administering their businesses. The Company seeks to simultaneously allow organizations to improve their productivity while reducing the costs associated with those business tasks.

Despite the Company's best efforts, there can be no assurance that Asure will complete its existing and future development efforts or that its new and enhanced software products will adequately meet the requirements of the marketplace and achieve market acceptance. Additionally, Asure may experience difficulties that could delay or prevent the successful development or introduction of new or enhanced software products. In the case of acquiring new or complementary software products or technologies, the Company may not be able to integrate the acquisitions into its current product lines. Furthermore, despite extensive testing, errors may be found in the Company's new software products or releases after shipment, resulting in a diversion of development resources, increased service costs, loss of revenue and/or delay in market acceptance.

SALES AND DISTRIBUTION

Asure's software products and services are sold through a direct and channel (partner) model, which enables the Company to sell its software solutions in an efficient, cost-effective manner. Prospective customer visits the Company's websites in order to gather the needed product information, and can optionally register for webcasts, product demonstrations, white papers and other pertinent product information. At that point, the prospective customer provides contact information via the website and a sales representative follows up to provide further information and conclude the sale. These leads are tracked and tied directly into the Company's marketing and tracking programs for lead generation. In addition to this direct, inside sales model, the Company supplements these efforts with its partner programs described below. By working with these partners, the Company expands the reach of its direct sales force and gains access to key opportunities in major market segments worldwide. The Company has two distinct levels of partners in its Partner Program: Reseller Partners and Referral Partners.

Reseller Partners. Reseller Partners are companies that represent the Company globally, as well as before the Federal government and with companies that offer complementary products to either the workspace management product line or the workforce product line. Reseller Partners commit to a minimum level of business per year with the Company and receive a channel discount for that commitment. The Company's Reseller Partners outside the United States include Novera in Australia which represents the workspace product line. The Company also has several Reseller Partners that represent the software in the Federal government space. Resellers of the Company's workforce product line include Oasis Outsourcing in the United States, a large provider of human resource outsourcing solutions.

Referral Partners. Referral Partners provide the Company with the name and particular information about a customer and its needs as a sales lead. If the Company accepts the sales lead, the Company registers it for a particular Referral Partner. If the Company makes a sale as a direct result of such a lead, the Company will pay the Referral Partner a sales lead referral fee. Currently, the Company has a number of Referral Partners including PolyVision Corp./Steelcase and e-Innovative Solutions for the workspace product line and several smaller firms for workspace Time & Attendance product. These Referral Partners do not represent more than 10% of the Company's revenue.

COMPETITION

Asure's workspace management line of scheduling software products has a competitive advantage in the marketplace by being able to automate business processes that are otherwise typically performed manually or with the assistance of general-purpose office software tools such as Microsoft Outlook®, Exchange® or Excel®. Meeting Room Manager competes with other scheduling software applications offered by companies such as PeopleCube, Dean Evans and Associates, and Emergingsoft. The principal competitive advantages of Meeting Room Manager with respect to these other products include Meeting Room Manager's broad product capabilities, Software-as-a-Service ("SaaS) delivery model, more customizable user interface, and price.

Asure's workforce management line of time and attendance and human resource software has a competitive advantage in the marketplace by being able to serve organizations looking for specific point-solutions as well as organizations looking for an integrated suite of solutions. By being able to compete tactically with point-solutions and strategically with an integrated suite of solutions, Asure can serve the needs of a broad spectrum of companies. While Asure has the advantage of flexibility, ease-of-use, Software-as-a-Service ("SaaS) delivery model, affordability and speed of delivery, the Company faces certain challenges with various types of competitors:

- *Vendors with face-to-face sales contact.* In this highly relationship-based sales process, vendors with a field-based sales team who meets and consults with prospects have an advantage. iEmployee does not have a field-based approach to sales but focuses instead on high-touch marketing campaigns and leveraging relationships with channel partners to build relationships with prospects.
- *National payroll processors with loss-leader products.* Large brand and market share vendors (like ADP, Inc.) can offer equivalent point solutions at little or no cost to prospects when in a competitive engagement because these loss leader products become inconsequential next to their core business offerings.
- *Single application vendors.* Vendors that offer similar point-solutions like Time & Attendance, Employee/Manager Self-Service, Paystubs, etc. can be perceived as better meeting an immediate and specific need.

Since the market for the Company's products and services is subject to rapid technological change and since there are relatively low barriers to entry in the workplace management software market, the Company may encounter new entrants or competition from vendors in some or all aspects of its two product lines. Competition from these potential market entrants may take many forms. Some of the Company's competitors, both current and future, may have greater financial, technical and marketing resources than the Company and therefore, may be able to respond quicker to new or emerging technologies and changes in customer requirements. As a result, they may compete more effectively on price and other terms. Additionally, those competitors may devote greater resources in developing products or in promoting and selling their products to achieve greater market acceptance. Asure is actively taking measures to effectively address its competitive challenges. However, there can be no assurance that the Company will be able to achieve or maintain a competitive advantage with respect to any of the competitive factors.

MARKETING

Asure Software's marketing plan incorporates both corporate marketing and marketing communications (marcomm). Marketing communications activities feed into lead generation for the sales team by providing appropriate messaging for all sales campaigns and prospecting, while corporate marketing activities drive consistent brand messaging throughout the organization. The tenants of this marketing plan are aligned with the central goals of aligning lead generation with sales objectives, building a brand presence, developing and delivering consistent messaging around all product lines, and integrating scalable programs for partner execution. The integrated elements of these tenants include a mix of demand generation, public relations, print media, trade shows, and other corporate communications activities to ensure a consistent and accurate flow of information to and from prospects, customers and other key stakeholders.

The consistent growth of the customer base relies on the development and implementation of a comprehensive integrated marketing plan. Although the Company's customers include many Fortune 500 companies and that base continues to grow, the marketing plan is primarily aimed at reaching small and medium-sized businesses and divisions of enterprise organizations throughout the United States, Europe and Asia/Pacific. The Company targets these prospects by utilizing search engine marketing including search engine optimization, pay per click advertising and social media, as well as other competitive tools such as industry peer analysis and vertical integration targeting. Additional marketing strategies include outbound e-mail marketing, lead nurturing, targeted trade shows and industry focused print advertising.

TRADEMARKS

The Company has registered Asure Software® as a federal trademark with the U.S. Patent and Trademark Office (the "USPTO"). The Company's other trademarks include Face Time Clock®, Legiant Timecard®, and ADI Time®", which are federally registered with the USPTO, and iEmployee™, Netsimplicty™, AsureForce™, AsureSpace™, ADI™ and Legiant Express™, which are common law trademarks. The Company has pending applications at the USPTO to federally register the marks AsureForce and Asure Space."

EMPLOYEES

As of March 15, 2012, the Company had a total of 66 employees in the following departments:

FUNCTION	NUMBER OF EMPLOYEES
Research and development	12
Sales and marketing	17
Customer service and technical support	19
Finance, human resources and administration	18
Total	**66**

The size and composition of Asure's workforce is continually evaluated and adjusted. The Company also occasionally hires contractors to support its sales and marketing, information technology and administrative functions. None of the Company's employees are represented by a collective bargaining agreement. Asure has not experienced any work stoppages and considers its relations with its employees to be good. Additionally, Asure augments its workforce capacity in 'research and development' and 'Customer service and technical support' by contracting for services through third parties.

The future performance of the Company depends largely on its ability to continually and effectively attract, train, retain, motivate and manage highly qualified and experienced technical, sales, marketing and managerial personnel. Asure's future development and growth depend on the efforts of key management personnel and technical employees. Asure uses incentives, including competitive compensation and stock option plans to attract and retain well-qualified employees. However, there can be no assurance that the Company will continue to attract and retain personnel with the requisite capabilities and experience. The loss of one or more of Asure's key management or technical personnel could have a material and adverse effect on its business and operating results.

EXECUTIVE OFFICERS OF THE COMPANY

CHIEF EXECUTIVE OFFICER: Patrick Goepel, age 50, was elected to the Company's Board of Directors at its August 28, 2009 Annual Meeting of Shareholders. Mr. Goepel was subsequently appointed as Interim Chief Executive Officer on September 15, 2009 and became Chief Executive Officer of the Company as of January 1, 2010. Prior to his appointment, Mr. Goepel served as Chief Operating Officer of Patersons Global Payroll. Previously, he was the President and Chief Executive Officer of Fidelity Investment's Human Resource Services Division from 2006 to 2008, President and Chief Executive Officer of Advantec from 2005 - 2006 and Executive Vice President of Business Development and US Operations at Ceridian from 1994 - 2005. A former board member of iEmployee, Mr. Goepel currently serves on the board of directors of Allover Media, APPD Investments, and Safeguardworld International.

CHIEF OPERATING OFFICER: Steven Rodriguez, age 45, joined Asure Software as Chief Operating Officer in June 2011. From February through May 2011, the Company retained Mr. Rodriguez as a fee-based consultant to evaluate and make recommendations related to the Company's sales and marketing strategies and processes. Before joining the Company, Mr. Rodriguez, served as the Principal for HCS, a consulting company he founded. Prior to that, Mr. Rodriguez served from March of 2008 to November of 2009 as the Executive Vice President and Officer at Perquest, a national workforce management company. Previously, Mr. Rodriguez served as Senior Vice President of Sales & Sales Operations from May 2001 to November 2007 at Ceridian Corporation, a human resource services company. Mr. Rodriguez also served from May 2000 to May 2001 as the Regional Director for Epicor Software. Prior to Epicor, Mr. Rodriguez was Vice President of Sales at Automatic Data Processing (ADP), Inc., a provider of payroll and benefits administration solutions, from May 1990 to May 2000. Mr. Rodriguez holds a Bachelors of Business Administration from the University of Oklahoma.

CHIEF FINANCIAL OFFICER: David Scoglio, age 35, joined Asure Software as Vice President and Chief Financial Officer in January 2010. Before joining Asure, Mr. Scoglio held a variety of positions at Fidelity Investments from 1998 to 2009, and most recently held the position of Senior Director of Finance with Fidelity's Human Resource Services division. David holds a Master's of Science in Finance from Boston College and a Bachelor of Science in Finance from Bentley University.

VICE PRESIDENT OF SALES: Mike Kinney, age 43, joined Asure Software in May 2011 as the Vice President of Sales; Mr. Kinney brings over sixteen years of sales and marketing experience in the human capital management business services industry with expertise in SAAS and hardware solutions. Prior to Asure Software Mr. Kinney was a Regional Vice President for the HR Payroll Division of Ceridian Corporation where he was utilized by the CEO to lead multiple regions from 2006-2010; primarily to rebuild market presence and drive Top-line revenue. Previously, Mr. Kinney held Regional Vice President Leadership positions in the Recruiting Process Outsourcing (RPO) Industry where he was responsible for sales, operations, and fulfillment of talent management solutions [KFORCE 2005-2006 and Creative Financial Staffing (CFS) 2001-2005]. Mr. Kinney holds a BA in Political Science with a concentration in Economics at the University of Texas at Austin.

ITEM 1A. RISK FACTORS

The Company is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

ITEM 2. PROPERTIES

On April 28, 2010, Asure Software, Inc. (the "Company"), entered into an Amendment to the Building Lease originally dated January 6, 1998 (the "Lease") between Asure Software and WB One & Two, LTD ("Landlord"). Pursuant to the terms of the amended Lease and related amendments, the Landlord agreed to reduce the square footage leased by the Company from 137 square feet to approximately 9 square feet in the building located at 110 Wild Basin Road. In addition, the current gross monthly rent of $299 was reduced to $20. In exchange for the rent and square footage reduction, the Company agreed to a onetime payment of $1,500 and to forgo approximately $159 of monthly subtenant income it received from the excess space under the current lease. Additionally, the Company forfeited its rights to any potential future net profits interest in the lease. The Company took a one time charge related to the lease modification of approximately $1,200 in its second quarter of 2010.

On December 14, 2011, as part of the acquisition of Legiant, the Company assumed the lease of Legiant for approximately 4 square feet of space located at 108 Wild Basin Road (the "Legiant Lease"). The monthly rent related to the Legiant Lease was $7 and the Company assumed the $5 security deposit. On January 12, 2012, the Company entered into the Sixth Amendment to Lease with the Landlord ("Sixth Amendment"). The Sixth Amendment expanded the Company's premises by approximately 4 square feet to a total of approximately 11 square feet. The Sixth Amendment also terminated the Legiant Lease effective on February 1, 2012 (the "Expansion Date"). From the Expansion Date to April 1, 2013, the Company will continue to pay the $20 in Asure monthly rent plus approximately $5 in monthly rent for the expansion space. On April 1, 2013, the monthly rent converts to $8 plus the Company's pro rata share of building expenses and real estate taxes. The Sixth Amendment also extended the term of the Lease to December 31, 2015.

The Company also leases 5 square feet in Warwick, Rhode Island and small office suites in Minneapolis, Minnesota, and New York, New York primarily used for remote employees and executive meeting space respectively. In the first quarter of 2012, the Company closed its smaller offices in Mumbai, India and Vancouver, British Columbia and moved duties and responsibilities to both existing and new personal in its offices in Austin, TX and Warwick, RI.

Management believes that the leased properties described above are adequate to meet Asure's current operational requirements and can accommodate further physical expansion of office space as needed

ITEM 3. LEGAL PROCEEDINGS

Asure was the defendant or plaintiff in various actions that arose in the normal course of business, none of the pending legal proceedings to which the Company is a party are material to the Company.

PART II
(Amounts in thousands, except per share data or otherwise noted)

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

MARKET INFORMATION

The common stock of the Company is currently trading in the NASDAQ Capital Market System under the symbol "ASUR". The following table sets forth the high and low sales prices for the Company's common stock for each full quarter of 2011 and 2010:

	CALENDAR YEAR 2011		CALENDAR YEAR 2010	
	HIGH	LOW	HIGH	LOW
1st Quarter	$ 3.17	$ 2.43	$ 2.82	$ 2.19
2nd Quarter	$ 3.20	$ 2.25	$ 2.81	$ 2.17
3rd Quarter	$ 3.90	$ 2.27	$ 2.64	$ 2.11
4th Quarter	$ 7.06	$ 2.99	$ 3.15	$ 2.21

DIVIDENDS

The Company has not paid cash dividends on its common stock during fiscal years 2011 and 2010, and presently intends to continue a policy of retaining earnings for reinvestment in its business, rather than paying cash dividends.

HOLDERS

As of March 20, 2012, there were approximately 964 stockholders of record of the Company's common stock.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

See "Equity Compensation Plan Information" under Item 12 of Part III of this Report (*Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*).

RECENT SALES OF UNREGISTERED SECURITIES

On September 30, 2011, the Company entered into a Securities Purchase Agreement (the "9% Note Purchase Agreement") relating to the sale of $1,500 aggregate principal amount of the Company's 9% subordinated convertible notes ("9% Notes") in a private placement to accredited investors. The 9% Notes will pay interest on each of March 31, June 30, September 30 and December 31, beginning on December 31, 2011, at a rate of 9% per year. The 9% Note will mature on September 30, 2014. The 9% Note is secured by all of the assets of the Company and is subordinated to the Company's obligations to the Bank and the 15% Notes.

Beginning 12 months from the date of issuance, the holder may convert the 9% Notes into shares of the Company's common stock at a conversion price of $5.00 per share. The conversion price will be adjusted for certain events, such as stock dividends and stock splits. Additionally, if the Company subsequently issues common stock at a price below the then current conversion price, the conversion price will be reset to the greater of $3.27 per share (the closing price of the Company's Common Stock on September 30, 2011) or such lower price. In the event that a holder of a 9% Note elects to convert the 9% Note into equity, and the Company determines that such conversion would jeopardize the Company's tax benefits under Section 382 of the Internal Revenue Code, the Company may elect to prepay any or all of such 9% Notes prior to conversion, subject to certain limitations at a purchase price equal to the product of the number of shares into which the 9% Note is convertible and the volume weighted average closing price during the 20 day trading period beginning on the 10th day before the conversion notice is received by the Company multiplied by the Premium Rate. The Premium Rate is 1.1 if a holder notifies the Company of an intention to convert their 9% Note into equity prior to the date that is 90 days before the maturity date and 1.5 if such notification is made within 90 days of the maturity date. The 9% Notes also contain customary terms of default.

On March 10, 2012, the Company amended and restated each of the Convertible Notes (the "A&R Convertible Notes") and amended and restated the Registration Rights Agreement (the "Amended and Restated Registration Rights Agreement").

The changes made to the Convertible Notes and the Registration Rights Agreement, resulted in a change of accounting treatment of the derivatives. Effective on March 10, 2012, the derivatives will no longer be required to be accounted for on a separate basis. Therefore, the Company will no longer be required to re-measure the value of the derivatives after the amendment date and will write-off the fair value of the derivative after the amendment. The Company estimates that it will recognize approximately $42,000 in additional non-cash expense to re-measure the A&R Convertible Notes and approximately $220,000 in one time cash expense related to consideration expected to be paid to holders of the Convertible Notes for agreeing to the terms of the A&R Convertible Notes. These expenses will be offset by a one time non-cash gain of approximately $672,000 associated with the writing-off of the derivative due to the adopted amendment.

The Company has received conversion elections and/or indication of intent to convert from holders representing $1,150 of the total $1,500 of principal amount of notes. These conversions resulted in the company recognizing a one time non-cash charge of approximately $1,898 and an equal increase in the Company's equity for the value of approximately $230,000 shares issued based on an estimated share price of $8.25. This expense was offset by a one time non-cash gain of $970 related to the extinguishment of the debt owed to the holders upon conversion.

The estimated net effect of the above transactions on the Company's financial statements in the quarter ending March 31, 2012 is an increase in one time expenses of approximately $518 and a net increase in shareholder's equity of approximately $1,585. In the event that the estimated share price is not $8.25 or holders representing an amount other than $1,150,000 elect to convert, the non cash charges, non cash gains and impact on the Company's financial statement will be different from that set forth above.

ISSUER PURCHASES OF EQUITY SECURITIES

None.

ITEM 6. SELECTED FINANCIAL DATA

The Company is a smaller reporting company as defined by Rule 12-b-2 of the Exchange Act and is not required to provide the information required under this item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

On March 27, 2012, the Board of Directors authorized a 3 for 2 stock split, in the form of a 50% stock dividend., The company's common stock will split on a three-for-two basis for shareholders of record on April 23, 2012. Shares resulting from the split are expected to be distributed on April 30, 2012. Share and per share information in this Annual Report does not reflect the impact of this proposed 3 for 2 split.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Report represent forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results of operations, levels of activity, economic performance, financial condition or achievements to be materially different from future results of operations, levels of activity, economic performance, financial condition or achievements as expressed or implied by such forward-looking statements.

Asure has attempted to identify these forward-looking statements with the words “believes,” “estimates,” “plans,” “expects,” “anticipates,” “may,” “could” and other similar expressions. Although these forward-looking statements reflect management’s current plans and expectations, which are believed to be reasonable as of the filing date of this Report, they inherently are subject to certain risks and uncertainties. Additionally, Asure is under no obligation to update any of the forward-looking statements after the date of this Form 10-K to conform such statements to actual results.

RESULTS OF OPERATIONS

The following table sets forth, for the fiscal periods indicated, the percentage of total revenues represented by certain items in Asure's Consolidated Statements of Operations:

	Twelve Months Ended December 31, 2011	Twelve Months Ended December 31, 2010
Revenues	100.0%	100.0%
Gross Margin	79.1	77.5
SG&A	56.7	56.7
R&D	15.3	14.4
Loss on Lease Amendment	-	12.0
Litigation Settlement	-	-
Impairment of Assets	-	-
Amortization of Intangible Assets	6.2	6.0
Total Operating Expenses	78.2	89.2
Interest, Mark to Market & Original Issue Discount	(5.3)	-
Other Income, Net	(6.1)	0.2
Net Loss	(5.9)%	(11.3)%

Overview

During the period ended December 31, 2010, the Company focused on its core software business through reducing unnecessary expenses and growing and maintaining its customer base and thus growing revenue. Outside of its core software business, Asure accomplished three major goals. First, on April 28, 2010, Asure Software, Inc. (the “Company”), entered into an Amendment to the Building Lease originally dated January 6, 1998 (the “Lease”) between Asure Software and WB One & Two, LTD (“Landlord”). Pursuant to the terms of the amended Lease and related amendments, the Landlord agreed to reduce the square footage leased by the Company from 137,530 square feet to approximately 9,000 square feet. In addition, the current monthly rent of $299 was reduced to $20. In exchange for the rent and square footage reduction, the Company agreed to a one time payment of $1,500 and to forgo approximately $159 of monthly sub-tenant income it received from the excess space under the current lease. Additionally, the Company forfeited its rights to any potential future net profits interest in the lease. The Company took a one time charge related to the lease modification of approximately $1,200 in its second quarter of 2010. This transaction saved the company approximately $120 per month in excess real estate cash flow going forward. Secondly, Asure sold off the last active remnants of its intellectual property business. Thirdly, the Company ensured NASDAQ compliance through a reverse 10 for 1 stock split in November 2009.

On May 3, 2010, the Company and Ceridian Corporation ("Ceridian"), a reseller of the Company's iEmployee products, entered into an agreement by which joint customers of the Company and Ceridian were given until July 31, 2010 to choose either to (i) contract directly with the Company to continue using our goods and services, or (ii) continue using Ceridian's offerings that may not include the Company's products and services. The Company was able to retain substantially all of the monthly revenue associated with the former Ceridian customers.

Under the continued guidance and direction of its new directors and Chief Executive Officer, Asure will continue to implement its corporate strategy for growing its software and services business. However, uncertainties and challenges remain and there can be no assurances that Asure can successfully grow its revenues or achieve profitability and positive cash flows during calendar year 2012.

On October 1, 2011, the Company, through ADI Software, LLC, a wholly owned subsidiary of the Company ("Purchaser"), purchased substantially all of the assets and assumed certain liabilities of ADI Time, LLC ("Seller") relating to its time and attendance software and management services business, pursuant to an Asset Purchase Agreement ("APA") by and among the Company, Purchaser and Seller. The APA contains certain customary representations, warranties, indemnities and covenants of the Company, Purchaser and Seller.

The purchase price for the assets consisted of $6,000 in cash and a promissory note of the Purchaser ("Purchaser Note") in the aggregate principal amount of $1,095. The Purchaser Note bears interest at an annual rate of 0.16%, will mature on October 1, 2014, and is guaranteed by the Company. The Purchaser may offset any indemnification payments owed by the Seller under the APA against up to $1 million under the Purchaser Note. The cash portion of the purchase price was funded with the Company's cash on hand and proceeds from the Credit Agreement and the Subordinated Notes.

On December 14, 2011, the Company, through Asure Legiant, LLC, a wholly owned subsidiary of the Company ("Purchaser"), purchased substantially all of the assets and assumed certain liabilities of WG Ross Corp., d/b/a Legiant ("Seller"), relating to its cloud computing time and attendance software and management services pursuant to an Asset Purchase Agreement ("APA") by and among the Company, Purchaser, Seller and, with respect to Section 6.6 only, ADI Software, LLC, a wholly owned subsidiary of the Company. The APA contains certain customary representations, warranties, indemnities and covenants of the Company, Purchaser and Seller.

The purchase price for the assets was $4,000, consisting of approximately $1,511 in cash and three subordinated promissory notes of the Purchaser in the aggregate principal amount of approximately $2,489, as adjusted pursuant to the terms of the APA. One of the promissory notes is for an aggregate principal amount of $250, bears interest at an annual rate of 0.20%, and will mature on February 1, 2012. The second promissory note is for an aggregate principal amount of $478, bears interest at an annual rate of 5.00%, and will mature on October 1, 2014. The third promissory note is for an aggregate principal amount of approximately $1,761, bears interest at an annual rate of 0.20%, and will mature on October 1, 2014. The Purchaser may offset any indemnification payments owed by the Seller under the APA against up to $1 million under the third promissory note. All three promissory notes are guaranteed by the Company and are subordinated to the Company's bank financing. The cash portion of the purchase price was funded with the Company's cash on hand and proceeds from the Company's bank financing.

Revenues

Consolidated revenues were $10.9 million for the year ended December, 31 2011 and $10.0 million for the year ended December 31, 2010. The increase was $0.9 million, or 9%. Consolidated revenues represent the combined revenues of the Company and its subsidiaries, including sales of the Company's scheduling software, time and attendance and human resource software, complementary hardware devices to enhance its software products, software maintenance and support services, installation and training services and other professional services.

During the year ended December 31, 2011, the $0.9 million increase in total revenues is due primarily the acquisitions of ADI Time and Legiant in the fourth quarter of 2011, $1.4 million, and offset by a net reduction in Asure's core business of ($0.4 million). The net reduction in Asure's core businesses was driven by lower perpetual software licenses revenues, ($0.6) million in the NetSimplicity product line driven by management's strategy to prioritize sales of its software subscriptions (SaaS or cloud-based) revenues. Hardware product revenue also declined, ($0.3) million, as a result of the company's continued focus on building recurring, vs. onetime, revenue streams. Both recurring revenue streams, maintenance and software subscription revenues, increased over the previous year by $0.2 million.

The $1.4 million increase in acquisition revenue broke down as follows: $450 in software subscription revenue; $439 in hardware revenue; $168 in onetime software license revenue; $206 in maintenance revenue and $54 in professional services revenue.

During year ended December 31, 2011, software subscription revenues for Asure's core businesses increased by $0.2 million. iEmployee's, ADI Time's, and Legiant's time and attendance and human resource software, as well as the Company's Meeting Room Manager On Demand software, are delivered to customers under the "SaaS" model, which is software as a service offered on a subscription basis. In recent times, this type of software subscription has become known as "cloud-based" software subscriptions in addition to being referred to as a "SaaS" model. When purchasing any of Asure's cloud-based software solutions, customers do not need to install or maintain the software on their own servers. Additionally, purchasing an annual subscription may not require as stringent approval requirements as purchasing a perpetual license. Thus, purchasing our products on a subscription basis is becoming more appealing to customers as they try to meet operational goals while reducing capital expenditures. NetSimplicity's Meeting Room Manager cloud-based software subscription revenue increased $0.4 million or 55% while iEmployee software subscription revenue decreasing by $0.2 million, or 5%. NetSimplicity software subscription increases were driven by new sales and the accretive nature of recurring subscription revenue. Increased sales drove the monthly base of NetSimplicity software subscription revenue up 11% at the end of 2011 compared to the run rate present in December 2010. iEmployee's decline of ($0.2) million was driven by the onetime settlement revenue recognized in the first seven months of 2010 from Ceridian Corp. due to the dissolution of a reseller arrangement between Asure and Ceridian Corp as outlined in the company's Form 8-K on May 3, 2010.

During 2011, software license (NetSimplicity) revenues decreased by $0.6 million. The Company continues to focus efforts on the repetitive nature of its Meeting Room Manager On Demand software subscription product as an alternative to the one time nature of its perpetual, in-house software solution. These factors contributed to the decrease in NetSimplicity revenues of $0.2 million. ADI Time and Legiant divisions contributed $215 and $32 respectively to software license revenue in the fourth quarter of 2011. While the Company focuses its efforts on obtaining software subscription revenue from its direct customers, as opposed to one time perpetual, in house software, ADI Time's resellers are currently actively marketing both solutions. ADI perpetual revenue from resellers amounted to $129 of its $160 in revenue for the year ending December 31, 2011.

During 2011, hardware revenues decreased by $0.3 million for Asure's core business. This decrease was driven by NetSimplicity's LCD panel revenue which decreased by $0.3 million due to a shift away from a onetime revenue focus.

During 2011, Asure's core business maintenance revenue increased by $251. Contributing to this increase was new onetime license sales, and aggressive focus on both retaining and winning back maintenance customers. The Company now has an employee dedicated to customer renewals and expects to drive higher retention of current maintenance revenue to offset the fact that the Company is not actively selling this onetime license revenue to new customers in 2012. Additionally, Asure has proactively added, and continues to enforce, an auto-renew provision (absent sufficient notice) to its annual maintenance contracts in an effort to retain customers in the NetSimplicity product line specifically. The Company will be working to implement similar provisions for its acquired businesses in 2012.

Although the Company's sales have been concentrated in certain industries, including corporate, education, healthcare, governmental, legal and non-profit, Asure's total customer base is widely spread across industries. Geographically, Asure sells its products worldwide, but sales are largely concentrated in the United States and Canada. Additionally, Asure has a distribution partner in Australia. For the year ended December 31, 2011, Asure continued to target small and medium businesses and divisions of enterprises in these same industries. As the overall workforce management solutions market continues to experience significant growth related to SaaS products, Asure will continue to focus on sales of its Meeting Room Manager On Demand and iEmployee SaaS products, including NetSimplicity's Meeting Room Manager On Demand as an alternative to its perpetual in-house software solution in 2012.

In addition to continuing to develop its workforce management solutions and release new software updates and enhancements, the Company is actively exploring other opportunities to acquire additional products or technologies to complement its current software and services. In 2011, the Company acquired ADI Time and Legiant to enhance both its channel delivery capabilities and its time and labor management technology.

Gross Margin

Consolidated gross margins were $8.7 million in 2011 and $7.8 million in 2010, an increase of $0.9 million, or 11%. Consolidated gross margin percentages were 79.1% for 2011 and 77.5% for 2010.

The cost of sales relates primarily to compensation and related consulting expenses, hardware expenses and the amortization of the Company's purchased software development costs. These expenses represented approximately 78 % and 81% of the total cost of sales for the years ended December 31, 2011 and 2010, respectively. These expenses were flat, at $1.8 million, year over year. Reductions of $0.4 million in Asure's core business due to lower hardware expenses of $228 were offset by incremental acquisition cost of sales of $356 in these expense categories. The Company includes intangible amortization related to developed technology within cost of sales.

During 2012 Asure expects to continue proactively managing its cost of sales by maximizing efficiencies throughout the Company.

Selling, General and Administrative

Selling, general and administrative ("SG&A") expenses were $6.2 million in 2011 and $5.7 million in 2010, an increase of $.5 million, or 9%. SG&A expenses were 56.7% and 56.7% of total revenues for the years ended December 31, 2011 and 2010, respectively.

Of this $0.5 million increase, approximately $261 was related to the acquisitions of ADI Time and Legiant in the fourth quarter of 2011 and $262 was related to Asure's core businesses. Additionally, increased headcount related expenses, $261, was driven by increased sales expenses due to the Company's efforts to quickly ramp up a sales team to support growth with a third party provider. Travel and professional services, largely due to the firm's acquisitions of ADI Time and Legiant, amounted to increases of $90 and $50 respectively. Offsetting these increases were decreases due to the 2010 Loss on Lease Amendment and depreciation expense of $96 and $86 respectively.

Legal expenses and professional services related expenses related to acquisitions are expected to be approximately $0.2 million in 2012. Significant additional legal expenses and/or professional services related expenses may be incurred in the future during prospective due diligence if the company were to decide to engage in additional merger or acquisition related activity

Research and Development

Research and development ("R&D") expenses were $1.7 million in 2011 and $1.4 million in 2010, an increase of $232 or 16.1%. R&D expenses were 15.3% and 14.4% of total revenues for the years ended December 31, 2011 and 2010, respectively.

The increase was primarily driven by the acquisitions of ADI Time and Legiant in the fourth quarter, $264.

During the year ended December 31, 2011, Asure improved products and technologies through organic improvements and through acquired intellectual property. The workforce product line continued to innovate by adding mobile solutions, world class SaaS hosting infrastructure and a proprietary time clock product set. The proprietary time clock product set includes multiple models which incorporate keypad and touch screen user interfaces, as well as proximity card, bar code card, and biometric data input. The workforce software product lines continued to evolve through quarterly feature releases and monthly maintenance releases. These product releases continued to serve client requests, and maintain a technological edge with competition.

During the year ended December 31, 2011, Asure continued to develop the workspace product line and released enhancements to the Microsoft Outlook Plug-in, Web and Interactive LCD interfaces. Technology advances allowed the company to release new interface versions to the product including Socialview and a mobile product. These interface improvements allow clients to access the products through multiple hardware and physical locations.

Asure's development efforts for future releases and enhancements are driven by feedback received from its existing and potential customers and by gauging marketing trends. Management believes it has the appropriate development team to design and further improve its workforce management solutions.

Loss on Lease Amendment

On April 28, 2010 the Company entered into an Amendment to its current building lease with Wild Basin. Pursuant to the terms of the amended Lease, the Landlord agreed to reduce the square footage leased by the Company from 137,000 square feet to 9,000 square feet for the lease's remaining three years. In addition, the monthly rent of $299 was reduced to $20 beginning April 1, 2010. In exchange for the rent and square footage reduction, the Company made a onetime payment of $1,500 and agreed to forgo approximately $159 of monthly sub-tenant income it received from the excess space under the prior lease. Additionally, the Company forfeited its rights to any potential future net profits interest in the lease. The approxinately $1,200 loss, in 2010, consists of the following expenses; a $1,500 lease termination fee, the write-off of $186 of subtenant lease hold improvements and $45 in transaction costs. These expenses were offset by the reversal of the following liabilities; $254 of leasehold advances; $235 of leasehold impairments and $39 of other net liabilities.

Amortization of intangible assets

Amortization expenses were $0.7 million and $0.6 million in 2011 and 2010, respectively. Amortization expenses were 6.2% and 6.0% of total revenues in 2011and 2010, respectively. Upon acquiring the iEmployee business in October 2007, Asure recorded several intangible assets, which are being amortized over their estimated useful lives. The amortization expenses during the years ended December 31, 2010 relate entirely to these acquired intangible assets (see Note 5, in the accompanying financial statements), while the amortization expenses in 2011 relate as well to the acquisitions of ADI Time and Legiant in the fourth quarter of 2011.

Other Income and loss

Other loss was $668 in 2011, and other income was $20 in 2010. During 2011, the $668 was driven by embedded derivative accounting manifested as mark to market of $561 on the conversion option associated with the convertible debt and original issue discount amortization of $19. Additionally, non-cash interest expense (original issue discount) of $23 was related to the fair valuation of seller promissory notes from both the ADI and Legiant acquisitions in the fourth quarter of 2011. Interest expense in 2011, excluding the market to market and OID noted above, increased by $95 over 2010, driven primarily by $101 of acquisition related debt interest expense. Due to the global market economic environment during 2011, the Company incurred a $74 foreign exchange rate gain, related to its exposure to the Indian Rupee and the Canadian dollar, a $128 increase from 2010 loss of $54. In 2010 Asure sold its 1,312,014 shares of Common Stock in VTEL, resulting in a $130 gain. This gain was offset by interest expense and foreign exchange rate gain of $74 and loss of $54 respectively.

Income Taxes

At December 31, 2011, the Company had federal net operating loss carryforwards of approximately $119.3 million, R&D credit carryforwards of approximately $4.7 million and alternative minimum tax credit carryforwards of approximately $0.2 million. The net operating loss and R&D credit carryforwards will expire in varying amounts from 2012 through 2032, if not utilized. Minimum tax credit carryforwards carry forward indefinitely.

Utilization of the net operating losses and credit carryforwards may be subject to a substantial annual limitation due to the "change in ownership" provisions of the Internal Revenue Code of 1986. The annual limitation may result in the expiration of net operating losses before utilization.

Due to the uncertainty surrounding the timing of realizing the benefits of its favorable tax attributes in future tax returns, the Company has placed a valuation allowance against its net deferred tax asset, exclusive of goodwill. During the year ended December 31, 2011, the valuation allowance decreased by approximately $11.4 million due primarily to operations, including expirations of tax carryforwards. Approximately $8.3 million of the valuation allowance relates to tax benefits for stock option deductions included in the net operating loss carryforward which, when realized, will be allocated directly to contributed capital to the extent the benefits exceed amounts attributable to book deferred compensation expense.

Undistributed earnings of the Company's foreign subsidiaries are considered permanently reinvested and, accordingly, no provision for U.S. federal or state income taxes has been provided thereon.

Net Loss

Net loss was $0.65 million and $1.10 million in 2011 and 2010, respectively. The decrease in net loss was $0.5 million, or 43 %. Net loss as a percentage of total revenues was 5.9% and 11.3% in 2011 and 2010, respectively.

Liquidity and Capital Resources

	For the year ended December 31,	
	2011	2010
	(in thousands)	
Working capital (deficit)	$ (4,315)	$ (320)
Cash, cash equivalents and short-term investments	1,067	1,070
Cash provided by/(used in) operating activities	3,353	(939)
Cash (used in) investing activities	(10,496)	(141)
Cash provided by/(used in) financing activities	7,231	(158)

Working capital was ($4.3) million at December 31, 2011, a decrease of $4.0 million from $(320) at December 31, 2010. The decrease was due to an increase of $0.5 million in the line of credit and an increase of $0.4 million in note payable; each due to our 2011 acquisitions. In addition, deferred revenue increased $3.0 million in 2011 compared to 2010.

Cash provided by operating activities was $3,353 in the year ending December 31, 2011 and was $0.93 million in the year ending December 31, 2010. The $3.4 million of cash provided by operating activities during the year ended December 31, 2011 was primarily driven by growth in deferred revenue of $1.5 million, non-cash depreciation and amortization of $1.0 million and an increase in accounts payable of $0.4 million. The $0.9 million used during the year ended December 31, 2010 was due primarily to $1.1 million in net loss which was driven by the one-time amendment to the Company's building lease with WB One & Two, Ltd.

Cash used in investing activities for the year ending December 31, 2011 was $10.4 million. Components of this $10.4 million include the acquisitions of ADI Time and Legiant of $10.4 million and purchases of property and equipment of $0.2 million. Cash used in investing activities was $141 for the year ending December 31, 2010 due to net purchases of property and equipment. Asure's current operations are not capital intensive, however management does anticipate approximately $0.4 to $0.7 million in capital expenditures to both upgrade our cloud infrastructure and position it for growth during the next calendar year in 2012.

Cash provided by financing activities of $7.2 million was driven by debt raised for the acquisitions of ADI and Legiant during the year ended December 31, 2011. Cash used in financing activities was $158 for the year ending December 31, 2010 related to the repurchase of treasury stock for $110 and payments on capital leases of $48. Management believes it currently has sufficient cash and short-term investments on hand to fund its operations during the next twelve months and beyond without needing to obtain long-term financing.

Pursuant to Asure's stock repurchase plan, the Company is allowed to repurchase up to 300,000 shares (adjusted for the 10 to 1 reverse stock split) of the Company's common stock. During the year ended December 31, 2010 Asure repurchased 43,364 shares of common stock for $110. In total, Asure has repurchased 256,107 shares for approximately $5.0 million over the life of the plan. These shares are held in Treasury. The Company did not purchase any stock under this plan during the year ending December 31, 2011. Management will periodically assess repurchasing additional shares, depending on the Company's cash position, market conditions and other factors.

As of December 31, 2011, Asure's principal source of liquidity consisted of approximately $1,067 of current cash and cash equivalents as well as future cash generated from operations. The Company believes that it has and/or will generate sufficient cash for its short and long term needs including any required debt payments. The Company is continuing to reduce expenses and thus may utilize its cash balances in the short-term to reduce long-term costs. The Company expects that it will be able to generate positive cash flows from operating activities in the next calendar year as well.

Management is focused on growing its existing software operations and looking to make strategic acquisitions in the near future. Any acquisitions will be funded with cash on the balance sheet, cash from operations, debt raised and/or through the issuance of equity.

There is no assurance that the Company will be able to grow its cash balances or limit its cash consumption and thus maintain sufficient cash balances, and it is possible that the Company's future business demands may lead to cash utilization at levels greater than recently experienced. Management believes that the Company has sufficient capital and liquidity to fund and cultivate the growth of its current and future operations for the next 12 months and thereafter. However, due to uncertainties related to the timing and costs of these efforts, Asure may need to raise additional capital in the future. There is no assurance that the Company will be able to raise additional capital if and when it is needed.

CRITICAL ACCOUNTING POLICIES

The Company's consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles and include the accounts of Asure's wholly owned subsidiaries. All significant intercompany transactions and balances have been eliminated in the consolidation. Preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are subjective in nature and involve judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at fiscal year end and the reported amounts of revenues and expenses during the fiscal year. The more significant estimates made by management include the valuation allowance for the gross deferred tax asset, contingency legal reserves, lease impairment, useful lives of fixed assets, the determination of the fair value of its long-lived assets, and the fair value of assets acquired and liabilities assumed during the iEmployee acquisition. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the given circumstances. These estimates could be materially different under different conditions and assumptions. Additionally, the actual amounts could differ from the estimates made. Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation.

Management believes the following represent Asure's critical accounting policies:

Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable and collectability is probable. The Company recognizes software revenue in accordance with FASB ASC 985-605, Revenue Recognition – (FASB ASC 985-605). The Company's revenues consists of software license, software subscription and service fees. Revenue from the software element is earned through the licensing or right to use the Company's software and from the sale of specific software products. Service fee income is earned through the sale of maintenance and technical support, training and installation. Revenue from the sale of hardware devices is recognized upon shipment of the hardware. Asure also sells multiple elements within a single sale.

Since the Company currently offers software both as a perpetual license and as software as a service, revenue recognition varies based on which of these forms of software the customer purchases.

When the Company sells software licenses in a multiple element arrangement and vendor-specific objective evidence ("VSOE") of fair value is available for the undelivered element, sales revenue is generally recognized on the date the product is shipped, using the residual method, with a portion of revenue recorded as deferred (unearned) due to the applicable undelivered elements. VSOE of fair value for the maintenance, training and installation services are based on the prices charged for the maintenance and services when sold separately. Undelivered elements for our multiple element arrangements with a customer are generally restricted to post contract support, training and install. The amount of revenue allocated to these undelivered elements is based on the VSOE of fair value for those undelivered elements. Deferred revenue due to undelivered elements is recognized ratably on a straight-line basis over the service period (typically one year) or when the service is completed. When VSOE of fair value is not available for the undelivered element of a multiple element arrangement, sales revenue is generally recognized ratably, on a straight-line basis over the service period of the undelivered element. The Company's training and installation services are not essential to the functionality of the Company's products as such services can be provided by a third party or the customers themselves.

The Company also sells software subscriptions and may at times sell related setup, implementation and professional services in the same arrangement. Setup and implementation services typically occur at start of the software subscription period, while certain professional services may not occur until several months later depending on the nature of the services and the customer requirements. Prior to January 1, 2010, the Company recognized the total contract value of software subscriptions and related services ratably as a single unit of accounting over the contract term, beginning when the customer was able to utilize the software. Subsequent to the adoption of the updated FASB ASC 605, the Company accounts each of these elements as separate accounting units. The Company allocates the value of the arrangement to each unit of accounting based on vendor specific objective evidence of selling price, when it exists, third-party evidence of selling prices for like services or estimated selling price. Software subscription service revenues are recognized pro-rata over the life of the software subscription contract, while the related setup, implementation or professional services revenues are recognized upon completion. The result of the adoption is an immaterial acceleration of setup, implementation and professional service revenues related to software subscription transactions

The Company does not recognize revenue for agreements with rights of return, refundable fees, cancellation rights or acceptance clauses until such rights of return, refund or cancellation have expired or acceptance has occurred. The Company's arrangements with resellers do not allow for any rights of return.

Deferred revenue includes amounts received from customers in excess of revenue recognized, and is comprised of deferred maintenance, service and other revenue. Deferred revenues are recognized in the Consolidated Statements of Operations when the service is completed and over the terms of the arrangements, primarily ranging from one to three years.

Intangible Assets and Goodwill

The Company records the assets acquired and liabilities assumed in business combinations at their respective fair values at the date of acquisition, with any excess purchase price recorded as goodwill. Valuation of intangible assets and in-process research and development entails significant estimates and assumptions including, but not limited to, estimating future cash flows from product sales, developing appropriate discount rates, estimating probability rates for the continuation of customer relationships and renewal of customer contracts, and approximating the useful lives of the intangible assets acquired U.S. GAAP requires that intangible assets other than goodwill with an indefinite life should not be amortized until their life is determined to be finite, and all other intangible assets must be amortized over their useful lives. The Company is currently amortizing its acquired intangible assets with definite lives over periods ranging from one to nine years.

Impairment of Intangible Assets and Long-Lived Assets

In accordance with FASB ASC 350, Asure reviews and evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that their net book value may not be recoverable. When such factors and circumstances exist, including those noted above, the Company compares the assets' carrying amounts against the estimated undiscounted cash flows to be generated by those assets over their estimated useful lives. If the carrying amounts are greater than the undiscounted cash flows, the fair values of those assets are estimated by discounting the projected cash flows. Any excess of the carrying amounts over the fair values are recorded as impairments in that fiscal period.

On May 3, 2010, the Company and Ceridian Corporation ("Ceridian"), a reseller of the Company's iEmployee products, entered into an agreement by which joint customers of the Company and Ceridian were given until July 31, 2010 to choose either to (i) contract directly with the Company to continue using our goods and services, or (ii) continue using Ceridian's offerings that may not include the Company's products and services. Depending on the number of customers that contracted with Asure and the related pricing, the cash flows associated with the Ceridian customers may vary from historical levels. Thus the Company tested the Ceridian customer relationships intangible asset for impairment in accordance with FASB ASC 350. The Company compared the asset's carrying amount against the estimated undiscounted cash flows to be generated from the customers that contracted with Asure over the estimated useful life of the intangible asset. The undiscounted cash flows from the intangible asset exceeded the carrying value of the intangible asset and thus no impairment was required.

Recent Accounting Pronouncements

In October 2009, the FASB updated FASB ASC 605, *Revenue Recognition* (FASB ASC 605) to address how to determine whether an arrangement involving multiple deliverables contains more than one unit of accounting and how the arrangement consideration should be measured and allocated to the separate units of accounting. This guidance eliminates the residual method and replaces it with the "relative selling price" method when allocating revenue in a multiple deliverable arrangement. The selling price for each deliverable shall be determined using vendor specific objective evidence of selling price, if it exists, otherwise third-party evidence of selling price shall be used. If neither exists for a deliverable, the vendor shall use its best estimate of the selling price for that deliverable. After adoption, this guidance will also require expanded qualitative and quantitative disclosures. The updated FASB ASC 605 is effective for the Company's revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010, with early adoption permitted. The Company adopted the updated FASB ASC 605 on January 1, 2010 on a prospective basis for any new contracts entered into after the date of adoption. The adoptions of this ASC update did not have a material impact to its condensed consolidated statement of operations for the three and nine months ended September 30, 2010 and 2009. However, the Company cannot predict whether the impact of this update will have a material impact in future quarters due to potential changes in products and product mix. Prior to the adoption of the updated FASB ASC 605, the Company accounted for its software subscriptions and related setup, implementation and professional services as a single accounting unit. Thus all revenues associated with such an arrangement were recognized pro-rata over the life of the software subscription service contract. Subsequent to the adoption of the updated FASB ASC 605, the Company accounts for each of these elements as separate accounting units. Thus the software subscription service revenue is recognized pro-rata over the life of the software subscription contract, while the related setup and implementation revenues are recognized upon completion. The result of the adoption is an immaterial acceleration of setup and implementation revenues related to software subscriptions.

On May 12, 2011, the FASB issued ASU 2011-04 (Topic 220): Fair Value Measurement. The new guidance creates a uniform framework for applying fair value measurement principles. It eliminates differences between GAAP and International Financial Reporting Standards issued by the International Accounting Standards Board. New disclosures required by the guidance include: quantitative information about the significant unobservable inputs used for Level 3 measurements; a qualitative discussion about the sensitivity of recurring Level 3 measurements to changes in the unobservable inputs disclosed, including the interrelationship between inputs; and a description of the company's valuation processes. This guidance is effective for interim and annual periods beginning after December 15, 2011, and all amendments will be applied prospectively with any changes in measurements recognized in income in the period of adoption. The Company is currently evaluating the impact of this standard on the financial statements and related disclosures, but is not expected to be material to the Company's consolidated financial statements.

On June 17, 2011, the FASB issued ASU 2011-05 (Topic 820): Comprehensive Income. The new guidance amends disclosure requirements for the presentation of comprehensive income. The amended guidance eliminates the option to present components of other comprehensive income ("OCI") as part of the statement of changes in shareholders' equity. All changes in OCI will be presented either in a single continuous statement of comprehensive income or in two separate but consecutive financial statements. The guidance does not change the items that must be reported in OCI. This guidance is effective for fiscal years and interim reporting periods within those years beginning after December 15, 2011 with early adoption permitted. The adoption of this guidance will not impact the Company's consolidated financial position, results of operations or cash flows and will only impact the presentation of OCI in the consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is a smaller reporting company as defined by Rule 12b-2 under the Exchange Act and is not required to provide the information required under this item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and supplementary data required by this Item 8 are listed in Items 15 (1) and (2) of Part III of this Report (*Exhibits, Financial Statement Schedules*).

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Control and Procedures

Based on an evaluation under the supervision and with the participation of the Company's management, the Company's principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act were effective as of December 31, 2011 to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms and (ii) accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act. Management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting based on the criteria set forth in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on the Company's assessment, management has concluded that its internal control over financial reporting was effective as of December 31, 2011 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with U.S. generally accepted accounting principles.

This annual report does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's independent registered public accounting firm pursuant to the rules of the Securities and Exchange Commission that permit the Company to provide only management's reporting in this annual report.

ITEM 9B. OTHER INFORMATION

None.

PART III
(Amounts in thousands, except per share data or otherwise noted)

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required under this item is incorporated by reference from the Company's definitive proxy statement relating to its annual meeting of shareholders, which will be filed with the Securities and Exchange Commission within 120 days of the end of calendar year 2011.

ITEM 11. EXECUTIVE COMPENSATION

The information required under this item is incorporated by reference from the Company's definitive proxy statement relating to its annual meeting of shareholders, which will be filed with the Securities and Exchange Commission within 120 days of the end of calendar year 2011.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required under this item, with the exception of the table provided below, is incorporated by reference from the Company's definitive proxy statement relating to its annual meeting of shareholders, which will be filed with the Securities and Exchange Commission within 120 days of the end of calendar year 2011.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information as of December 31, 2011 with respect to the shares of the Company's common stock that may be issued under the Company's existing equity compensation plans.

	A	B	C
Plan Category	**Number of Securities to be Issued upon Exercise of Outstanding Options**	**Weighted Average Exercise Price of Outstanding Options**	**Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column A)**
Equity Compensation Plans Approved by Stockholders (1)	353	$ 3.42	-0-
Equity Compensation Plans Not Approved by Stockholders (2)	-0-	$ -0-	-0-
Total	353	$ 3.42	-0-

(1) Consists of the 1996 Stock Option Plan and the 2009 Equity Plan. A description of the 2009 Equity Plan required by this Item 12 is contained in Note 10 of the Item 15(a)((1) of Part IV of this Report (Exhibits, Financial Statement Schedules).

(2) All of the Company's equity compensation plans have been previously approved by the Company's stockholders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required under this item is incorporated by reference from the Company's definitive proxy statement relating to its annual meeting of shareholders, which will be filed with the Securities and Exchange Commission within 120 days of the end of calendar year 2011.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required under this item is incorporated by reference from the Company's definitive proxy statement relating to its annual meeting of shareholders, which will be filed with the Securities and Exchange Commission within 120 days of the end of calendar year 2011.

PART IV
(Amounts in thousands, except per share data or otherwise noted)

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Financial Statements and Financial Statements Schedules

(1) The following financial statements of the Company are filed as a part of this Report:

Report of Independent Registered Public Accounting Firm

Consolidated Financial Statements

Consolidated Balance Sheets as of December 31, 2011 and 2010

Consolidated Statements of Operations for the twelve months ended December 31, 2011 and December 31, 2010

Consolidated Statements of Changes in Stockholders' Equity for the twelve months ended December 31, 2011 and December 31, 2010

Consolidated Statements of Cash Flows for the twelve months ended December 31, 2011 and December 31, 2010

Notes to Consolidated Financial Statements

(2) Financial Statement Schedules:

All schedules for which provision is made in the applicable account regulation of the Securities and Exchange Commission are either not required under the related instructions, are inapplicable or the required information is included elsewhere in the Consolidated Financial Statements and incorporated herein by reference.

(b) Exhibits

The exhibits filed in response to Item 601 of Regulations S-K are listed in the Index to the Exhibits.

Index To Financial Statements and Financial Statement Schedules (Item 15(a)(1) of Part IV)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Asure Software, Inc.

We have audited the accompanying consolidated balance sheets of Asure Software, Inc. as of December 31, 2011 and 2010, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for each of the two years in the period ended December 31, 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Asure Software, Inc. at December 31, 2011 and 2010, and the consolidated results of its operations and its cash flows for each of the two years in the period ended December 31, 2011, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Austin, Texas
March 30, 2012

ASURE SOFTWARE, INC.
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands)

	December, 31	
	2011	**2010**
Assets		
Current assets:		
Cash and cash equivalents	$ 1,067	$ 1,070
Accounts receivable, net of allowance for doubtful accounts of $19 and $46 at December 31, 2011 and 2010, respectively	1,483	1,239
Inventory	116	25
Notes receivable	96	62
Prepaid expenses	338	255
Total current assets	**3,100**	**2,651**
Notes receivable	-	60
Property and equipment, net	414	281
Goodwill	6,264	-
Intangible assets, net	6,307	2,844
Total assets	**$ 16,085**	**$ 5,836**
Liabilities and Stockholders' Equity		
Current liabilities:		
Line of Credit	$ 500	$ -
Current portion of notes payable	349	-
Accounts payable	1,097	560
Accrued compensation and benefits	141	95
Other accrued liabilities	536	361
Deferred revenue	4,792	1,955
Total current liabilities	**7,415**	**2,971**
Long-term liabilities:		
Deferred revenue	169	116
Subordinated notes payable	4,323	-
Subordinated convertible notes payable	1,247	-
Derivative liability	835	-
Other long-term obligations	32	25
Total long-term liabilities	**6,606**	**141**
Stockholders' equity:		
Preferred stock, $.01 par value; 1,500 shares authorized; none issued or outstanding	--	--
Common stock, $.01 par value; 6,500 shares authorized; 3,343 and 3,341 shares issued, 3,087 and 3,085 shares outstanding at December 31, 2011 and 2010, respectively	334	334
Treasury stock at cost, 256 and 256 shares at December 31, 2011 and 2010, respectively	(5,017)	(5,017)
Additional paid-in capital	271,065	270,978
Accumulated deficit	(264,190)	(263,541)
Accumulated other comprehensive loss	(128)	(30)
Total stockholders' equity	**2,064**	**2,724**
	$ 16,085	**$ 5,836**

The accompanying notes are an integral part of these consolidated financial statements.

ASURE SOFTWARE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share data)

	Twelve Months December 31, 2011	Twelve Months December 31, 2010
Revenues	$ 10,941	$ 10,033
Cost of sales	2,289	2,259
Gross Margin	**8,652**	**7,774**
Operating Expenses		
Selling, general and administrative	6,203	5,693
Research and development	1,678	1,445
Loss on lease agreement	-	1,203
Amortization of intangible assets	680	598
Total operating expenses	**8,561**	**8,939**
Income (Loss) From Operations	**91**	**(1,165)**
Other Income (Expenses)		
Interest income	10	5
Gain on sale of assets	-	5
Gain on Investments	-	130
Foreign currency translation (loss) gain	74	(54)
Interest expense and other	(148)	(66)
Interest expense – amortization of OID and derivative mark-to-market	(604)	
Total other income (loss)	**(668)**	**20**
Loss From Operations before Income Taxes	**(577)**	**(1,145)**
Benefit (provision) for income taxes	(72)	8
Net Loss	**$ (649)**	**$ (1,137)**
Basic and Diluted Loss Per Share		
Basic	$ (0.21)	$ (0.37)
Diluted	$ (0.21)	$ (0.37)
Weighted Average Basic and Diluted Shares		
Basic	3,085	3,087
Diluted	3,085	3,087

The accompanying notes are an integral part of these consolidated financial statements.

ASURE SOFTWARE, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Amounts in thousands)

	Common Stock Outstanding	Common Stock Amount	Treasury Stock	Additional Paid-in Capital	Accumulated Deficit	Other Comprehensive Income (Loss)	Total Stockholders' Equity
BALANCE AT DECEMBER 31, 2009	**3,128**	**$ 334**	**$ (4,907)**	**$ 270,925**	**$ (262,404)**	**$ (70)**	**$ 3,878**
Stock compensation				53			53
Net loss					(1,137)		(1,137)
Purchase of treasury stock	(43)		(110)				(110)
Other comprehensive income						40	40
BALANCE AT DECEMBER 31, 2010	**3,085**	**$ 334**	**$ (5,017)**	**$ 270,978**	**$ (263,541)**	**$ (30)**	**$ 2,724**
Stock compensation				81			81
Stock issued upon option exercise	2			6			6
Net loss					(649)		(649)
Other comprehensive income						(98)	(98)
BALANCE AT DECEMBER 31, 2011	**3,087**	**$ 334**	**$ (5,017)**	**$ 271,065**	**$ (264,190)**	**$ (128)**	**$ 2,064**

The accompanying notes are an integral part of these consolidated financial statements.

ASURE SOFTWARE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	Twelve Months December 31, 2011	Twelve Months December 31, 2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (649)	$ (1,137)
Adjustments to reconcile net loss to net cash used in operations:		
Depreciation and amortization	1,050	1,016
Amortization of leasehold advance and lease impairment	-	(758)
Provision for doubtful accounts	10	13
Share-based compensation	81	53
Amortization of original issue discount (OID)	46	-
Gain on sale of assets	-	(23)
Derivative mark-to market	561	-
Loss on disposal of subtenant leasehold improvements	-	199
Issuance of note receivable	-	(122)
Changes in operating assets and liabilities:		
Accounts receivable	192	274
Inventory	(5)	24
Prepaid expenses and other current assets	(70)	(42)
Accounts payable	377	(456)
Accrued expenses and other long-term obligations	257	(173)
Deferred revenue	1,503	193
Net cash provided by /(used in) operating activities	**3,353**	**(939)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net purchases of property and equipment	(121)	(141)
Collection of note receivable	26	-
Acquisitions of ADI Time net of Cash acquired	(6,697)	-
Acquisitions of Legiant net of Cash acquired	(3,704)	-
Net cash (used in)/provided by investing activities	**(10,496)**	**(141)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from issuance of stock	-	-
Payments on capital leases	(58)	(48)
Net proceeds from exercise of stock options	6	-
Proceeds from Line of credit, subordinated notes payable and subordinated convertible notes payable	7,283	-
Purchase of treasury stock	-	(110)
Net cash provided by/(used in) financing activities	**7,231**	**(158)**
Effect of translation exchange rates	**(91)**	**45**
Net decrease in cash and equivalents	**(3)**	**(1,193)**
Cash and equivalents at beginning of period	**1,070**	**2,263**
Cash and equivalents at end of period	**$ 1,067**	**$ 1,070**
SUPPLEMENTAL INFORMATION:		
Interest Paid	5	-
Issuance of note receivable for sale of VTEL common stock		120

The accompanying notes are an integral part of these consolidated financial statements.

ASURE SOFTWARE, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except per share data or otherwise noted)

NOTE 1 - THE COMPANY

Asure Software, Inc. ("Asure" or the "Company"), a Delaware corporation d/b/a Asure Software and incorporated in 1985, is a provider of web-based workforce management solutions that enable organizations to manage their office environment as well as their human resource and payroll processes effectively and efficiently.

In September 2007, the Company announced its name change to “Asure Software” to reflect the Company’s focus on its software business for its future growth. In October 2007, Asure purchased iSarla Inc., a Delaware corporation and application service provider that offers on-demand software solutions that help simplify the human resource process and improve employee productivity by managing and communicating human resources, employee benefits and payroll information. Under the trade name “iEmployee,” these web-based solutions include Time & Attendance, Timesheets, Human Resource Benefits, Expenses and others. Asure’s software business also includes software products and services from its NetSimplicity product line, which provides simple and affordable solutions to common office administration problems. NetSimplicity’s flagship product, Meeting Room Manager, automates the entire facility scheduling process: reserving rooms, requesting equipment, ordering food, sending invitations, reporting on the meeting environment and more.

Effective September 19, 2008, the Company transferred the listing of its common stock from the Nasdaq Global Market Exchange to the Nasdaq Capital Market Exchange. The Company’s trading symbol continued to be “ASUR” and the trading of the Company’s stock was unaffected by this change. As a result of this transfer, Asure was provided an additional 180 calendar days, or until February 2, 2009, to regain compliance with the minimum $1.00 share bid price requirement pursuant to Nasdaq Marketplace Rule 4450(a)(5).

Due to the continued unprecedented market conditions, Nasdaq, on several occasions, further suspended the enforcement of its rules requiring a minimum $1.00 share bid price for all Nasdaq-listed companies. Consequently, Asure’s current compliance deadline had been extended until November 17, 2009. As a method of gaining the required $1.00 share bid price, effective on December 28, 2009, Asure implemented a reverse stock split approved by Asure’s stockholders at the December 17, 2009 Annual Meeting. Pursuant to the reverse stock split, every ten shares of issued and outstanding common stock of Asure, $.01 par value per share were automatically converted to one issued and outstanding share of common stock without any change in the par value of such shares. Historical share data presented in these consolidated financial statements and notes thereto have been restated to reflect this reverse stock split as of the date earliest presented herin.

On January 29, 2009, Asure’s Board announced its plan to take the Company private. Due to concerns including the loss of liquidity and reduced requirements for regular financial reporting and disclosure, a group of shareholders led by Red Oak Fund, LP (“Red Oak”) opposed the go-private effort. As shareholder vote counts indicated a majority of shareholders also opposed the Go-Private effort, the Board canceled the special meeting and withdrew its proposal to go private. Subsequently, Red Oak nominated a slate of board directors, who were elected to replace Asure’s prior Board during the Company’s annual shareholders’ meeting on August 28, 2009. In addition to a new board of directors, the Company is currently managed by a new Chief Executive Officer, who the new board of directors believes will be able to implement its strategy for growing the software business and achieving profitability and positive cash flows. However, uncertainties and challenges remain and there can be no assurances that Asure's current strategy will be successful.

On November 24, 2009, the Board of Directors of the Company approved a change in the Company's fiscal year end from July 31 to December 31 of each year. This change to the calendar year reporting cycle began January 1, 2010.

Effective December 17, 2009 the shareholders voted to approve an amendment to the Company’s Restated Certificate of Incorporation to change the Company’s name from Forgent Networks, Inc. to Asure Software, Inc

On October 1, 2011, the Company, through ADI Software, LLC, a wholly owned subsidiary of the Company (“Purchaser”), purchased substantially all of the assets and assumed certain liabilities of ADI Time, LLC (“Seller”) relating to its time and attendance software and management services business, pursuant to an Asset Purchase Agreement (“APA”) by and among the Company, Purchaser and Seller. The APA contains certain customary representations, warranties, indemnities and covenants of the Company, Purchaser and Seller.

The purchase price for the assets consisted of $6,000 in cash and a promissory note of the Purchaser (“Purchaser Note”) in the aggregate principal amount of $1,095. The Purchaser Note bears interest at an annual rate of 0.16%, will mature on October 1, 2014, and is guaranteed by the Company. The Purchaser may offset any indemnification payments owed by the Seller under the APA against up to $1 million under the Purchaser Note. The cash portion of the purchase price was funded with the Company’s cash on hand and proceeds from the Credit Agreement and the Subordinated Notes. (further discussed in Note 4)

ASURE SOFTWARE, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except per share data or otherwise noted)

On December 14, 2011, the Company, through Asure Legiant, LLC, a wholly owned subsidiary of the Company ("Purchaser"), purchased substantially all of the assets and assumed certain liabilities of WG Ross Corp., d/b/a Legiant ("Seller"), relating to its cloud computing time and attendance software and management services pursuant to an Asset Purchase Agreement ("APA") by and among the Company, Purchaser, Seller and, with respect to Section 6.6 only, ADI Software, LLC, a wholly owned subsidiary of the Company. The APA contains certain customary representations, warranties, indemnities and covenants of the Company, Purchaser and Seller.

The purchase price for the assets was $4,000, consisting of $1,511 in cash and three subordinated promissory notes of the Purchaser in the aggregate principal amount of $2,489, as adjusted pursuant to the terms of the APA. One of the promissory notes is for an aggregate principal amount of $250 bears interest at an annual rate of 0.20%, and will mature on February 1, 2012. The second promissory note is for an aggregate principal amount of $478 bears interest at an annual rate of 5.00%, and will mature on October 1, 2014. The third promissory note is for an aggregate principal amount of $1,761 bears interest at an annual rate of 0.20%, and will mature on October 1, 2014. The Purchaser may offset any indemnification payments owed by the Seller under the APA against up to $1 million under the third promissory note. All three promissory notes are guaranteed by the Company and are subordinated to the Company's bank financing. The cash portion of the purchase price was funded with the Company's cash on hand and proceeds from the Company's bank financing.

According to the Nasdaq Capital Markets Rule 5550 (b) on Continue Listing Standards for Primary Equity Securities, the Company failed to meet the minimum stockholders' equity requirement of $2,500 as of December 31, 2011. The Company's stockholders' equity as of December 31, 2011 was $2,064. The Company did not meet this requirement primarily due to the mark-to-market impact of the derivative liability associated with the subordinated convertible notes outstanding. Subsequent to December 31, 2011, the terms of the subordinated convertible notes were amended to eliminate the embedded derivative features resulting in a settlement or extinguishment of the derivative liability. The Company estimates that the impact of this transaction will result in the Company exceeding the minimum stockholders' equity requirement as of March 31, 2012. The Company has informed Nasdaq's MarketWatch department regarding this matter.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

Asure's consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles and include the accounts of the Company and its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation. Certain reclassifications have been made to prior year's financial statement to conform to the current year presentation.

SEGMENTS

The chief operating decision maker is the Company's Chief Executive Officer who reviews financial information presented on a company-wide basis. Accordingly, in accordance with ASC 280, the Company determined that is has a single reporting segment and operating unit structure.

USE OF ESTIMATES

Preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are subjective in nature and involve judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at fiscal year end and the reported amounts of revenues and expenses during the fiscal year. The more significant estimates made by management include the valuation allowance for the gross deferred tax assets, lease impairment, useful lives of fixed assets, the determination of the fair value of its long-lived assets, and the fair value of assets acquired and liabilities assumed during the iEmployee, ADI Time and Legiant acquisitions. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the given circumstances. These estimates could be materially different under different conditions and assumptions. Additionally, the actual amounts could differ from the estimates made. Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation.

LIQUIDITY

As of December 31, 2011, Asure's principal source of liquidity consisted of $1,067 of current cash and cash equivalents as well as future cash generated from operations. Cash and equivalents were $1,070 at December 31, 2010. While the cash balance is relatively unchanged from prior year, the Company used approximately $3.1 million in operating cash flow in the acquisitions of ADI Time and Legiant in the fourth quarter of 2011. The Company believes that it has and/or will generate sufficient cash for its short and long term needs. The Company may continue to reduce expenses and thus may utilize its cash balances in the short-term to reduce long-term costs. The Company expects that it will be able to generate positive cash flows from operating activities in the next calendar year as well.

Management is focused on growing its existing software operations and looking to make strategic acquisitions in the near future. In the short-term, any acquisitions will be funded with cash on the balance sheet, cash from operations, and cash or debt raised from outside sources as well as with equity.

There is no assurance that the Company will be able to grow its cash balances or limit its cash consumption and thus maintain sufficient cash balances, and it is possible that the Company's future business demands may lead to cash utilization at levels greater than recently experienced. Management believes that the Company has sufficient capital and liquidity to fund and cultivate the growth of its current and future operations for the next 12 months and thereafter. However, due to uncertainties related to the timing and costs of these efforts, Asure may need to raise additional capital in the future. There is no assurance that the Company will be able to raise additional capital if and when it is needed.

ASURE SOFTWARE, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except per share data or otherwise noted)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash deposits and highly liquid investments with an original maturity of three months or less when purchased.

FAIR VALUE OF FINANCIAL INSTRUMENTS

We apply the authoritative guidance on fair value measurements for financial assets and liabilities that are measured at fair value on a recurring basis, and non-financial assets and liabilities such as goodwill, intangible assets and property and equipment that are measured at fair value on a non-recurring basis.

CREDIT POLICY

The Company reviews potential customers' credit ratings to evaluate customers' ability to pay an obligation within the payment term, which is usually net thirty days. When payment is reasonably assured and no known barriers exist to legally enforce the payment, the Company extends credit to customers. An account is placed on "Credit Hold" if a placed order exceeds the credit limit and may be placed on "Credit Hold" sooner if circumstances warrant. The Company follows its credit policy consistently and constantly monitors all of its delinquent accounts for indications of uncollectability.

DERIVATIVE

The Company's convertible notes payable contain embedded derivative instruments related to the conversion feature that are accounted for separately. The fair values of these instruments are re-measured each reporting period and a gain or loss is recorded for the change in fair value.

CONCENTRATION OF CREDIT RISK

The Company grants credit to customers in the ordinary course of business. Concentrations of credit risk related to the Company's trade accounts receivable are limited due to the large number of customers, including third-party resellers, and their dispersion across several industries and geographic areas. The Company performs ongoing credit evaluations of its customers and maintains reserves for potential credit losses. The Company requires advanced payments or secured transactions when deemed necessary.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Company maintains an allowance for doubtful accounts at an amount estimated to be sufficient to provide adequate protection against losses resulting from extending credit to the Company's customers. This allowance is based in the aggregate, on historical collection experience, age of receivables, and general economic conditions. The allowance for doubtful accounts also considers the need for specific customer reserves based on the customer's payment experience, credit-worthiness and age of receivable balances. Asure's bad debts have not been material and have been within management expectations. The allowances for doubtful accounts as of December 31, 2011 does not include $61 in Provision for Doubtful accounts from the Company's acquisitions in the fourth quarter of 2011. The allowances for doubtful accounts as of December 31, 2011and 2010 are as follows:

	BALANCE AT BEGINNING OF YEAR	PROVISION FOR DOUBTFUL ACCOUNTS RECEIVABLE	WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS RECEIVABLE	BALANCE AT END OF YEAR
Year ended December 31, 2011	$ 46	10	(37)	$ 19
Year ended December 31, 2010	34	51	(39)	$ 46

ASURE SOFTWARE, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except per share data or otherwise noted)

INVENTORY

Inventory consists of finished goods and is stated at the lower of cost or market. Inventory includes purchased LCD panels and a full range of biometric and card recognition clocks that are sold as part of the Company's workforce management solutions as well as its human resource and payroll processes to complement its NetSimplicity, Time and Labor Management (ADI Time, Legiant and iEmployee) software products respectively. The Company routinely assesses its on-hand inventory for timely identification and measurement of obsolete, slow-moving or otherwise impaired inventory.

PROPERTY AND EQUIPMENT

Property and equipment, including software, furniture and equipment, are recorded at cost less accumulated depreciation. Internal support equipment is video teleconferencing equipment used internally for purposes such as sales and marketing demonstrations, Company meetings, testing, troubleshooting customer problems and engineering, and is recorded at manufactured cost, if the Company constructed the asset or is recorded at cost, if purchased. Depreciation is recorded using the straight-line method over the estimated economic useful lives of the assets, which range from two to five years. Property and equipment also includes leasehold improvements and capital leases, which are recorded at cost less accumulated amortization. Amortization of leasehold improvements and capital leases is recorded using the straight-line method over the shorter of the lease term or over the life of the respective assets, as applicable. Gains or losses related to retirements or disposition of fixed assets are recognized in the period incurred. Repair and maintenance costs are expensed as incurred. The Company periodically reviews the estimated economic useful lives of its property and equipment and makes adjustments, if necessary, according to the latest information available.

BUSINESS COMBINATIONS

We accounted for the acquisitions using the acquisition method of accounting based on ASC 805—*Business Combinations*, which requires recognition and measurement of all identifiable assets acquired and liabilities assumed at their full fair value as of the date control is obtained. The fair value of assets acquired and liabilities assumed has been determined based upon our estimates of the fair values of assets acquired and liabilities assumed in the acquisitions. Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired. While we used our best estimates and assumptions to measure the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, not to exceed one year from the date of acquisition, any changes in the estimated fair values of the net assets recorded for the acquisitions will result in an adjustment to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to our consolidated statements of operations.

GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill represents the excess of the purchase price in a business combination over the fair value of net tangible and intangible assets acquired in a business combination. Goodwill is tested for impairment on an annual basis in the fourth fiscal quarter of each year, and between annual tests if indicators of potential impairment exist, using a fair-value-based approach. See Note 4 for additional information regarding goodwill. Intangible assets that are not considered to have an indefinite useful life are amortized using the straight-line method over their estimated period of benefit, which generally ranges from one to ten years. Each period we evaluate the estimated remaining useful life of intangible assets and assess whether events or changes in circumstances warrant a revision to the remaining period of amortization or indicate that impairment exists. No impairments of finite-lived intangible assets have been identified during any of the periods presented. See Note 5 for additional information regarding intangible assets.

IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with FASB ASC 350, Asure reviews and evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that their net book value may not be recoverable. When such factors and circumstances exist, including those noted above, the Company compares the assets' carrying amounts against the estimated undiscounted cash flows to be generated by those assets over their estimated useful lives. If the carrying amounts are greater than the undiscounted cash flows, the fair values of those assets are estimated by discounting the projected cash flows. Any excess of the carrying amounts over the fair values are recorded as impairments in that fiscal period. No impairment of long-lived assets has been identified during any of the periods presented.

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ORIGINAL ISSUE DISCOUNTS

Original issue discounts, when incurred on the issuance of debt, are recognized as a reduction of the current loan obligations and amortized to interest expense over the life of the related indebtedness using the effective interest rate method. The Company's original issue discounts were $518 at October 1, 2011 and an additional $382 on December 14, 2011 for the ADI Time and Legiant acquisitions, respectively. At the time of any repurchases or retirements of related debt, the remaining amount of net original issue discounts will be written off and included in the calculation of gain/(loss) on retirement in the consolidated statement of operations. We recognized amortization of original issue discounts totaling $44 during the year ended December 31, 2011 which has been recorded in interest expense – amortization of OID and derivative mark-to-market in the consolidated statement of operations.

REVENUE RECOGNITION

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable and collectability is probable. The Company recognizes software revenue in accordance with FASB ASC 985-605, Revenue Recognition (FASB ASC 985-605). The Company's revenues consists of software license, software subscription and service fees. Revenue from the software element is earned through the licensing or right to use the Company's software and from the sale of specific software products. Service fee income is earned through the sale of maintenance and technical support, training and installation. Revenue from the sale of hardware devices is recognized upon shipment of the hardware. Asure also sells multiple elements within a single sale.

Since the Company currently offers software both as a perpetual license and as software as a service, revenue recognition varies based on which of these forms of software the customer purchases.

When the Company sells software licenses in a multiple element arrangement and vendor-specific objective evidence ("VSOE") of fair value is available for the undelivered element, sales revenue is generally recognized on the date the product is shipped, using the residual method, with a portion of revenue recorded as deferred (unearned) due to the applicable undelivered elements. VSOE of fair value for the maintenance, training and installation services are based on the prices charged for the maintenance and services when sold separately. Undelivered elements for our multiple element arrangements with a customer are generally restricted to post contract support, training and install. The amount of revenue allocated to these undelivered elements is based on the VSOE of fair value for those undelivered elements. Deferred revenue due to undelivered elements is recognized ratably on a straight-line basis over the service period (typically one year) or when the service is completed. When VSOE of fair value is not available for the undelivered element of a multiple element arrangement, sales revenue is recognized ratably, on a straight-line basis over the service period of the undelivered element. The Company's training and installation services are not essential to the functionality of the Company's products as such services can be provided by a third party or the customers themselves.

The Company also sells software subscriptions and may at times sell related setup, implementation and professional services in the same arrangement. Setup and implementation services typically occur at start of the software subscription period, while certain professional services may not occur several months later depending on the nature of the services and the customer requirements. Prior to January 1, 2010, the Company recognized the total contract value of software subscriptions and related services ratably as a single unit of accounting over the contract term, beginning when the customer was able to utilize the software. Subsequent to the adoption of the updated FASB ASC 605, the Company accounts each of these elements as separate accounting units for new contracts entered into beginning January 1, 2010. We allocate the value of the arrangement to each unit of accounting based on vendor specific objective evidence of selling price, when it exists, third-party evidence of selling prices for like services or estimated selling price. Software subscription service revenues are recognized pro-rata over the life of the software subscription contract, while the related setup, implementation or professional services revenues are recognized upon completion. The result of the adoption is an immaterial acceleration of setup, implementation and professional service revenues related to software subscription transactions.

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The Company does not recognize revenue for agreements with rights of return, refundable fees, cancellation rights or acceptance clauses until such rights of return, refund or cancellation have expired or acceptance has occurred. The Company's arrangements with resellers do not allow for any rights of return.

Deferred revenue includes amounts received from customers in excess of revenue recognized, and is comprised of deferred maintenance, service and other revenue. Deferred revenues are recognized in the Consolidated Statements of Operations when the service is completed and over the terms of the arrangements, primarily ranging from one to three years.

ADVERTISING COSTS

The Company expenses advertising costs as they are incurred. Advertising expenses were $3 and $25 for the years ended December 31, 2011 and December 31, 2010, respectively. These expenses are recorded as part of sales and marketing expenses on the Consolidated Statements of Operations.

LEASE OBLIGATIONS

Asure recognizes its lease obligations with scheduled rent increases over the term of the lease on a straight-line basis. Accordingly, the total amount of base rentals over the term of the Company's leases is charged to expense on a straight-line method, with the amount of rental expense in excess of lease payments recorded as a deferred rent liability. As of December 31, 2011 and 2010, the Company had deferred rent liabilities of $5 and $0, respectively, all of which are classified as long-term liabilities. The Company also recognizes capital lease obligations and records the underlying assets and liabilities on its Consolidated Balance Sheets. As of December 31, 2011 and 2010, Asure had $66 and $73 in capital lease obligations, respectively.

FOREIGN CURRENCY TRANSLATION

The financial statements of the Company's foreign subsidiaries are measured using the local currency as the functional currency. Accordingly, the assets and liabilities of these foreign subsidiaries are translated at current exchange rates at each balance sheet date. Translation adjustments arising from the translation of net assets located outside of the United States into United States dollars are recorded in accumulated other comprehensive income (loss) as a separate component of stockholders' equity. Income and expenses from the foreign subsidiaries are translated using monthly average exchange rates. Net gains and losses resulting from foreign exchange transactions are included in other income and expenses and were not significant in calendar years 2011 and 2010.

INCOME TAXES

The Company accounts for income taxes using the liability method under FASB ASC 740, *"Accounting for Income Taxes,"* which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under the liability method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance when it is more likely than not that some component or all of the deferred tax assets will not be realized.

In June 2006, the FASB issued an accounting standard regarding uncertain tax positions now codified with FASB ASC 740This standard clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. This interpretation defines the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. Additionally, this standard provides guidance on derecognition, classification, interest and penalties, accounting in interim periods and transition. Asure adopted this standard effective August 1, 2007. The adoption did not have a material effect on the Company's consolidated financial statements.

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SHARE BASED COMPENSATION

In December 2004, the FASB issued an accounting standard now codified as ASC 718, Stock Compensation. This revised standard addresses the accounting for stock-based payment transactions in which a company receives employee services in exchange for either equity instruments of the company or liabilities that are based on the fair value of the company's equity instruments or that may be settled by the issuance of such equity instruments. Under this standard, companies may not account for stock-based compensation transactions using the intrinsic-value method .Instead, companies are required to account for such transactions using a fair-value method and recognize the related expense in the Consolidated Statement of Operations.

The Company adopted Statement ASC 718 effective August 1, 2005, using the modified prospective application transition method. The modified prospective application method requires that companies recognize compensation expense on stock-based payment awards that are modified, repurchased or cancelled after the effective date. The fair value of each award granted from Asure's stock option plans are estimated at the date of grant using the Black-Scholes option pricing model. 313 and 15 stock options were granted during the years ended December 31, 2011 and 2010.

As of December 31, 2011, $182 of unrecognized compensation costs related to non-vested option grants is expected to be recognized over the course of the following 3 years.

The Company issued 2 thousand shares of common stock related to exercises of stock options granted from its Stock Option Plans for the year ended December 31, 2011 and no shares in the year ended December 31, 2010.

COMPREHENSIVE LOSS

In accordance with the disclosure requirements of ASC 220, *Comprehensive Income,* the Company's comprehensive loss is comprised of net loss and foreign currency translation adjustments. The following table presents the Company's comprehensive loss and its components for the years ended December 31, 2011, and 2010.

	Twelve Months Ended December 31, 2011	Twelve Months Ended December 31, 2010
Net Loss	$ (649)	$ (1,137)
Foreign Currency gain (loss)	(98)	40
Comprehensive Loss	**$ (747)**	**$ (1,097)**

RECENT ACCOUNTING PRONOUNCEMENTS

In October 2009, the FASB updated FASB ASC 605, *Revenue Recognition* (FASB ASC 605) to address how to determine whether an arrangement involving multiple deliverables contains more than one unit of accounting and how the arrangement consideration should be measured and allocated to the separate units of accounting. This guidance eliminates the residual method and replaces it with the "relative selling price" method when allocating revenue in a multiple deliverable arrangement. The selling price for each deliverable shall be determined using vendor specific objective evidence of selling price, if it exists, otherwise third-party evidence of selling price shall be used. If neither exists for a deliverable, the vendor shall use its best estimate of the selling price for that deliverable. After adoption, this guidance will also require expanded qualitative and quantitative disclosures. The updated FASB ASC 605 is effective for the Company's revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010, with early adoption permitted. The Company adopted the updated FASB ASC 605 on January 1, 2010 on a prospective basis for any new contracts entered into after the date of adoption. The adoptions of this ASC update did not have a material impact to its condensed consolidated statement of operations for the twelve months ended December 31, 2010. However, the Company cannot predict whether the impact of this update will have a material impact in future quarters due to potential changes in products and product mix. Prior to the adoption of the updated FASB ASC 605, the Company accounted for its software subscriptions and related setup, implementation and professional services as a single accounting unit. Thus all revenues associated with such an arrangement were recognized pro-rata over the life of the software subscription service contract. Subsequent to the adoption of the updated FASB ASC 605, the Company accounts for each of these elements as separate accounting units. Thus the software subscription service revenue is recognized pro-rata over the life of the software subscription contract, while the related setup and implementation revenues are recognized upon completion. The result of the adoption is an immaterial acceleration of setup and implementation revenues related to software subscriptions.

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On May 12, 2011, the FASB issued ASU 2011-04 (Topic 220): Fair Value Measurement. The new guidance creates a uniform framework for applying fair value measurement principles. It eliminates differences between GAAP and International Financial Reporting Standards issued by the International Accounting Standards Board. New disclosures required by the guidance include: quantitative information about the significant unobservable inputs used for Level 3 measurements; a qualitative discussion about the sensitivity of recurring Level 3 measurements to changes in the unobservable inputs disclosed, including the interrelationship between inputs; and a description of the company's valuation processes. This guidance is effective for interim and annual periods beginning after December 15, 2011, and all amendments will be applied prospectively with any changes in measurements recognized in income in the period of adoption. The Company is currently evaluating the impact of this standard on the financial statements and related disclosures, but is not expected to be material to the Company's consolidated financial statements

On June 17, 2011, the FASB issued ASU 2011-05 (Topic 820): Comprehensive Income. The new guidance amends disclosure requirements for the presentation of comprehensive income. The amended guidance eliminates the option to present components of other comprehensive income ("OCI") as part of the statement of changes in shareholders' equity. All changes in OCI will be presented either in a single continuous statement of comprehensive income or in two separate but consecutive financial statements. The guidance does not change the items that must be reported in OCI. This guidance is effective for fiscal years and interim reporting periods within those years beginning after December 15, 2011 with early adoption permitted. The adoption of this guidance will not impact the Company's consolidated financial position, results of operations or cash flows and will only impact the presentation of OCI in the consolidated financial statements

NOTE 3 - FAIR VALUE MEASUREMENTS

Effective August 1, 2008, Asure adopted ASC 820, *Fair Value Measurements and Disclosures.* ASC 820 defines fair value, establishes a framework for measuring fair value in U.S. generally accepted accounting principles and expands disclosures about fair value measurements. The adoption of FASB ASC 820 did not have a material impact to the Company's consolidated financial statements.

ASC 820 establishes a three-tier fair value hierarchy, which is based on the reliability of the inputs used in measuring fair values. These tiers include:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Quoted prices in active markets for similar assets or liabilities; quoted prices in markets that are not active for identical or similar assets or liabilities; and model-driven valuations whose significant inputs are observable; and

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table presents the fair value hierarchy for the Company's financial assets measured at fair value on a recurring basis as of December 31, 2011 and 2010, respectively:

		Fair Value Measure at December 31, 2011		
Description	**Total Carrying Value at December 31, 2011**	**Quoted Prices in Active Market (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Cash and Cash Equivalents	$ 1,067	$ 1,067	$ -	$ -
Derivative Liability	(835)	-	(835)	-
Total	$ 232	$ 1,067	$ (835)	$ -

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		Fair Value Measure at December 31, 2010			
Description	**Total Carrying Value at December 31, 2010**	**Quoted Prices in Active Market (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Cash and Cash Equivalents	$ 1,070	$ 1,070	$ -	$ -
Total	$ 1,070	$ 1,070	$ -	$ -

Other Financial Assets and Liabilities

Financial assets and liabilities with carrying amounts approximating fair value include cash, trade accounts receivable, accounts payable, accrued expenses and other current liabilities. The carrying amount of these financial assets and liabilities approximates fair value because of their short maturities.

The Company's line of credit and notes payable, subordinated convertible notes payable and subordinated notes payable including current portion, as of December 31, 2011, had a carrying value of $6,419. This carrying value approximates fair value. The fair value is based on interest rates that are currently available to us for issuance of debt with similar terms and remaining maturities.

See Note #4 for further discussion of the valuation of the Company's derivative liability

NOTE 4 - ACQUISITIONS, DEBT COMMITMENTS AND DERIVATIVE LIABILTY

During fiscal 2011, the Company made two acquisitions for approximately $10.4 million in aggregate purchase consideration. The 2011 acquisitions were funded from available cash on hand, long-term debt, and promissory notes issued to the sellers

On October 1, 2011, the Company, through ADI Software, LLC, a wholly owned subsidiary of the Company purchased substantially all of the assets and assumed certain liabilities of ADI Time, LLC relating to its time and attendance software and management services business, pursuant to an Asset Purchase Agreement ("APA") by and among the Company, ADI Software, LLC and ADI Time, LLC. The APA contains certain customary representations, warranties, indemnities and covenants of the Company, ADI Software, LLC and ADI Time, LLC. The Company expects to benefit through the additions of ADI Time, LLC's proprietary Time and Labor Management software and its complementary proprietary time clock hardware solutions in addition to its network of resellers. The purchase price for the assets consisted of $6,000 in cash and a promissory note of ADI Software, LLC ("Purchaser Note") in the aggregate principal amount of $1,095. The Purchaser Note bears interest at an annual rate of 0.16%, will mature on October 1, 2014, and is guaranteed by the Company. ADI Software, LLC may offset any indemnification payments owed by ADI Time, LLC under the APA against up to $1 million under the Purchaser Note. The cash portion of the purchase price was funded with the Company's cash on hand and proceeds from the Company's bank financing.

On December 14, 2011, the Company, through Asure Legiant, LLC, a wholly owned subsidiary of the Company, purchased substantially all of the assets and assumed certain liabilities of WG Ross Corp., d/b/a Legiant, relating to its cloud computing time and attendance software and management services pursuant to an Asset Purchase Agreement ("APA") by and among the Company, Asure Legiant, LLC, Legiant and, with respect to Section 6.6 only, ADI Software, LLC, a wholly owned subsidiary of the Company. The APA contains certain customary representations, warranties, indemnities and covenants of the Company, Asure Legiant, LLC and Legiant. The Company expects to benefit by acquiring a large set of customers on its existing proprietary Time and Labor Management software solution with minimal acquired general & administrative expenses. The purchase price for the assets was $4,000, consisting of approximately $1,511 in cash and three subordinated promissory notes of the Asure Legiant, LLC in the aggregate principal amount of approximately $2,489, as adjusted pursuant to the terms of the APA. One of the promissory notes is for an aggregate principal amount of $250, bears interest at an annual rate of 0.20%, and will mature on February 1, 2012. The second promissory note is for an aggregate principal amount of approximately $479, bears interest at an annual rate of 5.00%, and will mature on October 1, 2014. The third promissory note is for an aggregate principal amount of approximately $1,761, bears interest at an annual rate of 0.20%, and will mature on October 1, 2014. Asure Legiant, LLC may offset any indemnification payments owed by Legiant under the APA against up to $1 million under the third promissory note. All three promissory notes are guaranteed by the Company and are subordinated to the Company's bank financing. The cash portion of the purchase price was funded with the Company's cash on hand and proceeds from the Company's bank financing. Details regarding the financing of the acquisition is described in the below Notes Payable table.

Transaction costs for these acquisitions were $130.

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Following are the aggregate purchase price allocations for the two acquisitions. As of December, 2011, the measurement period for the acquisitions is finalized except for our estimated income tax assets acquired and income tax liabilities assumed as we continue to assess the tax impact of the acquisitions in the various jurisdiction to which we report. We expect that goodwill arising from these acquisitions will be deductible for tax purposes over 15 years. The allocations were based on fair values at the dates of acquisition (amounts in thousands):

	ADI	Legiant	Total
Consideration paid net of Cash received	**6,697**	**3,704**	**10,401**
Less: Original issue discount	(244)	(382)	(626)
Total	**6,453**	**3,322**	**9,775**
Assets Acquired:			
Receivables	437	5	442
Inventories	31	56	87
Prepaid expenses and other current assets	5	11	16
Property and equipment, net	157	30	187
Total Assets	**630**	**102**	**732**
Liabilities Assumed:			
Accounts payable	(134)	(17)	(151)
Other accrued liabilities	(6)	(23)	(29)
Deferred revenue	(695)	(692)	(1,387)
Total Liabilities	**(835)**	**(732)**	**(1,567)**
Intangibles Acquired:			
Developed Technology	671	-	671
Reseller Relationships`	853	-	853
Trade names	37	-	37
Customer relationships	967	1,785	2,752
Non-compete agreements	32	-	32
Goodwill	4,098	2,167	6,265
Total Intangibles	**6,658**	**3,952**	**10,610**
Total	**6,453**	**3,322**	**9,775**

The following unaudited summaries of pro forma combined results of operation for the years ended December 31, 2011 and 2010, give effect to the acquisition as if it had been completed on January 1, 2010. These pro forma summaries do not reflect any operating efficiencies, cost savings or revenue enhancements that may be achieved by the combined companies. In addition, certain non-recurring expenses, such as legal expenses and other transactions expenses for the first 12 months after the acquisition, are not reflected in the pro forma summaries. These pro forma summaries are presented for informational purposes only and are not necessarily indicative of what the actual results of operations would have been had the acquisition taken place as of that date, nor are they indicative of future consolidated results of operations.

	FOR THE YEARS ENDED	
	DECEMBER 31 2011	DECEMBER 31, 2010
Revenues	17,012	17,497
Net (loss)	(1,238)	(1,844)
Net (loss) per common share:		
Basic and diluted	(0.40)	(0.60)
Weighted average shares outstanding:		
Basic and diluted	3,085	3,087

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In connection with the assumptions, the Company issued or assumed the following debt instruments:

Notes Payable and Line of Credit			**Balance as of December 31,**			
	Maturity	**Stated Interest Rate**	**2010**	**2011**	**Short Term**	**Long Term**
ADI Time - Sellers Note (net of unamortized discount of $226)	10/1/2014	0.16%	-	870	-	870
Legiant - Sellers Note 1	2/1/2012	0.20%	-	250	250	-
Legiant - Sellers Note 2	10/1/2014	5.00%	-	468	99	369
Legiant - Sellers Note 3 (net of unamortized discount of $377)	10/1/2014	0.20%	-	1,384	-	1,384
Subordinated Convertible Notes Payable (net of unamortized discount of $253)	9/30/2014	9.00%	-	1,247	-	1,247
Subordinated Notes Payable	9/30/2014	15.00%	-	1,700	-	1,700
Line of Credit	9/28/2012	4.25%	-	500	500	-
Total				**6,419**	**849**	**5,570**

ADI Time - Sellers Note

In conjunction with the acquisition of ADI Software, LLC; the Company entered into a Promissory Note in the amount of $1,095 with the Seller. The Promissory Note bears interest at an annual rate of 0.16%, will mature on October 1, 2014, and is guaranteed by the Company. The Purchaser may offset any indemnification payments owed by the Seller under the APA against up to $1,000 under the Purchaser Note. The Company recorded the note at fair value using a discount rate of 9%, which resulted in an unamortized discount of $226, which will accrete up the note to its aggregate principal amount over the course of the life of the loan using the effective interest method.

In conjunction with the acquisition of Legiant Software, LLC the Company entered into three separate Promissory Notes all payable to the Sellers. The details of each of the Promissory Notes is as follows:

Legiant - Sellers Note #1

Legiant Acquisition-Sellers Note #1 is for an aggregate principal amount of $250 bears interest at an annual rate of 0.20%, matured on February 1, 2012, and was paid in full.

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Legiant Acquisition-Sellers Note #2

Legiant Acquisition-Sellers Note #2 is for the principal amount of $478, bears interest at an annual rate of 5.00% and requires monthly payments of $10 until the maturity date of October 1, 2014.

Legiant Acquisition-Sellers Note #3

Legiant Acquisition-Sellers Note #3 is for an aggregate principal amount of $1,761, bears interest at an annual rate of 0.20%, and will mature on October 1, 2014 when all interest and principal are due. The Company may offset any indemnification payments owed by the Seller under the acquisition agreement against up to $1 million under Sellers Note #3. The Company recorded the note at fair value using a discount rate of 9%, which resulted in an unamortized discount of $377, which will accrete up the note to its aggregate principal amount over the course of the life of the loan using the effective interest method and will be payable, in cash, on October 1, 2014.

All three promissory notes are guaranteed by the Company and are subordinated to the Company's bank financing discussed below.

Subordinated Convertible Notes Payable

On September 30, 2011, the Company entered into a Securities Purchase Agreement (the "9% Note Purchase Agreement") relating to the sale of $1,500 aggregate principal amount of the Company's 9% subordinated convertible notes ("9% Notes") in a private placement to accredited investors to finance the ADI acquisition. The 9% Notes will pay interest on each of March 31, June 30, September 30 and December 31, beginning on December 31, 2011, at a rate of 9% per year. The 9% Note will mature on September 30, 2014. The 9% Note is secured by all of the assets of the Company and is subordinated to the Company's obligations to the Bank and the 15% Notes.

Beginning 12 months from the date of issuance, the holder may convert the 9% Notes into shares of the Company's common stock at a conversion price of $5.00 per share. The conversion price will be adjusted for certain events, such as stock dividends and stock splits. Additionally, if the Company subsequently issues common stock at a price below the then current conversion price, the conversion price will be reset to the greater of $3.27 per share (the closing price of the Company's Common Stock on September 30, 2011) or such lower price. In the event that a holder of a 9% Note elects to convert the 9% Note into equity, and the Company determines that such conversion would jeopardize the Company's tax benefits under Section 382 of the Internal Revenue Code, the Company may elect to prepay any or all of such 9% Notes prior to conversion, subject to certain limitations at a purchase price equal to the product of the number of shares into which the 9% Note is convertible and the volume weighted average closing price during the 20 day trading period beginning on the 10th day before the conversion notice is received by the Company multiplied by the Premium Rate. The Premium Rate is 1.1 if a holder notifies the Company of an intention to convert their 9% Note into equity prior to the date that is 90 days before the maturity date and 1.5 if such notification is made within 90 days of the maturity date. The 9% Notes also contain customary terms of default.

The 9% Note Purchase Agreement provides that, if the Company issues common stock below $3.25 per share, each holder of the 9% Notes outstanding at that time will have the right to purchase its pro rata portion of such stock issuance.

These convertible notes contain embedded derivative instruments related to the conversion feature that are accounted for separately. The derivative instruments entered into to finance the ADI acquisition. The fair values of these instruments are re-measured each reporting period and a gain or loss is recorded for the change in fair value. At inception, the conversion feature was valued at $274 and resulted in an original issue discount on the convertible debt, which will accrete up the note to its aggregate principal amount over the course of the life of the loan using the effective interest method. The Company used a Monte Carlo simulation in a risk-neutral framework to simulate market capitalization outcomes of the Company, including considerations of the Company's projected share price volatility, to estimate the fair value of the embedded derivative. The fair value of the conversion feature was $835 at December 31, 2011, with $561 being recorded in the income statement for the mark-to-market impact. This amount of $561 was recorded in interest expense – amortization of OID and derivative mark-to-market in the consolidated statements of operations. Subsequent to December 31, 2011, the terms of the convertible notes were amended to eliminate the embedded derivative features resulting in a settlement or extinguishment of the derivative liability. See Note 13 for further information.

Mr. Goepel, the Company's Chief Executive Officer, purchased $200 of the 9% Notes. Red Oak Fund, LP purchased $600 of the 9% Notes. Mr. Sandberg, the Company's Chairman, is the controlling member of Red Oak Partners, LLC, which manages the Red Oak Fund.

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Subordinated Notes Payable

On September 30, 2011, the Company entered into a Securities Purchase Agreement (the "15% Note Purchase Agreement") relating to the sale of $1,700 aggregate principal amount of the Company's 15% subordinated notes ("15% Notes") in a private placement to accredited investors. The 15% Note will pay interest on each of March 31, June 30, September 30 and December 31, beginning on December 31, 2011, at a rate of 15% per year. The 15% Notes will mature on September 30, 2014. The 15% Notes are secured by all of the assets of the Company and are subordinated to the Company's obligations to the Bank. The 15% Notes also contain customary terms of default.

Patrick Goepel, the Company's Chief Executive Officer purchased $500 of the 15% Notes. Pinnacle Fund, LLLP purchased $300 of the 15% Notes. David Sandberg, the Company's Chairman, is the controlling member of Red Oak Partners, LLC, which owns 50% of Pinnacle Partners, LLC, which is the general partner of the Pinnacle Fund, LLLP. Red Oak Partners, LLC is also the manager of the Pinnacle Fund, LLLP.

Credit Agreement

On September 29, 2011, the Company entered into a Credit Agreement with JPMorgan Chase Bank N.A. ("Bank"), providing for a $500 line of credit (the "Credit Agreement"), which was fully utilized as of December 31, 2011. The line of credit bears interest at a rate of 1.5% above the CB Floating Rate and matures on September 28, 2012. The CB Floating rate is defined as the Bank's prime rate, as announced from time to time, provided that the CB Floating Rate may not be less than the adjusted one month LIBOR rate. The aggregate principal amount of advances outstanding at any one time under the line of credit may not exceed 80% of eligible trade accounts and accounts receivable or the maximum principal amount then available, whichever is less.

The Company's obligations to the Bank are guaranteed by ADI Software, LLC, a wholly owned subsidiary of the Company, and secured by all of the assets of the Company and its subsidiaries. The Credit Agreement contains customary affirmative and negative covenants, including but not limited to limitations with respect to debt, liens, sale of equity interests, mergers and acquisitions, sale of assets, and loans or advances to and investments in others. The Company is also required to maintain total cash and marketable securities of not less than $300, beginning on December 31, 2011; a debt service coverage ratio of not less than 1.2 to 1.0 for each period of four consecutive fiscal quarters beginning the twelve months ending December 31, 2011; and EBITDA of not less than $100 for each fiscal quarter beginning the quarter ending December 31, 2011. The Company was in compliance with these covenants at December 31, 2011.

Events of default under the Credit Agreement include, among others, (i) the failure to pay when due the obligations owing to the Bank, (ii) the failure to perform covenants set forth in the Credit Agreement (as described above), (iii) any materially incorrect or misleading representation, warranty or certificate to the Bank, (iv) any materially incorrect or misleading representation in any financial statement or other information delivered to the Bank, (v) certain cross defaults and cross accelerations, (vi) the failure to perform under the guaranty, (vii) the occurrence of certain bankruptcy or insolvency events, (viii) judgments against the Company or its subsidiaries, and (ix) certain material adverse changes. In some cases, the events of default are subject to customary notice and grace period provisions.

The following is a schedule of the payments of principal on the debt obligations, by year, through maturity, in thousands.

2012	**$**	849
2013		104
2014		6,323
Total		**7,276**

ASURE SOFTWARE, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except per share data or otherwise noted)

NOTE 5 - INTANGIBLE ASSETS

Asure accounted for its historical acquisitions in accordance with ASC 805, *Business Combinations.* The Company recorded the amount exceeding the fair value of net assets acquired at the date of acquisition as goodwill. The Company recorded intangible assets apart from goodwill if the assets had contractual or other legal rights or if the assets could be separated and sold, transferred, licensed, rented or exchanged. Asure's goodwill relates to the current year acquisitions of ADI Time and Legiant.Asure's intangible assets relate to ADI Time, Legiant and its acquisition of iSarla Inc. and the iEmployee operations.

In accordance with ASC 350, *Intangibles-Goodwill and Other,* Asure reviews and evaluates its long-lived assets, including intangible assets with finite lives, for impairment whenever events or changes in circumstances indicate that their net book value may not be recoverable. Based on Asure's impairment test, no impairment was identified for the Company's intangible assets for the years ended December 31, 2011 and 2010.

On May 3, 2010, the Company and Ceridian Corporation ("Ceridian"), a reseller of the Company's iEmployee products, entered into an agreement by which joint customers of the Company and Ceridian were given until July 31, 2010 to choose either to (i) contract directly with the Company to continue using our goods and services, or (ii) continue using Ceridian's offerings that may not include the Company's products and services. Depending on the number of customers that contracted with Asure and the related pricing, the cash flows associated with the Ceridian customers may vary from historical levels. Thus the Company tested the Customer Relationships intangible asset for impairment in accordance with ASC 350. The Company compared the asset's carrying amount against the estimated undiscounted cash flows to be generated from the customers that contracted with Asure over the estimated useful life of the intangible asset. The undiscounted cash flows from the intangible asset exceeded the carrying value of the intangible asset and thus no impairment was required.

As of December 31, 2011 and 2010, the gross carrying amount and accumulated amortization of the Company's intangible assets are are as follows:

		December 31, 2011		
Intangible Asset	Amortization Period (in Years)	Gross	Accumulated Amortization	Net
Developed Technology	5	$ 1,586	$ (794)	$ 792
Customer Relationships	8	6,767	(2,175)	4,592
Reseller Relationship	7	853	(30)	823
Trade Names	5	325	(253)	72
Covenant not-to-compete	4	182	(154)	28
		$ 9,713	**$ (3,406)**	**$ 6,307**

ASURE SOFTWARE, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except per share data or otherwise noted)

Intangible Asset	Amortization Period (in Years)	December 31, 2010 Gross	Accumulated Amortization	Net
Developed Technology	5	$ 915	$ (592)	$ 323
Customer Relationships	8	4,015	(1,624)	2,391
Trade Names	5	288	(187)	101
Covenant not-to-compete	4	150	(121)	29
		$ 5,368	**$ (2,524)**	**$ 2,844**

Amortization expense is recorded using the straight-line method over the estimated economic useful lives of the intangible assets, as noted above. Amortization expenses were $680 and $598 for the years ended December 31, 2011 and 2010 respectively, included in Operating Expenses. Amortization expenses recorded in Cost of Goods Sold were $202 and $183 for the years ended December 31, 2011 and 2010, respectively. $19 of the $202 for the year ended December 31, 2011 relates to the acquisitions in the fourth quarter. The following table summarizes the estimated amortization expense relating to the Company's intangible assets for the next five fiscal years as of December 31, 2011:

Calendar Years	
2012	$ 1,361
2013	1,146
2014	1,134
2015	1,015
2016	632
Thereafter	1,019
	$ 6,307

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment and related depreciable useful lives as of December 31, 2011 and 2010 are composed of the following:

	December 31, 2011	2010
Software: 3-5 years	$ 3,098	$ 3,054
Furniture and equipment: 2-5 years	3,073	2,905
Internal support equipment: 2-4 years	706	696
Vehicle - 7 years	42	-
Capital leases: lease term or life of the asset	204	205
Leasehold improvements: lease term or life of the improvement	2,123	2,116
	9,246	**8,976**
Less accumulated depreciation	(8,832)	(8,695)
	$ 414	**$ 281**

The amortization of the capital leases is recorded as depreciation expense on the Consolidated Statements of Operations. Depreciation and amortization expenses relating to property and equipment were approximately $165 and $237 for the years ended December 31, 2011 and 2010, respectively.

ASURE SOFTWARE, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except per share data or otherwise noted)

NOTE 7 - LEASE IMPAIRMENT

During the quarter ended June 30, 2009, Wild Basin One &Two, Ltd. ("Wild Basin"), Asure's landlord, communicated to Asure that it needed to accumulate additional reserves, in excess of the reserves currently remitted as required by Wild Basin's loan agreement. Due to these additional reserves, Wild Basin stated that it is unable to remit any net profit interest payments to the Company as stipulated under the terms of Asure's lease agreement. Additionally, the then current rental market in Austin, Texas continued to show depressed leasing rates. Based on these factors, management analyzed the discounted cash flows related to its Wild Basin property lease and subleases over the remainder of the lease term. Although the Company continued to actively sublease the vacated space, the rates on the new subleases were less than originally anticipated due to the current market rates at that time. Management calculated the economic value of the lost sublease rental income and recorded an additional impairment charge of $630 to the Company's Consolidated Statement of Operations for the year ended July 31, 2009.

On April 28, 2010 the Company entered into an Amendment to its current building lease with Wild Basin. Pursuant to the terms of the amended Lease, the Landlord agreed to reduce the square footage leased by the Company from 137 thousand square feet to 9 thousand square feet for the lease's remaining three years. In addition, the monthly rent of $299 was reduced to $20 beginning April 1, 2010. In exchange for the rent and square footage reduction, the Company made a one time payment of $1,500 and agreed to forgo approximately $159 of monthly sub-tenant income it received from the excess space under the prior lease, resulting in the Company recording a loss on lease agreement of $1,203 during the year ended December 31, 2010. Additionally, the Company forfeited its rights to any potential future net profits interest in the lease. The $1,203 loss consists of the following expenses; the $1,500 lease termination fee, the write-off of $186 of subtenant lease hold improvements and $45 in transaction costs. These expenses were offset by the reversal of the following liabilities; $254 of leasehold advance, $235 of leasehold impairment and $39 of other net liabilities.

NOTE 8 - STOCKHOLDERS' EQUITY

SHARE REPURCHASE PROGRAM

Pursuant to Asure's stock repurchase plan, the Company is allowed to repurchase up to 300 shares of the Company's common stock. During the year ended December 31, 2010 Asure repurchased 43 shares of common stock for $110. In total, Asure has repurchased 256 shares for approximately $5.0 million over the life of the plan. Management will periodically assess repurchasing additional shares, depending on the Company's cash position, market conditions and other factors. While the program remains in place, the Company did not repurchase any shares during 2011.

STOCK AND STOCK OPTION PLANS

Asure has one active equity plan, the 2009 Equity Plan (the "2009 Plan"). The 2009 Plan provides for the issuance of non-qualified and incentive stock options to employees and consultants of the Company. Stock options are generally granted with exercise price greater than or equal to the fair market value at the time of grant and the options generally vest over three to four years and are exercisable for a period of five to ten years beginning with date of grant. The Company's 1996 Plan expired in April 2006, whereby the Company can no longer grant options under these plans. However, options previously granted remain outstanding. Total compensation expense recognized in the Consolidated Statements of Operations for stock based awards was $81 and 53 for the years ending December 31, 2011 and 2010, respectively.

The following table summarizes the assumptions used to develop their fair value for 2011, 2010:

	Year Ended December 31,			
	2011		2010	
Risk-free interest rate	0.875	%	2.34	%
Expected volatility	0.91		0.987	
Expected life in years	3.89		4.53	
Dividend yield	-		-	

As of December 31, 2011, Asure had reserved shares of common stock for future issuance under the 2009 and 1996 Plans as follows:

Options outstanding	353
Options available for future grant	0
Shares reserved	353

ASURE SOFTWARE, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except per share data or otherwise noted)

The following table summarizes activity under all Plans for the years ended December 31, 2011 and 2010, respectively.

	For the Twelve months ended December 31, 2011		For the Twelve months ended December 31, 2010	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at the beginning of the year	180	$ 3.06	211	$ 4.36
Granted	313	3.49	15	2.52
Exercised	(2)	3.14	-	N/A
Canceled	(138)	3.12	(46)	8.81
Outstanding at the end of the year	353	$ 3.42	180	$ 3.06
Options exercisable at the end of the year	81	$ 3.29	55	$ 3.13
Weighted average fair value of options granted during the year	1.91			1.83

The following table summarizes the outstanding and exercisable options and their exercise prices as of December 31, 2011.

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
RANGE OF EXERCISE PRICES	NUMBER OUTSTANDING AT DECEMBER 31, 2011	WEIGHTED-AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)	WEIGHTED-AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE AND VESTED AT DECEMBER 31, 2011	WEIGHTED-AVERAGE EXERCISE PRICE
$ 2.25--2.90	30	7.35	$ 2.50	18	$ 2.51
3.50--3.50	319	5.01	3.50	59	3.50
3.85--3.85	4	0.99	3.85	4	3.85
$ 2.25--3.85	**353**	**5.16**	**$ 3.42**	**81**	**$ 3.29**

The aggregate intrinsic value of options outstanding and options exercisable is $1,041 and 1,087, respectively, at December 31, 2011.

ASURE SOFTWARE, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 9 - DEFINED CONTRIBUTION PLAN

The Company sponsors a defined contribution 401(k) plan that is available to substantially all employees. The plan may be amended or terminated at any time by the Board of Directors. The Company provided no matching contributions to the plan for the years ended December 31, 2011 and 2010.

NOTE 10 - REVENUE CONCENTRATION

The revenue concentration from customers individually representing 10% or more in revenue for the years ended December 31, 2011 and 2010 are as follows:

	Twelve Months Ended December 31, 2011		Twelve Months Ended December 31, 2010	
Percentage of Total Revenue	0.0	%	12.6	%
Number of Customers	0		1	

NOTE 11 - GAIN ON SALE OF INVESTMENT

On September 30, 2010, Asure entered into a Promissory Note with VTEL Products Corporation (VTEL) and J. Merritt Belisle for the sale of its shares of Common Stock in VTEL. Asure sold 1,312,014 shares for $130 with $10 due immediately, $60 due September 30, 2011, and the remaining $60 due September 30, 2012. Asure recorded a gain on sale of $130 in the third quarter of 2010 as these shares were carried at zero value on the balance sheet. In addition to the note receivable, Asure retains the right to receive 3% of net proceeds of the consideration received by VTEL or its shareholders in connection with a potential change of control. If no such change of control happens within 5 years, Asure has the right, with written notice, to request VTEL to repurchase this right at fair market value. Asure has not placed a value on this right due to the uncertainty surrounding the future outcome.

NOTE 12 - EARNINGS (LOSS) PER SHARE

The following table sets forth the computation of basic and diluted earnings (loss) per common share for the calendar years ended December 31, 2011, and 2010. Approximately 353 options and 180 options in the years ending December 31, 2011 and 2010, respectively, were not included in the computation of the dilutive stock options because the effect of such options would be anti-dilutive.

	Twelve Months Ended December 31, 2011	Twelve Months Ended December 31, 2010
Net Loss	(649)	(1,137)
Weighted average shares outstanding - basic	3,085	3,087
Effect of dilutive stock options	-	-
Weighted average shares outstanding - diluted	3,085	3,087
Basic (loss) per share	(0.21)	(0.37)
Diluted (loss) per share	(0.21)	(0.37)

ASURE SOFTWARE, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except per share data or otherwise noted)

NOTE 13 - FEDERAL INCOME TAXES

The components of the provision (benefit) for income taxes attributable to continuing operations are as follows:

	For The Year Ended December 31, 2011	For the Year Ended December 31, 2010
Current:		
Federal	$ -	$ (50)
State	1	(1)
Foreign	43	43
Total current	44	(8)
Deferred:		
Federal	25	--
State	3	--
Foreign	-	--
Total deferred	28	--
	$ 72	(8)

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred taxes at December 31, 2011 and 2010 are as follows:

	2011	2010
DEFERRED TAX ASSETS:		
Current deferred tax assets		
Deferred revenue	$ 454	$ 257
Accrued expenses	91	52
Other	7	17
	552	326
Valuation allowance	(543)	(320)
Net current deferred tax assets	9	6
Noncurrent deferred tax assets		
Net operating losses	40,718	52,047
Research and development credit carryforwards	3,875	3,818
Minimum tax credit carryforwards	161	161
Fixed assets	367	1,060
Stock compensation	65	56
Other	-	20
	45,186	57,162
Valuation allowance	(44,449)	(56,116)
Net noncurrent deferred tax assets	737	1,046
Noncurrent deferred tax liabilities		
Acquired intangibles	(746)	(1,052)
Goodwill	(28)	
Total noncurrent deferred tax liabilities	(774)	(1,052)
Net current deferred tax asset	9	6
Net noncurrent deferred tax iability	$ (37)	$ (6)

ASURE SOFTWARE, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except per share data or otherwise noted)

At December 31, 2011, the Company had federal net operating loss carryforwards of approximately $119,295 research and development credit carryforwards of approximately $4,698 and alternative minimum tax credit carryforwards of approximately $161. The net operating loss and research and development credit carryforwards will expire in varying amounts from 2012 through 2032, if not utilized. Minimum tax credit carryforwards carry forward indefinitely.

As a result of various acquisitions by the Company in prior years, utilization of the net operating losses and credit carryforwards may be subject to a substantial annual limitation due to the "change in ownership" provisions of the Internal Revenue Code of 1986. The annual limitation may result in the expiration of net operating losses before utilization.

Due to the uncertainty surrounding the timing of realizing the benefits of its favorable tax attributes in future tax returns, the Company has placed a valuation allowance against its net deferred tax asset, exclusive of goodwill. During the year ended December 31, 2011, the valuation allowance decreased by approximately $11,445 due primarily to operations, including expiration of tax carryforwards. Approximately $8,251 of the valuation allowance relates to tax benefits for stock option deductions included in the net operating loss carryforward which, when realized, will be allocated directly to contributed capital to the extent the benefits exceed amounts attributable to book deferred compensation expense.

Undistributed earnings of the Company's foreign subsidiaries are considered permanently reinvested and, accordingly, no provision for U.S. federal or state income taxes has been provided thereon.

The Company's provision (benefit) for income taxes attributable to continuing operations differs from the expected tax expense (benefit) amount computed by applying the statutory federal income tax rate of 34% to income before income taxes as a result of the following:

	For the Year Ended December 31, 2011	For the Year Ended December 31, 2010
Computed at statutory rate	$ (196)	$ (389)
State taxes, net of federal benefit	3	(40)
Permanent items and other	26	38
Change in applicable state rate	-	-
Carryforwards/carrybacks utilized	-	(50)
Foreign income taxed at different rates	-	(4)
Tax carryforwards not benefitted	239	437
	$ 72	$ (8)

Effective August 1, 2007, the Company adopted ASC 740-10 regarding uncertain tax positions. The Company did not record any additional tax liability as a result of the adoption of ASC 740-10 and no adjustment was required to the August 1, 2007 balance of retained earnings. The total amount of unrecognized tax benefits as of January 1, 2011 was approximately $998. The reconciliation of the Company's unrecognized tax benefits at the beginning and end of the year is as follows:

Balance at January 1, 2011	$ 998
Additions based on tax positions related to the current year	26
Additions for tax positions of prior years	27
Balance at December 31, 2011	$ 1,051

As of December 31, 2011 the Company had $1,051 of unrecognized tax benefits, which would affect the effective tax rate if recognized. The Company's assessment of the unrecognized tax benefits is subject to change as a function of income tax audits by the taxing authorities.

The Company's practice is to recognize interest and/or penalties related to income tax matters in income tax expense. During the twelve months ended December 31, 2011, the Company recognized $3 of interest and penalties in its income tax expense.

Asure Software files tax returns in the U.S. federal jurisdiction and in several state and foreign jurisdictions. The Company is no longer subject to U.S. federal income tax examinations for years ending before July 31, 2008 and is no longer subject to state and local or foreign income tax examinations by tax authorities for years ending before July 31, 2007. Asure Software is not currently under audit for federal, state or any foreign jurisdictions.

ASURE SOFTWARE, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 14 - LEASE COMMITMENTS

Asure's future minimum lease payments under all operating and capital leases as of December 31, 2011 are as follows:

CALENDAR YEAR ENDING:	OPERATING LEASE OBLIGATIONS	CAPITAL LEASE OBLIGATIONS
2012	743	32
2013	496	10
2014	421	8
2015	398	8
2016	--	7
Thereafter	--	--
TOTAL	**$ 2,058**	**$ 65**
Less current portion of obligations		(32)
Long-term portion of obligations		$ 33

Total rent expense under all operating leases for the year ending December 31, 2011 and 2010 were $433 and $1,291, respectively. Approximately 76.0% of Asure's total operating lease obligations relates to its corporate office facility at Wild Basin in Austin, Texas.

On April 28, 2010 the Company entered into an Amendment to its current building lease with Wild Basin. Pursuant to the terms of the amended Lease, the Landlord agreed to reduce the square footage leased by the Company from 137 thousand square feet to 9 thousand square feet for the lease's remaining three years. In addition, the monthly rent of $299 was reduced to $20 beginning April 1, 2010. In exchange for the rent and square footage reduction, the Company made a onetime payment of $1,500 and agreed to forgo approximately $159 of monthly sub-tenant income it received from the excess space under the prior lease, resulting in the Company recording a loss on lease agreement of $1,203 during the year ended December 31, 2010

NOTE 15 - CONTINGENCIES

Asure was the defendant or plaintiff in various actions that arose in the normal course of business. As of December 31, 2011, none of the pending legal proceedings to which the Company is a party are material to the Company.

ASURE SOFTWARE, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except per share data or otherwise noted)

NOTE 16 - SUBSEQUENT EVENTS

Amendment and Restatement of the Convertible Notes and Registration Rights Agreements

On March 10, 2012, the Company amended and restated each of the Subordinated convertible notes payable (the "Convertible Notes") which:

- Permit each holder of Convertible Notes to convert the outstanding principal balance due there under into shares of Common Stock of the Company at the conversion price originally set forth in the Convertible Notes ($5.00 per share of Common Stock) on or before March 15, 2012.
- Provide to the holders of the Convertible Notes, as consideration for agreeing to the terms of the amendment, a one time cash payment, in such amount as follows: (i) with respect to holders of Convertible Notes who do not elect to convert their Convertible Note prior to March 16, 2012, an amount equal to 3% of the outstanding principal amount of their Convertible Note and (B) with respect to holders of Convertible Notes who elect to convert their Convertible Note prior to March 16, 2012 (the "Converted Holders"), an amount equal to 80% of the interest that such Holder would have received if such Holder had held the Convertible Note to maturity.
- Remove the dilution protection provision which would have reset the conversion price below $5.00 per share in the event that the Company made certain issuances of Common Stock at a price below $5.00 per share of Common Stock.

The Company also amended and restated the Registration Rights Agreement to among other things:

- Obligate the Company to file a registration statement with the Securities and Exchange Commission with respect to the shares of Common Stock held by the converted holders, no later than July 31, 2012 and have such registration statement effective no later than August 31, 2012.
- Obligate the Company to pay monthly cash penalties to the Converted Holders equal to 5% of the principal amount of such converted holders' Convertible Notes (as existing prior to the conversion) commencing on August 31, 2012 if the Company fails to register the underlying shares of Common Stock as agreed. Such penalties are capped at a maximum of 30% of the principal amount of such Converted Holders' Convertible Notes.

The changes made to the Convertible Notes and the Registration Rights Agreement, resulted in a change of accounting treatment of the derivatives on the Convertible Notes. Effective on March 10, 2012, the derivatives will no longer be required to be accounted for on a separate basis. Therefore, the Company will no longer be required to re-measure the fairvalue of the derivatives after the amendment date and will write-off the fair value of the derivative after the amendment. The Company will record the impact of this change in the first quarter of 2012.

The Company has received conversion elections and/or indication of intent to convert from holders representing $1,150 of the total $1,500 of principal amount of Convertible Notes.

3-for-2 Stock Split

On March 27, 2012, the Board of Directors declared a 3-for-2 stock split, payable April 30, 2012 to the holders of record of the Company's common stock as of the close of business on April 23, 2012. The Company will make cash payments based upon the closing price of the Company's shares on the record date in lieu of the issuance of fractional shares. Share and per share information in these financial statements does not reflect the impact of this proposed 3 for 2 stock split.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ASURE SOFTWARE, INC.

March 30, 2012

By /s/ PATRICK GOEPEL
Patrick Goepel
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

Signature	Title	Date
/s/ PATRICK GOEPEL Patrick Goepel	Chief Executive Officer (Principal Executive Officer) Director	March 30, 2012
/s/ DAVID SCOGLIO David Scoglio	Chief Financial Officer (Principal Accounting Officer)	March 30, 2012
/s/ DAVID SANDBERG David Sandberg	Chairman of the Board	March 30, 2012
/s/ ADRIAN PERTIERRA Adrian Pertierra	Director	March 30, 2012
/s/ J. RANDALL WATERFIELD J. Randall Waterfield	Director	March 30, 2012
/s/ MATTHEW BEHRENT Matthew Behrent	Director	March 30, 2012

INDEX TO EXHIBITS

EXHIBIT NUMBER	DOCUMENT DESCRIPTION
2.1	Agreement and Plan of Merger and Reorganization dated as of January 6, 1997 by and among VTEL, VTEL-Sub, Inc. and CLI.(1)
2.2	Agreement and Plan of Merger, dated as of September 11, 2007 by and among Asure Software, Inc., Cheetah Acquisition Company, Inc. and iSarla Inc. (2)
2.3	Asset Purchase Agreement dated October 1, 2011 by and among Asure Software, Inc., ADI Software, LLC and ADI Time, LLC (18)
2.4	Asset Purchase Agreement dated December 14, 2011 by and among Asure Software, Inc., ADI Legiant, LLC and WG Ross Corp. (21)
3.1	Restated Certificate of Incorporation. (3)
3.2	Certificate of Amendment to the Restated Certificate of Incorporation. (20)
3.3	Amended and Restated Bylaws. (5)
4.1	Specimen Certificate for the Common Stock. (4)
4.2	Amended and Restated Rights Agreement, dated as of October 28, 2009 between Asure Software, Inc. and American Stock Transfer & Trust Company. (5)
4.3	Amended and Restated Certificate of Designation of Series A Junior Participating Preferred Stock. (5)
4.4	Form of Rights Certificate. (5)
4.5	Form of 9% Subordinated Convertible Promissory Note (18)
4.6	Form of 15% Subordinated Promissory Note. (18)
4.7	Form of Securities Purchase Agreement for 9% Subordinated Convertible Promissory Note. (18)
4.8	Form of Securities Purchase Agreement for 15% Subordinated Promissory Note. (18)
4.9	Registration Rights Agreement. (18)

4.10	Credit Agreement between Asure Software, Inc. and JPMorgan Chase Bank, NA. (18)
4.11	Amended and Restated Registration Rights Agreement dated March 10, 2012. (19)
4.12	Amendment Agreement with respect to the Amended and Restated 9% Convertible Promissory Notes. (19)
4.13	Promissory Note dated October 2011 issued in connection with acquisition of certain assets from ADI Time, LLC. (21)
4.14	Letter Agreement from Patrick Goepel relating to forfeiture of Option rights. (21)*
4.15	Stock Option Agreement issued to Patrick Goepel. (21)*
4.16	Stock Option Agreement with Steve Rodriguez. (21)*
4.17	Stock Option Agreement with Mike Kinney. (21)*
4.18	Subordinated Promissory Note issued by the Company to WG Ross Corp. (21)
10.1	VideoTelecom Corp. 1989 Stock Option Plan, as amended. (4)*
10.2	Form of VideoTelecom Corp. Nonqualified Stock Option Agreement (4).*
10.3	Form of VideoTelecom Corp. Incentive Stock Option Agreement. (4)*
10.4	VideoTelecom Corp. 1992 Director Stock Option Plan. (6)*
10.5	VideoTelecom Corp. Employee Stock Purchase Plan. (6)*
10.12	Amendment to the VideoTelecom Corp. 1989 Stock Option Plan and the 1992 Director Stock Option Plan. (7)*
10.13	The VTEL Corporation 1996 Stock Option Plan. (8)*
10.14	Amendment to the VTEL Corporation 1996 Stock Option Plan. (9)*

10.15	Lease Agreement, dated January 30, 1998, between 2800 Industrial, Inc., Lessor and VTEL Corporation, Lessee. (10)
10.19	First Amendment, dated March 11, 1998, to Lease Agreement dated January 30, 1998, between 2800 Industrial, Inc., Lessor and VTEL Corporation, Lessee. (10)
10.20	The VTEL Corporation 1998 Restricted Stock Plan. (11)*
10.21	Amended Restricted Stock Plan, effective May 23, 2006. (12)*
10.22	The Company's 2009 Equity Plan. (13)*
10.23	Form of Option Agreement under the Company's 2009 Equity Pan. (13)*
10.24	Purchase Agreement dated September 25 between Patrick Goepel and the Company. (14)
10.25	Amended and Restated Employment Agreement dated July 2, 2011 between Patrick Goepel and the Company. (21)*
10.26	Amended and Restated Employment Letter between the Company and David Scoglio, dated as of August 15, 2011. (21)*
10.27	Employment Letter between the Company and Mike Kinney, dated as of August 15, 2011. (21)*
10.28	Employment Letter between the Company and Steve Rodriguez, dated as of August 15, 2011. (21)*
10.29	Settlement Agreement dated May 3, 2010 with Ceridian Corporation. (16)
10.30	Fourth Amendment to Lease Agreement with WB One & Two LTD. (17)
10.31	Lease Agreement to Premises located at 200 Crossings Boulevard, Warwick, Rhode Island. (21)
10.32	Sixth Amendment to Lease. (21)
14.01	Code of Business Conduct and Ethics. (21)
21	Subsidiaries of the Company (21)
23.1	Consent of Ernst & Young LLP (21)
31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (21)
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (21)
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (21)
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (21)
101	The following materials from Asure Software, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, formatted in XBRL (Extensible Business Reporting Language): (1) the Condensed Consolidated Balance Sheets, (2) the Condensed Consolidated Statements of Operations, (3) the Condensed Consolidated Statements of Cash Flows, and (4) Notes to Consolidated Financial Statements, tagged as blocks of text.

* Indicates management contract or compensatory plan or arrangement.

(1) Incorporated by reference to the Company's Current Report on Form 8-K files with the SEC on January 15, 1997. (File No. 000-20008)

(2) Incorporated by reference to the Company's Quarterly report on Form 10-Q for the three months ended October 31, 2007 filed with the SEC on December 17, 2007. (File No. **000-20008**)

(3) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the three months ended October 31, 2004 filed with the SEC on December 15, 2004. (File No. **000-20008**)

(4) Incorporated by reference to the Company's Registration Statement on Form S-1 filed with the SEC (File No. 33-45876) and any and all amendments thereto.

(5) Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on October 28, 2009. (File No. **000-20008**)

(6) Incorporated by reference to the Company's Registration Statement on Form S-8 filed with the SEC (File No. 33-51822) and any and all amendments thereto.

(7) Incorporated by reference to the Company's 1996 Definitive Proxy Statement.

(8) Incorporated by reference to the Company's 1995 Definitive Proxy Statement.

(9) Incorporated by reference to the Company's Joint Proxy Statement filed on April 24, 1997. (File No. **000-20008**)

(10) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the three months ended April 30, 1998 filed with the SEC on June 15, 1998 (File No. **000-20008**).

(11) Incorporated by reference to the Company's 1999 Definitive Proxy Statement.

(12) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the three months ended April30 , 2006 filed with the SEC on June 14, 2006. (File No. **000-20008**)

(13) Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on September 25, 2009. (File No. 000-20008)

(14) Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on September 28, 2009. (File No. 000-20008)

(15) Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on January 4, 2010. (File No. 001-34522)

(16) Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on May 7, 2010. (File No. 001-34522)

(17) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the three months ended March 31, 2010 filed with the SEC on May 17, 2010. (File No. 001-34522)

(18) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the three months ended September, 30, 2011 filed with the SEC on November 14, 2011. (File No. 001-34522)

(19) Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on March 12, 2012. (File No. 001-34522)

(20) Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on December 29, 2009.

(21) Filed herewith.

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EXHIBIT 2.4

ASSET PURCHASE AGREEMENT

DATED AS OF DECEMBER 14, 2011

BY AND AMONG

ASURE SOFTWARE, INC.

ASURE LEGIANT, LLC

WG ROSS CORP., d/b/a LEGIANT

and with respect to Section 6.6 only

ADI SOFTWARE, LLC

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(continued)

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement") is made as of the 14th day of December, 2011, by and among Asure Software, Inc., a Delaware corporation ("Parent"), Asure Legiant, LLC, a Delaware limited liability company and a wholly owned subsidiary of Parent ("Purchaser"), WG Ross Corp., a Texas corporation, d/b/a Legiant ("Seller"), and with respect to Section 6.6 only, ADI Software, LLC, a Delaware limited liability company ("ADI Software").

WITNESSETH:

WHEREAS, Seller is a leading vendor of web-based time and attendance software for payroll, attendance, productivity, leave and project tracking (the "Business"); and

WHEREAS, Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller, substantially all the assets and certain specified liabilities of the Business, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION 1.
SALE AND PURCHASE OF ASSETS AND CLOSING

1.1. Sale and Purchase. On the terms and subject to the conditions of this Agreement, at Closing, Seller hereby agrees to sell, convey, assign, deliver and transfer to Purchaser, and Purchaser agrees to purchase from Seller, all of the assets of Seller, tangible or intangible, wherever located, primarily used in the Business, other than the Excluded Assets as defined in Section 1.2 hereunder (collectively, the "Purchased Assets"), including, without limitation, the following:

(a) All of Seller's cash and cash equivalents;

(b) All machinery and equipment, tools, office equipment, computer equipment, hardware, software and related program documentation, supplies, telephones and all other tangible personal property owned by Seller and primarily used in the conduct of the Business, which Purchased Assets shall include, but shall not be limited to, those items set forth on Schedule 1.1(b) attached hereto ("Tangible Personal Property");

(c) All of Seller's right and interest in the accounts receivables set forth on Schedule 1.1(c) attached hereto ("Accounts Receivable");

(d) All customer accounts including the customers who have transacted business with Seller since January 1, 2005 listed in Schedule 1.1(d) attached hereto, and all claims and rights under any contracts, agreements, commitments with customers and purchase orders (including backlogged orders), written and oral, all customer lists, route books, records, software, computer records and other similar data relating to customer accounts, and rights under bids and proposals now pending (all of such Seller customer accounts and claims and rights relating thereto collectively being the "Customer Accounts" and all of Seller's records relating to such Customer Accounts being collectively the "Customer Accounts Records");

(e) All inventory, finished goods, raw materials, work in progress, packaging, supplies, parts, materials, testing units, and other inventories, wherever located, owned, solely employed or held for use by Seller in the conduct of the Business, all of which are listed on Schedule 1.1(e);

(f) All Purchased Intellectual Property that is owned by Seller and used in or necessary for the conduct of the Business as currently conducted;

(g) Originals, or where not available, copies, of all existing books and records (including computer records) of Seller in Seller's possession and under its control, including books of account, ledgers, general business, financial and accounting records, price lists, sales records, research and development files, strategic plans, personnel records of employees of Seller hired by Purchaser, customer lists, supplier lists, customer complaints, mailing lists, promotional and advertising materials, and research and files relating to the Purchased Intellectual Property; provided that Seller may retain copies of all of the foregoing items solely to be used for Seller's tax, financial and accounting matters, the preparation of the audited financial statements contemplated by Section 6.5 and for prosecuting or defending any claims, causes of action, proceedings or litigation brought by or against Seller and which Seller shall keep confidential and not disclose except in connection with such uses;

(h) All contracts, leases, deeds, mortgages, licenses, instruments, commitments, undertakings and other agreements, commitments and legally binding arrangements, whether written or oral, including Intellectual Property Licenses, set forth on Schedule 1.1(h) (collectively, the "Assigned Contracts");

(i) All of Seller's rights under warranties, indemnities and all similar rights against third parties to the extent related to any Purchased Assets; provided, however, that Seller shall retain ownership of all rights under all such warranties, indemnitees and similar rights against third parties, ADI (as defined below), Purchaser, Parent, and ADI Software (including under the ADI Agreement (as defined below) affording or entitling Seller to recourse thereunder against third parties arising out of or in any way relating to any acts, omissions, events or circumstances occurring during or relating to the period prior to and through the Closing Date, or which rights may be the subject of any claims brought, made or asserted at any time (including after the Closing Date) against Seller or its officers, directors, owners, employees, agents or representatives; the referenced "ADI" being ADI, LLC (formerly known as and successor to Jove, LLC) and the referenced "ADI Agreement" being that certain Reseller Agreement between Seller and ADI, LLC;

(j) All rights to any actions of any nature available to Seller to the extent related to the Business, the Purchased Assets or the Assumed Liabilities, whether arising by counterclaim or otherwise; and provided, however, that Seller shall retain ownership of actions and claims of any nature available to Seller against third parties (other than against ADI, Purchaser, Parent and ADI Software) affording or entitling Seller to recourse against third parties with respect to any acts, omissions, events or circumstances arising or occurring during or relating to the period prior to and through the Closing Date, or in any way involving or relating to the conduct of Seller's business prior to and through the Closing Date, or which are or may be the subject of any claims brought, made or asserted at any time (including after the Closing Date) against Seller or its officers, directors, owners, employees, agents or representatives; and

(k) The goodwill and going concern value of the Business (the "Goodwill").

1.2. Excluded Assets. Under the terms of this Agreement, Purchaser will not purchase from Seller and Seller will retain the assets of Seller not constituting the Purchased Assets (collectively, the "Excluded Assets"), to include without limitation:

(a) A 2003 Toyota RAV4EV, a 2003 Toyota Sequoia, a trailer and two storage sheds;

(b) All oral and written contracts, leases, deeds, mortgages, licenses, agreements, instruments, commitments, undertakings, purchase orders or other legally binding arrangements that are not Assigned Contracts;

(c) Organizational documents, minute books, stock records and tax records of Seller;

(d) Sales tax permits or licenses;

(e) All insurance, insurance policies and insurance benefits, including all claims, rights and proceeds and prepaid premiums relating to the same; and

(f) All warranties, indemnities and similar rights against third parties excepted from the description of the Purchased Assets in Section 1.1(h) and all rights to any actions excepted from the description of the Purchased Assets in Section 1.1(i).

1.3. Purchase Price. The aggregate purchase price (the "Purchase Price") for the Purchased Assets shall be Four Million and 00/100 Dollars ($4,000,000.00), subject to adjustment pursuant to Section 1.5 hereof. The Purchase Price shall be paid as follows:

(a) One Million Five Hundred Eleven Thousand Two Hundred Thirty-One and 98/100 Dollars ($1,511,231.98), less a $50,000 real estate lease assignment fee, and less the amount (the "Estimated Cash Deficiency"), if any, by which $250,000 exceeds the Beginning Closing Cash, shall be paid in cash by wire transfer of immediately available funds to the account specified by Seller in writing (the "Closing Day Cash Payment"); and

(b) Subject to the adjustments described in Section 1.3(c), Two Million Four Hundred Eighty-Eight Thousand Seven Hundred Sixty-Eight and 02/100 Dollars ($2,488,768.02) shall be paid with three subordinated promissory notes of Purchaser: (i) the first to be in an original principal amount of Two Hundred Fifty Thousand and 00/100 Dollars ($250,000.00) in the form attached hereto as Exhibit A (the "Short-Term Note"), (ii) the second to be in an original principal amount of One Million Seven Hundred Sixty-One Thousand Two Hundred Thirty-One and 97/100 Dollars ($1,761,231.97) in the form attached hereto as Exhibit B-1 (the "Balloon Holdover Note"), and (iii) the third to be in an original principal amount of Four Hundred Seventy-Seven Thousand Five Hundred Thirty-Six and 05/100 Dollars ($477,536.05) in the form attached hereto as Exhibit B-2 (the "Former Shareholder Tracking Holdover Note"). One million dollars ($1,000,000) of the principal amount of the Balloon Holdover Note shall be available to satisfy (i) any adjustments to the Purchase Price pursuant to Section 1.5, and (ii) any and all claims made by Purchaser or any other Purchaser Indemnitee against Seller pursuant to Section 5. Parent shall guarantee to Seller Purchaser's payment and performance of all of Purchaser's obligations and liabilities under the Notes (as defined below) by executing and delivering to Seller at Closing a guaranty in the form attached hereto as Exhibit C hereto (the "Guaranty"). The Short-Term Note, Balloon Holdover Note and Former Shareholder Tracking Holdover Note are also referred to in this Agreement together as the "Notes."

(c) The aggregate principal amount of Balloon Holdover Note shall be increased by the amount of the Estimated Cash Deficiency and the amount ("Actual Cash Deficiency"), if any, by which the Beginning Closing Cash exceeds the Ending Closing Cash. The aggregate principal amount of the Short-Term Note shall be reduced by the amount of the Actual Cash Deficiency.

1.4. Allocation of Purchase Price. Seller and Purchaser agree that the Purchase Price shall be allocated among the Purchased Assets for all purposes as shown on the allocation schedule (the "Allocation Schedule"). A draft of the Allocation Schedule shall be prepared by Purchaser and delivered to Seller within sixty (60) days after the Closing Date. For a period of ten (10) days after Purchaser provides the Allocation Schedule to Seller, Seller shall have the opportunity to review and comment on the Allocation Schedule. If Seller notifies Purchaser in writing that Seller objects to one or more items reflected in the Allocation Schedule, Purchaser and Seller shall negotiate in good faith to resolve such dispute; provided, however, that if Purchaser and Seller are unable to resolve any dispute with respect to the Allocation Schedule within twenty (20) days after the end of 10 day review and comment period, such dispute shall be referred to an impartial firm of independent certified public accountants with offices in Austin, Texas and with no prior relationship with either Seller or Parent (the "Independent Accountants"), as mutually agreed to by Purchaser and Seller, for resolution as promptly as practicable. The Allocation Schedule as so agreed to or determined by the Independent Accountants shall be conclusive and binding upon the parties, and the parties agree that that all tax returns (including IRS Form 8594) and all financial statements of the parties shall be prepared in a manner consistent with (and the parties shall not otherwise file a tax return or take any tax position inconsistent with) the such Allocation Schedule. The fees and expenses of the Independent Accountants shall be borne equally by Purchaser and Seller.

1.5. Purchase Price Adjustment.

(a) Within 60 days after the Closing Date, Purchaser will prepare and deliver to Seller a statement setting forth its calculation of Closing Working Capital (the "Closing Working Capital Statement). The Closing Working Capital Statement shall include only those categories of assets and liabilities and line items included in, and be in form consistent with, the working capital statement set forth on Schedule 1.5(a) (the "Illustrative Working Capital Statement"). The determination of Closing Working Capital shall be made in accordance with GAAP, and to the extent conforming with GAAP, in accordance with the accounting policies and practices consistent with those used in the preparation of the Illustrative Working Capital Statement. For the avoidance of doubt, if and to the extent the definition of Closing Working Capital or the Illustrative Working Capital Statement excludes any particular assets or liabilities from the computation of Closing Working Capital the same shall be excluded from such computation even though the excluded assets or liabilities might otherwise constitute a current asset or current liability in accordance with GAAP. "Closing Working Capital" means, as of the close of business on the Closing Date, (a) cash and cash equivalents (with any deposits posted to Seller's bank accounts on or prior to the Closing Date to be included as a component of cash whether or not yet collected), accounts receivable, net of bad debt reserve, prepaid expenses and all other current assets of the Seller determined in accordance with GAAP, but excluding inventories and all Excluded Assets, minus (b) accounts payable and all other current liabilities of the Seller determined in accordance with GAAP, but excluding retainers, deferred revenues, accrued rent, accrued wages or compensation expenses, severance, accrued interest expense, current obligations under indebtedness arrangements and all other Excluded Liabilities, determined as set forth in this Section 1.5 and in accordance with the Illustrative Working Capital Statement. The "Post-Closing Adjustment" shall be an amount equal to the Closing Working Capital minus $257,000 (the "Target Working Capital"). If the Post-Closing Adjustment is a positive number, the Purchase Price shall be increased by an amount equal to the Post Closing Adjustment. If the Post-Closing Adjustment is a negative number, then the Purchase Price shall be decreased by an amount equal to the Post Closing Adjustment.

(b) After receipt of the Closing Working Capital Statement, Seller will have 30 days (the "Review Period") to review the Closing Working Capital Statement. As part of such review, Seller and Seller's accountants will have reasonable access during normal business hours to the relevant books and records of Purchaser (and the right to copies of the same for review offsite), the personnel of, and work papers prepared by, Purchaser or Purchaser's accountants to the extent that they relate to the Closing Working Capital Statement for the purpose of reviewing the Closing Working Capital Statement and to prepare a Statement of Objections.

(c) On or prior to the last day of the Review Period, Seller may object to the Closing Working Capital Statement by delivering to Purchaser a written statement setting forth Seller's objections in reasonable detail, indicating each disputed item or amount and the basis for Seller's disagreement (the "Statement of Objections"). If Seller fails to deliver the Statement of Objections before the expiration of the Review Period, the Closing Working Capital Statement shall be deemed to have been accepted by Seller. If Seller delivers the Statement of Objections before the expiration of the Review Period, Purchaser and Seller shall negotiate in good faith to resolve such objections within 30 days after delivery of the Statement of Objections, and, if so resolved within such 30 day period, the Post-Closing Adjustment, with any changes as may be agreed to in writing by Purchaser and Seller, shall be final and binding.

(d) If Seller and Purchaser are unable to resolve the objections set forth in the Statement of Objections within 30 days after delivery of such Statement of Objections to Purchaser, then such objections shall be resolved by the Independent Accountants, who shall act as experts and not arbitrators to resolve the specific items and amounts under dispute and make any adjustments to the Post-Closing Adjustment. The Independent Accountants will make a determination as soon as practicable within 30 days after their engagement (or such other time as the parties shall agree in writing) and their determination will be conclusive and binding upon the parties. The Seller and Purchaser will each pay one-half of the fees and expenses of the Independent Accountants.

(e) The aggregate principal amount of the Balloon Holdback Note shall be increased or reduced by the amount of the Post-Closing Adjustment on the date in which the Post-Closing Adjustment is finally determined pursuant to Section 1.5(c) or Section 1.5(d).

1.6. Assumption of Seller Liabilities. Subject to the terms and conditions set forth herein, Purchaser shall assume and agree to pay, perform and discharge only the following liabilities of Seller (collectively, the "Assumed Liabilities"):

(a) all obligations and liabilities arising and accruing after the Closing Date from the Customer Accounts and Assigned Contracts but only to the extent that such liabilities were incurred in the ordinary course of business and do not relate to any failure to perform, improper performance, warranty or other breach or violation by Seller on or prior to the Closing Date.

(b) all work-in-progress with respect to Seller's customers;

(c) all trade payables and accounts payable of Seller in connection with the Business that remain unpaid and are not delinquent as of the Closing Date to the extent included in the calculation of Closing Working Capital;

(d) all liabilities relating to the unperformed and unexpired portions of non-refundable fixed-price service/maintenance agreements that Seller has not recorded in its books and records and financial statements ("Unrecorded Service/Maintenance Liabilities");

(e) up to a maximum total of $6,000 of Assumed Commission Liabilities (as defined in Section 6.3(b); and

(f) all liabilities of Seller included and taken into account in determining Closing Working Capital and Post-Closing Adjustment to the Purchase Price in accordance with Section 1.5.

1.7. Excluded Liabilities. Notwithstanding the provisions of Section 1.6 or any other provisions in this Agreement to the contrary, Purchaser shall not assume and shall not be responsible to pay, perform or discharge any liabilities of Seller of any kind or nature whatsoever other than the Assumed Liabilities (the "Excluded Liabilities"), and the Seller shall pay and remain responsible for all such Excluded Liabilities. Without limiting the generality of this Section 1.7, the Excluded Liabilities shall include, but not be limited to, the following:

(a) any liability of Seller arising from, or in connection with, the conduct of the Business on or prior to Closing or the ownership of the Purchased Assets by Seller on or prior to the Closing, including, without limitation, any such liabilities arising by reason of any violation or claimed violation by Seller, by acts or events or omissions arising or occurring prior to the Closing, of any federal, state or local law, rule, regulation, ordinance or any requirement of any governmental body;

(b) to the extent not covered by any applicable manufacturer's warranty, any warranty liability of Seller or similar obligation of Seller arising from products sold or services rendered prior to the Closing Date;

(c) any liability of Seller related to or arising out of the Excluded Assets;

(d) any liability of Seller for any Taxes;

(e) except for up to a maximum of $6,000 of Assumed Commission Liabilities described in Section 6.3, any liability for any present or former employees, agents or independent contractors of Seller, including, without limitation, any liabilities associated with any claims for wages, bonuses, commissions or other benefits, severance, termination or other payments;

(f) any liability under any Benefit Plan (later defined), including without limitation, any employee benefit plan of or sponsored by Seller, any 401K plan or any other "employee pension benefit plan" as defined in Section 3(2) of ERISA (later defined);

(g) any liability or obligation with respect to indebtedness of Seller or any affiliate of Seller to any bank or other financial institution or to Gina Ross reflected as a liability on Seller's Financial Statements or which may otherwise exist; and

(h) all trade payables and accounts payable of Seller not included in the calculation of Closing Working Capital.

1.8. Closing. Subject to the terms and conditions of this Agreement, the closing of the transactions contemplated by this Agreement ("Closing") shall be held by the exchange of documents by mail or other delivery services or electronic delivery of documents and/or funds or at the offices of Messerli & Kramer P.A. on the date hereof, or at such other place and on such date as the Seller and Purchaser shall agree. The date on which the Closing occurs is referred to as the "Closing Date." The Closing shall be effective at the close of business on the Closing Date.

1.9. Continuation of Existence of Seller. Purchaser agrees that Seller shall not be required to dissolve and liquidate following the Closing and may continue to engage in business activities following the Closing provided Seller does not violate its obligations to Purchaser, or the prohibitions and restrictions to which Seller is subject, under Section 6.4.

SECTION 2.
REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in the correspondingly numbered Section of the Disclosure Schedule, Seller represents and warrants to Purchaser and Parent that the statements contained in this Section 2 are true and correct as of the date hereof:

2.1. Organization and Qualification. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas and has full corporate power and authority to own or lease its properties and to conduct its business in the manner and in the places where such properties are owned or leased or as such business is currently conducted. Seller has no subsidiaries.

2.2. Authority. Seller has full corporate power and authority to enter into this Agreement and each agreement, document and instrument to be executed and delivered by Seller pursuant to this Agreement and to carry out the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and each such other agreement, document and instrument by Seller has been duly and validly authorized and approved by all necessary action on the part of Seller and no other action on the part of Seller or its shareholders is required in connection therewith. This Agreement and each agreement, document and instrument to be executed and delivered by Seller pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of Seller, each enforceable in accordance with their respective terms, except to the extent that enforcement is limited by bankruptcy, insolvency, moratorium, conservatorship, receivership or similar laws of general application affecting creditors' rights or by the application by a court of equity principles.

2.3. No Conflicts; Consents. The execution, delivery and performance by Seller of this Agreement and each such agreement, document and instrument to be executed and delivered by Seller pursuant to this Agreement (a) does not and will not violate any foreign, federal, state, local or other laws, regulations or ordinances applicable to Seller; and (b) does not or will not violate any term or provision of Seller's certificate of incorporation, bylaws or other organizational documents of Seller. No consent, waiver, approval, order, declaration, filing with or notice to, any governmental or regulatory authority, agency or court is required by or with respect to Seller in connection with the execution, delivery and performance of this Agreement and each agreement, document and instrument to be executed and delivered by Seller pursuant to this Agreement and the consummation of the transactions contemplated hereby and thereby; provided, however, that to the extent any Assigned Contract is not assignable or transferable without the consent of a third party, Seller has not obtained, and will not obtain, any consents, waivers or approvals of parties to the Assigned Contracts and Purchaser and Parent agree that Seller shall have no liability to them arising out of Seller's failure to have obtained any such consents, waivers or approvals.

2.4. Financial Statements. True and complete copies of the following financial statements have been delivered to Purchaser and are set forth on Schedule 2.4(a): (i) reviewed balance sheets, statements of income and retained earnings, statements of cash flow and related notes to the foregoing as of and for the fiscal years ending December 31, 2009 and 2010 prepared and reviewed on the basis set forth and described in the Accountants' Review Report accompanying such financial statements and included in the attachments constituting part of Schedule 2.4(a) (the "Reviewed Financial Statements") and (ii) unaudited balance sheets and statements of income as of and for the period ending November 30, 2011 prepared by Seller in good faith for internal use in managing the Business and which are not in accordance with U.S. generally accepted accounting principles ("GAAP") (the "Unaudited/Unreviewed Financial Statements" and together with the Reviewed Financial Statements, the "Financial Statements"). The Unaudited/Unreviewed balance sheet of Seller as of November 30, 2011 is referred to in this Agreement as the "Most Recent Balance Sheet." The Financial Statements in each case were based on, and derived from, the financial books and records of Seller and were prepared using the accounting principles, policies and procedures set forth on Schedule 2.4(b). The Financial Statements fairly present in all material respects the financial condition of the Business as of the date thereof and the results of operations and cash flows of the Business for the time periods indicated. Schedule 2.4(c) sets forth a complete and accurate list of all accounts payable of Seller as of December 13, 2011, which list sets forth the aging of such accounts payable. Such list of accounts payable is Seller's reasonable good faith estimate of the amount of Seller's accounts payable as of such date and the actual amount of Seller's accounts payable as of the Closing Date for purposes of this Agreement shall be determined in accordance with Section 1.5.

2.5. Revenues and Customer Accounts. The list of customers who have transacted business with the Seller since January 1, 2005 appearing as Schedule 1.1(d) is true and accurate in all respects, but those customers identified on such schedule as "Inactive" are now former customers and not currently active customers to which Sellers is currently providing services or products. Seller has not received any notice from any current customer of the Business that the customer has terminated or intends to terminate its account or materially reduce the level of orders or services associated therewith after the Closing, or of any dispute with respect its account. To Seller's Knowledge, no event or circumstance has occurred that with notice or lapse of time, or both, would constitute a default by Seller under any Customer Account. To Seller's Knowledge, each written customer contract is valid and binding, enforceable in accordance with their respective terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally and general equitable principles. Except as set forth in Schedule 2.5, Seller has not received and holds no security deposits or escrow deposits from any of its customers. Except as set forth in Schedule 2.5, Seller is not servicing, and has not for at least twelve (12) months prior to the date hereof, serviced any customer who is a Customer Account for any period on a charge-free basis. Seller invoices the Customer Accounts consistent with any written customer contracts to the extent applicable and invoices all other customers on a basis consistent with customary industry practices. Except as set forth in Schedule 2.5, Seller is not presently offering, and has not, within the last twelve (12) months, offered any discount or allowance to any customer, including early payment discounts. For purposes of this Agreement, "Seller's Knowledge" shall mean the actual knowledge of Walter Ross, the sole shareholder, director and President of Seller, after reasonable inquiry by Walter Ross.

2.6. Accounts Receivable The Accounts Receivable reflected in the Financial Statements and the Accounts Receivable arising after the date thereof (a) have arisen from bona fide transactions entered into by Seller in the ordinary course of business consistent with past practice; (b) are valid, undisputed claims not subject to counterclaims or setoffs and (c) are fully collectible in accordance with their terms, except to the extent of any bad-debt reserves shown in the Financial Statements. Schedule 2.6 is a complete and accurate list of all Accounts Receivable of Seller as of December 13, 2011, which list sets forth the aging of such Accounts Receivable. Such list of accounts receivable is Seller's reasonable good faith estimate of the amount of Seller's accounts receivable as of such date and the actual amount of Seller's accounts receivable as of the Closing Date for purposes of this Agreement shall be determined in accordance with Section 1.5.

2.7. Title to Assets. Seller has good and marketable title to, or a valid leasehold or license interest in, the Purchased Assets. Except as set forth in Schedule 2.7, none of the Purchased Assets is subject to any mortgage, pledge, lien, conditional sales agreement, security interest, encumbrance or other charge. All of the personal property included in the Purchased Assets are in good repair and operating condition, normal wear and tear excepted. The Purchased Assets are the only assets used in or otherwise necessary to operate the Business as currently conducted or proposed to be conducted. None of the Excluded Assets are material to the Business.

2.8. Contracts.

Schedule 2.8 includes a true and complete list of each written or oral contract, agreement or other arrangement to which Seller is a party or bound by and that is used in, held for use in, related to, or necessary for, the conduct of the Business (collectively, "Material Contracts"). Seller has delivered or made available to Purchaser true and correct copy of each written Material Contract (including all amendments, extensions or other modifications thereto and waivers thereunder as of the date hereof) and a written summary setting forth the terms and conditions of each oral Material Contract. Each Material Contract is valid and binding in accordance with its terms and is in full force and effect. Except as set forth on Schedule 2.8, none of the Assigned Contracts has been terminated. No notice has been given by any party to a Material Contract to the other party of any alleged breach or default by any party thereunder, and Seller's President has no actual knowledge of any intention or right of any party to declare another party to any of the Material Contracts to be in breach of or in default or otherwise to demand a refund. Seller is not in breach or default under any of the Material Contracts and, to Seller's Knowledge, no event or circumstance has occurred that, with notice or lapse of time, or both, would constitute a default by Seller thereunder or result in a termination thereof. There are no material disputes pending or, to Seller's Knowledge, threatened under any Material Contract included in the Purchased Assets.

2.9. Intellectual Property.

(a) Schedule 2.9(a) lists all Purchased Intellectual Property. The Purchased Assets include all Purchased Intellectual Property that is, individually or in the aggregate, used in or material to the Business. Seller is the sole owner of and possesses all right, title and interest in and to the Purchased Intellectual Property, free and clear of mortgages, pledges, liens, conditional sales agreements, security interests, encumbrances or other charges. Except as set forth in Schedule 2.9, Seller has not granted to any person any license or sublicense, option, consent, right of first or last offer, or negotiation or other rights or authority in or to any of the Purchased Intellectual Property. Seller is in full compliance with all legal requirements applicable to the Purchased Intellectual Property and Seller's ownership and use thereof. All users of Seller's software (whether on-premise or by SaaS subscription) are mere licensees and have no right or claim to ownership of the software.

(b) Schedule 2.9(b)(i) lists all Intellectual Property Licenses. Seller has provided Buyer with true and complete copies of all of such Intellectual Property Licenses. All such Intellectual Property Licenses are valid, binding and enforceable between Seller and the other parties thereto. Except as set forth in Schedule 2.9(b)(ii), Seller has not sold any unauthorized licenses and support services to any customers, and Seller is not in breach or default of any Intellectual Property Licenses. None of the Software and Information Technology contains or uses any proprietary source code, object code or other proprietary information technology of the ADI Time source code and documentation.

(c) No interference actions or other judicial or adversary proceedings, or other disputes, concerning the Purchased Intellectual Property and Intellectual Property Licenses are outstanding or pending and, to Seller's Knowledge, no such action or proceeding is threatened. Seller has the right and authority to use the Purchased Intellectual Property and Intellectual Property Licenses in connection with the conduct of the Business in the manner presently conducted and has not received notice, and has no reason to believe, that such use conflicts with, infringes upon or violates any rights of any other person, firm or corporation.

(d) Seller has taken all actions it reasonably believes are necessary to maintain and protect each item of Purchased Intellectual Property. Seller has taken reasonable measures to safeguard the confidentiality and value of all Purchased Intellectual Property comprising trade secrets or other confidential information. Each present or past employee, officer or consultant of Seller who has been involved in the development or conception of any part of any of the Purchased Intellectual Property either: (i) is a party to an agreement that, to the extent permitted by law, conveys or obligates such person to convey to Seller any and all right, title and interest in and to all such Purchased Intellectual Property developed by such Person in connection with such person's employment with or engagement by Seller; or (ii) otherwise has by operation of law, to the extent permitted by law, vested in Seller any and all right, title and interest in and to all the Purchased Intellectual Property developed by such person in connection with such person's employment with or engagement by Seller.

(e) Schedule 2.9(e) lists all licenses, sublicenses, end user agreements and other agreements pursuant to which Seller grants rights or authority to any person with respect to any Purchased Intellectual Property or Intellectual Property Licenses. Seller has provided Buyer with true and complete copies of all of such agreements. All such agreements are valid, binding and enforceable between Seller and the other parties thereto. To Seller's Knowledge, no person has infringed, violated or misappropriated, or is infringing, violating or misappropriating, any of the Purchased Intellectual Property.

(f) For all purposes of this Agreement, the definitions set forth below shall apply:

(i) "Purchased Intellectual Property" means all Intellectual Property that is owned by Seller and currently licensed or used in or necessary for the conduct of the Business as currently conducted.

(ii) “Intellectual Property Licenses” means all licenses, sublicenses, reseller agreements and other agreements by or through which other persons grant Seller rights or interests in or to any Intellectual Property that is used in or necessary for the conduct of the Business as currently conducted.

(iii) “Intellectual Property” means all intellectual property or other proprietary rights of every kind throughout the world, both domestic and foreign, including all inventions and improvements thereon, Patents, Trademarks, Domain Names, Trademark Rights, Copyrights, Software and Information Technology and trade secrets and Seller’s name “Legiant.”

(iv) “Patents” means the United States patents and patent applications, including any continuations, divisionals, continuations in part, or reissues of patent applications and patents issuing thereon and any past, present or future claims or cause of action arising out of or related to any infringement or misappropriation of any of the foregoing.

(v) “Trademarks” means the trademark registrations and applications for trademark registrations, together with the goodwill associated with any of the foregoing, and all applications, registrations and renewals thereof, and any past, present or future claims or causes of action arising out of our related to any infringement or misappropriation of any of the foregoing.

(vi) “Domain Names” means the internet domain names and all registrations, applications and renewals related to the foregoing.

(vii) “Trademark Rights” means all common law rights in the United States in trade names, corporate names, logos, slogans, designs, trade dress, and unregistered trademarks and service marks, together with all translations, adaptations, derivations and combinations thereof, and the goodwill associated with any of the foregoing.

(viii) “Copyrights” means all copyrightable works, and all United States and foreign registered copyrights and applications, registrations and renewals therefore, and any past, present or future claims or cause of actions arising out of or related to any infringement or misappropriation of any of the foregoing,.

(ix) “Software and Information Technology” means, collectively, all (A) software, applications, systems, programs, source code, object code, logic, logic diagrams, flowcharts, algorithms, routines, sub-routines, utilities, tools, modules, file structures, coding sheets, coding, functional specifications, program specifications, designs, technical data, improvements, modifications, and versions thereof, and any documentation and other tangible embodiments of the foregoing, whether in eye readable or machine readable form; (B) know-how, methodology, procedures, techniques, processes, inventions (whether patentable or unpatentable and whether or not reduced to practice), creations, analyses, research and development, confidential information, information technology and trade secrets, in any form whether or not specifically listed herein; (C) training manuals, user guides, end user information and similar information, materials and documentation, and (D) all related technology information, that in the case of (A)-(D) are used in, incorporated in, embodied in or displayed by any of the products or services developed, manufactured, marketed, licensed or sold in connection with the Business or the Purchased Assets, or are used in the design, development, reproduction, maintenance or modification of any of products or services developed, manufactured, marketed, licensed or sold in connection with the Business or the Purchased Assets.

2.10. Employees.

(a) Schedule 2.10 contains a list of all persons who are employees, consultants or contractors of Seller as the date hereof, and sets forth for such person the following: (i) name; (ii) title or position; (iii) full-time or part-time status; (iv) hire date; (v) current base compensation or wage rate; (vi) commission, bonus or other incentive-based compensation; (vii) severance and change in control benefits; and (viii) a description of any fringe benefits provided to such person. Except for the Assumed Commission Liabilities described in Section 6.3(b), all compensation, commissions, bonuses and other amounts payable to current or former employees, consultants or contractors of Seller for services performed on or prior to the date hereof have been paid in full, and except for such Assumed Commission Liabilities there are no outstanding agreements, understandings or commitments of Seller with respect to any commissions, bonuses or increases in compensation.

(b) Seller has complied in all material respects with all applicable laws and regulations respecting labor, employment, fair employment practices, terms and conditions of employment, equal employment opportunity, nondiscrimination, harassment, immigration, wages, hours, benefits, health and safety, workers' compensation and unemployment insurance. All individuals characterized and treated by Seller as consultants or contractors are properly treated as independent contractors under all applicable laws. There are no investigations, actions, suits or proceedings pending, or to Seller's Knowledge, threatened to be brought or filed, by or with any governmental authority, court or arbitrator in connection with the employment of any current or former employee, consultant or contractor of Seller, including, without limitation, any claim relating to unfair labor practices, employment discrimination, harassment, retaliation, equal pay or any other employment related matter arising under applicable laws. There is no collective bargaining agreement in effect or contemplated to be in effect by Seller for its employees.

2.11. Products and Product Warranties. Seller owns, leases or licenses from third parties all of the tools, dies and specifications for, and all intellectual property and other rights to manufacture and sell or license the Seller's products. There are no breach of warranty claims currently pending against Seller, or to Seller's Knowledge, threatened against Seller, regarding any product or service sold, leased, licensed or delivered by Seller.

2.12. Product Liability. To Seller's Knowledge, Seller has no liability (and there is no basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand against it giving rise to any liability) arising out of any injury to individuals or property as a result of the ownership, possession or use of any product sold, leased or delivered or services rendered by Seller.

2.13. Litigation. There are no suits, actions or administrative, arbitration or other proceedings or governmental investigations pending or, to Seller's Knowledge, threatened against or relating to Seller, the Business or the Purchased Assets or that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. Seller is not otherwise engaged as a party in any suit, action or administrative, arbitration or other proceeding. Seller has not entered into nor is subject to any consent decree, compliance order or administrative order with respect to any of the Purchased Assets or the Business. Seller has not received any request for information, notice, demand letter, administrative inquiry or formal or informal complaint or claim with respect to the Purchased Assets or the Business. Seller has not been named by the U.S. Environmental Protection Agency or a state environmental agency as a potentially responsible party (or similar designation under applicable state law) in connection with any site at which hazardous substances, hazardous materials, toxic substances, oil or petroleum products have been released or are threatened to be released.

2.14. Absence of Undisclosed Liabilities. Except as set forth on Schedule 2.14 and except for (i) liabilities and obligations reflected or reserved against in the Financial Statements and (ii) liabilities and obligations incurred in the ordinary course of business consistent with past practices after the date of the Most Current Balance Sheet, Seller does not have any liability or obligation of any nature that would be required by GAAP to be set forth on a balance sheet of Seller and that would be, individually or in the aggregate, material in amount.

2.15. Taxes. After Closing and as a result of the transactions contemplated by this Agreement, Purchaser will not be responsible or liable for any federal, state and local income, profits, gross receipts, franchise, sales, use, occupation, real or personal property, value-added, ad valorem, withholding, social security, payroll, excise and other taxes, charges, levies, tariffs, duties, liabilities, assessments, fees and governmental charges (including for any interest, penalties or other expenses related thereto) (collectively, "Taxes") related to Seller's pre-Closing operations, nor will Seller or the Purchased Assets be subject to any lien or other claim by any federal, state or local governmental authority relating to any such Taxes. No tax audit, actions, suit, proceeding or claim is now pending or, to Seller's Knowledge, threatened against Seller or the Purchased Assets.

2.16. Absence of Certain Changes. Except as provided in the Schedule 2.16 hereto, since December 31, 2010, Seller has conducted the Business in the ordinary course of business consistent with past practices and there has not been:

(a) any change in the condition (financial or otherwise), properties, assets, liabilities, business, prospects or operations of Seller which change, by itself or in conjunction with all other such changes, has been or is likely to be materially adverse with respect to Seller's Business, the value of the Purchased Assets or the ability of Seller to consummate the transactions contemplated hereby, in each case taken as whole;

(b) any purchase, sale, license or other disposition, or any agreement or other arrangement for the purchase, sale, license or other disposition, of any part of the Purchased Assets other than purchases and sales in the ordinary course of business

(c) except for grants of licenses or sublicenses in the ordinary course of business consistent with past practices (including to Seller's customers), any transfer, assignment or grant of any license or sublicense of any material rights under or with respect to any Purchased Intellectual Property or Intellectual Property Licenses;

(d) any damage, destruction or loss, whether or not covered by insurance, adversely affecting the Purchased Assets or Seller in excess of $10,000 per single occurrence;

(e) any mortgage or pledge of any of the Purchased Assets or any waiver of any material rights with respect to any of the Purchased Assets or the Business;

(f) any acceleration, termination, modification or cancellation of any agreement, contract, lease or license (or series of related agreements, contracts, leases or licenses) involving more than $10,000 to which Seller is a party or by which it is bound and which is an Assigned Contract or is related to the Business;

(g) any adoption, amendment, modification or termination of any bonus, profit sharing, incentive, severance or other plan, agreement or commitment for the benefit of any employee of Seller;

(h) any material change in any method of accounting or accounting practice for the Business, except as required by the accounting principles and standards governing the preparation and presentation of the Financial Statements which are referenced in Section 2.4 or as disclosed in the notes to the Financial Statements;

(i) any material change in cash management practices and polices, practices and procedures with respect to collection of Accounts Receivable, establishment of reserves for uncollectible Accounts Receivable, accrual of Accounts Receivable, prepayment of expenses, payment of accounts payable, accrual of other expenses, deferral of revenue, and acceptance of customer deposits; or

(j) any agreement or understanding, whether in writing or otherwise, for Seller to take any of the foregoing actions, or any action or omission that would result in any of the foregoing.

2.17. Compliance with Laws. Seller is not in material violation of any laws, rules or regulations which apply to the conduct of Seller's Business or properties which violation has had or may be expected to have a material adverse effect on the Purchased Assets or Seller's business, financial condition or results of operations. There has never been any material citation, fine or penalty imposed, asserted or threatened against Seller under any foreign, federal, state, local or other law or regulation relating to employment, immigration, occupational safety, zoning or environmental matters. To Seller's Knowledge, no circumstances, occurrences or conditions exist that are reasonably likely to result in the imposition or assertion of such a material citation, fine or penalty, nor has Seller received any notice to the effect that Seller is in violation of any such laws or regulations. Schedule 2.17 sets forth each license, permit, certificate, approval or other similar authorization used in, or held for use in, the Business by Seller or related to the Purchased Assets as of the date hereof.

2.18. Employee Benefit Plans. After Closing and as a result of the transactions contemplated by this Agreement, Purchaser and Parent shall not be responsible or liable for any payments or other obligations of Seller related to any employee benefit plans, as that term is defined in Section 3(3) of ERISA, and fringe benefit plans, as that term is defined in Section 6039D(d) of the Code, which now are or ever have been maintained by Seller (or any subsidiary of Seller) or to which Seller (or any subsidiary of Seller) now has or has ever had an obligation to contribute (the "Employee Benefit Plans").

2.19. Insurance. The Purchased Assets and operations of Seller's Business are insured to the extent disclosed in the Schedule 2.19 hereto, including general liability and errors and omissions insurance policies. All such present policies of insurance are in full force and effect, all premiums with respect thereto are currently paid and Seller is in compliance with the terms thereof.

2.20. Finders' Fees. Except as disclosed in Schedule 2.20, neither Seller nor its shareholders has incurred or will incur or become liable for any broker's commission or finder's fee relating to or in connection with the transactions contemplated by this Agreement.

2.21. Completeness. No representation, warranty or statement contained in this Agreement and in the Disclosure Schedule to this Agreement or any certificate or other document furnished or to be furnished by Seller pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements stated therein, in light of the circumstances in which they are made, not misleading.

SECTION 3.
REPRESENTATIONS AND WARRANTIES OF PURCHASER AND PARENT

Each of Purchaser and Parent represents and warrants to Seller that the statements contained in this Section 3 are true and correct as of the date hereof.

3.1. Organization. Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Parent is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Purchaser and Parent each has full limited liability company or corporate power and authority, respectively, to own or lease its properties and to conduct its business in the manner and in the places where such properties are owned or leased or as such business is currently conducted.

3.2. Authority. Purchaser has full limited liability company power and authority, and Parent has full corporate power and authority, to enter into this Agreement and each agreement, document and instrument to be executed and delivered by Purchaser and Parent, as applicable, pursuant to this Agreement and to carry out the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and each such other agreement, document and instrument to which the Purchaser or Parent is a party have been duly and validly authorized and approved by all necessary action on the part of Purchaser and Parent, as applicable, and no other action on the part of Purchaser and Parent, as applicable, is required in connection therewith. This Agreement and each agreement, document and instrument to be executed and delivered by Purchaser and Parent pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of each of Purchaser and Parent, as applicable, enforceable against Purchaser and Parent in accordance with their respective terms, except to the extent that enforcement is limited by bankruptcy, insolvency, moratorium, conservatorship, receivership or similar laws of general application affecting creditors' rights or by the application by a court of equity principles.

3.3. No Conflicts; Consents. The execution, delivery and performance by Purchaser and Parent of this Agreement and each such agreement, document and instrument to be executed and delivered by them pursuant to this Agreement (a) does not and will not violate any foreign, federal, state, local or other laws, regulations or ordinances applicable to Purchaser or Parent; and (b) does not or will not violate any term or provision of the organizational documents of Purchaser or Parent. No consent or waiver by, approval of, or designation, declaration or filing with, or notice to, any governmental or regulatory authority or court is required by or in connection with the execution, delivery and performance by Purchaser or Parent of this Agreement and each agreement, document and instrument to be executed and delivered by Purchaser and Parent pursuant to this Agreement, other than compliance by Parent with applicable requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder. The execution, delivery and performance of this Agreement by Purchaser and Parent and each such agreement, document and instrument to be executed and delivered by them pursuant to this Agreement do not and will not result in a breach of, or constitute a default under, that certain credit agreement dated September 28, 2011 between Parent and JPMorgan Chase Bank, N.A.

3.4. Litigation. There is no pending action, suit, investigation or proceeding that has been commenced against Purchaser or Parent (i) that challenges or may have the effect of preventing, delaying or otherwise interfering with the transactions contemplated hereby or (ii) which could adversely effect in any material respect Purchaser's or Parent's ability to perform their respect obligations under this Agreement or any other agreement, document or instrument to be executed and delivered by Purchaser or Parent pursuant to this Agreement. To Purchaser's and Parent's knowledge, no such suit, investigation or proceeding has been threatened.

3.5. Finders' Fees. Neither Purchaser nor Parent has incurred or will incur or become liable for any broker's commission or finder's fee relating to or in connection with the transactions contemplated by this Agreement.

SECTION 4.
CLOSING DELIVERABLES

4.1. Deliveries to be Made by Seller at Closing. At the Closing, the following shall be delivered by Seller to Purchaser:

(a) Possession of the Purchased Assets;

(b) A bill of sale in the form attached hereto as Exhibit D ("Bill of Sale") and duly executed by Seller, conveying free, clear and unencumbered title to the tangible personal property included in the Purchased Assets to Purchaser;

(c) An assignment and assumption agreement in the form attached hereto as Exhibit E ("Assignment and Assumption Agreement") and duly executed by Seller, effecting the assignment to and assumption by Purchaser of the Purchased Assets and Assumed Liabilities;

(d) Such documents of assignment and transfer in the forms attached hereto as Exhibit F duly executed by Seller (the "Intellectual Property Assignments"), transferring all of Seller's right, title and interest in and to any of Purchased Intellectual Property and Intellectual Property Licenses to Purchaser;

(e) A power of attorney in the form attached hereto as Exhibit G and duly executed by Seller;

(f) A non-competition and non-solicitation agreement from Walter Ross in the form attached hereto as Exhibit H (the "Non-Competition agreement"), duly executed by Walter Ross;

(g) A conditional license agreement in the form attached hereto as Exhibit I (the "License Agreement"), duly executed by Walter Ross;

(h) A subordination agreement with JP Morgan Chase Bank, N.A. (the "Bank") (the "Subordination Agreement"), duly executed by Seller;

(i) A consent to assignment (the "Lease Assignment") for that certain sublease dated December 12, 2003 between Seller and WB One & Two, Ltd. ("Landlord"), duly executed by Seller and Landlord;

(j) A written statement setting forth the amount of Seller's cash and cash equivalents, calculated in accordance with GAAP, as of 12:01 a.m. on the Closing Date ("Beginning Cash Close") and as of the close of business on the Closing Date ("Ending Closing Cash"), certified by the President of Seller;

(k) A certificate duly executed by Walter Ross, pursuant to Section 3.1 of the License Agreement;

(l) Resolutions duly adopted by the Board of Directors of Seller and shareholders of Seller, each authorizing the execution, delivery and performance of this Agreement, such other agreement, document and instrument required to be delivered pursuant to the Agreement to which Seller is a party, and the transactions contemplated hereby and thereby, certified by a duly authorized officer;

(m) The certificate of the Secretary (or equivalent officer) of Seller certifying the names and signatures of the officers of Seller authorized to sign this Agreement and the other agreements, documents and instruments to be delivered pursuant to this Agreement; and

(n) Such other documents, certificates or instruments as Purchaser or Parent reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

4.2. Deliveries to be Made by Purchaser at Closing. At Closing, the following shall be delivered by Purchaser to Seller:

(a) The Closing Day Cash Payment;

(b) The Notes duly executed by Purchaser;

(c) The License Agreement duly executed by Purchaser and Parent;

(d) The Guaranty duly executed by Parent;

(e) The Assignment and Assumption Agreement duly executed by Purchaser;

(f) The Non-Competition Agreement duly executed by Purchaser and Parent;

(g) The Subordination Agreement duly executed by Purchaser and Bank;

(h) The Lease Assignment duly executed by Parent;

(i) Resolutions duly adopted by the board of directors of Parent and the sole member of Purchaser, each authorizing the execution, delivery and performance of this Agreement, such other agreement, document and instrument required to be delivered pursuant to the Agreement to which Parent or Purchaser is a party, and the transactions contemplated hereby and thereby, certified by a duly authorized officer of Parent and Purchaser;

(j) The certificate of the Secretary (or equivalent officer) of each of Purchaser and Parent certifying the names and signatures of the officers of Purchaser and Parent authorized to sign this Agreement and the other agreements, documents and instruments to be delivered pursuant to this Agreement; and

(k) Such other documents, certificates or instruments as Seller reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

4.3. Deposit of Source Code. At Closing, Parent and Purchaser will send via federal express a sealed envelope, signed by Walter Ross, Parent and Purchaser, containing the Source Code and Documentation (as defined in the License Agreement) to Messerli & Kramer P.A., as interim escrow agent.

SECTION 5.
SURVIVAL OF REPRESENTATIONS AND WARRANTIES
AND INDEMNIFICATIONS

5.1. Survival of Representations and Warranties. Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein shall survive the Closing for a period of eighteen (18) months after the Closing Date; provided, that the representations and warranties in Section 2.1, Section 2.2, Section 2.7, Section 2.20, Section 3.1, Section 3.2, and Section 3.5 shall survive indefinitely, and the representations and warranties in Section 2.9, Section 2.15 and Section 2.18 shall survive for the full period of all applicable statute of limitations or tolling period with respect to the matter at issue. All covenants and agreements of the parties contained herein shall survive the Closing indefinitely or for the period explicitly specified herein. Notwithstanding the above limitations, indemnification for matters fraudulently concealed by any party hereto shall extend indefinitely or until the applicable statute of limitations or tolling period.

5.2. Indemnification by Seller. Seller covenants and agrees to defend, indemnify and hold harmless Purchaser, Parent and their respective officers, directors, members, affiliates, employees, agents, successors and permitted assigns (collectively, the "Purchaser Indemnitees") from and against, and pay or reimburse the Purchaser Indemnitees for any and all claims, demands, losses, damages, liabilities, strict liabilities, obligations, fines, costs and expenses (including interest and penalties with respect thereto and reasonable attorneys' fees and out-of-pocket expenses and costs of investigation), or other damages (whether absolute, accrued, conditional or otherwise and whether or not resulting from third party claims) fixed or contingent, liquidated or unliquidated, matured or unmatured and all demands, assessments, judgments (collectively, "Losses"), resulting from or arising out of:

(a) any inaccuracy in or breach of any representation or warranty made by Seller herein or by Seller in any agreement, document or instrument delivered by or on behalf of Seller pursuant to this Agreement;

(b) Subject to Section 6.6, Seller's conduct of the Business or ownership of the Purchased Assets prior to the Closing Date; but specifically excluding the Assumed Liabilities;

(c) any act of fraud related to this Agreement;

(d) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Seller hereunder or by Seller pursuant to any agreement, document or instrument delivered by or on behalf of Seller pursuant to this Agreement;

(e) any Excluded Asset or any third party claim or other liabilities arising from any Excluded Asset;

(f) any Excluded Liabilities;

(g) any non-compliance by Seller with any applicable fraudulent transfer or bulk sales law; and

(h) any and all liabilities for Taxes owed by Seller; or

(i) all actions, suits, proceedings, demands, assessments or judgments (including all reasonable attorney fees and expenses) incident to any of the foregoing.

5.3. Reimbursement. If a Purchaser Indemnitee has a claim for indemnification under Section 5.2, the Purchaser Indemnitee will deliver prompt written notice to Seller stating in reasonable detail the nature and basis for such claim and the amount, to the extent known, of such claim. If the Seller disputes such claim for indemnification, it shall notify the Purchaser Indemnitee within 30 days after delivery of the notice of such claim by Purchaser Indemnitee, and the Seller and Purchaser Indemnitee will proceed in good faith to negotiate a resolution of such dispute. If the dispute is not resolved within 30 days after the commencement of negotiations, either Seller or the Purchaser Indemnitee may initiate litigation in accordance with Section 7.3. If the Seller does not dispute such claim for indemnification, the Seller will pay the amount of Loss to the Purchaser Indemnitee. Subject to Section 5.4, Seller will pay the amount of any Loss incurred by the Purchaser Indemnitee within 10 days following the determination of Seller's liability for and the amount of such Loss (whether such determination is made pursuant to the procedures set forth under this Section 5.3, by agreement between the Seller and the Purchaser Indemnitee or by final adjudication).

5.4. Offset Against Balloon Holdback Note. Purchaser Indemnitees will recoup all or any part of any Losses incurred by the Purchaser Indemnitees under this Agreement, first, exclusively by offsetting such Losses in an amount not to exceed $1,000,000 in the aggregate as to all Purchaser Indemnitees against up to $1,000,000 of total principal and accrued interest due and payable by Purchaser to Seller under the Balloon Holdback Note. If and to the extent upon and after the maturity date of the Balloon Holdback Note there should be insufficient principal and accrued interest due and payable by Purchaser to Seller under the Balloon Holdback Note to cover by offset the aggregate Losses of all Purchaser Indemnitees' up to such maximum $1,000,000 of Losses (the amount of such aggregate Losses up to such maximum amount not so covered by offset being the "Loss Deficiency"), then on and after the maturity of the Balloon Holdback Note the Purchaser Indemnitees may recoup such Loss Deficiency by reimbursement directly from Seller pursuant to Section 5.3; provided, however, that consistent with Section 5.8(a) the maximum amount of aggregate Losses of all Purchaser Indemnitees which Purchaser Indemnitees may recover by offset against the Balloon Holdback Note and directly from Seller shall not exceed the $1,000,000 Cap provided for in that Section. If any claim for indemnification is under dispute by Seller at the time of a scheduled payment under the Balloon Holdback Note, the amount of Losses underlying the applicable claim, as reasonably estimated by the Purchaser Indemnitee, plus $100,000 (the "Holdback Amount") shall be withheld by Purchaser from such payment until final resolution of the dispute and Purchaser shall pay the remainder, if any, of the scheduled payment under the Balloon Holdback Note. The failure of the Purchaser to pay the Holdback Amount on the applicable payment date under the Balloon Holdback Note in connection with its exercise of its offset rights as permitted by this Section 5.4 shall not constitute an Event of Default under the Balloon Holdback Note, Former Shareholder Tracking Holdback Note, the License Agreement or the Guaranty. Purchaser Indemnitees shall not be entitled to offset against the Short-Term Note and the Former Shareholder Tracking Holdback Note any Losses for which they may be entitled to indemnification under this Agreement.

5.5. Indemnification by Purchaser. Purchaser covenants and agrees to defend, indemnify and hold harmless Seller, its officers, directors, employees, agents, successors and permitted assigns (collectively, the "Seller Indemnitees") from and against, and pay or reimburse Seller Indemnitees for all Losses resulting from or arising out of:

(a) any inaccuracy in or breach of any representation or warranty when made or deemed made by Purchaser or Parent herein or in any agreement, document or instrument delivered by or on behalf of Purchaser or Parent pursuant to this Agreement;

(b) any act of fraud related to this Agreement;

(c) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Purchaser of Parent hereunder or pursuant to any agreement, document or instrument delivered by or on behalf of Purchaser of Parent pursuant to this Agreement;

(d) any of the Assumed Liabilities or Purchaser's or Parent's failure to pay and perform the Assumed Liabilities in accordance with their terms;

(e) Purchaser's or Parent's operation of the Business after the Closing Date; and

(f) all actions, suits proceedings, demands, assessments or judgments (including all reasonable attorney fees and expenses) incident to any of the foregoing.

5.6. Reimbursement. If a Seller Indemnitee has a claim for indemnification under Section 5.5, the Seller Indemnitee will deliver prompt written notice to Purchaser stating in reasonable detail the nature and basis for such claim and the amount, to the extent known, of such claim. If the Purchaser disputes such claim for indemnification, it shall notify the Seller Indemnitee within 30 days after delivery of the notice of such claim by Seller Indemnitee, and the Purchaser and Seller Indemnitee will proceed in good faith to negotiate a resolution of such dispute. If the dispute is not resolved within 30 days after the commencement of negotiations, either Purchaser or the Seller Indemnitee may initiate litigation in accordance with Section 7.3. If the Purchaser does not dispute such claim for indemnification, the Purchaser will pay the amount of Loss to the Seller Indemnitee. Purchaser will pay the amount of any Loss incurred by the Seller Indemnitee within 10 days following the determination of Purchaser's liability for and the amount of such Loss (whether such determination is made pursuant to the procedures set forth under this Section 5.6, by agreement between the Purchaser and the Seller Indemnitee or by final adjudication).

5.7. Matters Involving Third Parties.

(a) If any third party shall notify any party entitled to indemnification under Section 5 (the "Indemnified Party") with respect to any matter (a "Third Party Claim") which may give rise to a claim for indemnification against the party from whom indemnification is claimed (the "Indemnifying Party") under this Section 5, then the Indemnified Party shall promptly notify the Indemnifying Party thereof in writing; *provided, however*, that no delay on the part of the Indemnified Party in notifying the Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party forfeits rights or defenses by reason of such failure.

(b) The Indemnifying Party will have the right to defend the Indemnified Party against the Third Party Claim at the Indemnifying Party's expense, with counsel of its choice reasonably satisfactory to the Indemnified Party, so long as (A) the Indemnifying Party notifies the Indemnified Party in writing within twenty (20) business days after the Indemnified Party has given notice of the Third Party Claim that the Indemnifying Party will indemnify the Indemnified Party from and against any Losses the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third Party Claim, (B) the Third Party Claim involves only money damages and does not seek an injunction or other equitable relief, (C) settlement of, or an adverse judgment with respect to, the Third Party Claim is not, in the good faith judgment of the Indemnified Party, likely to materially adversely affect the business of the Indemnified Party, and (D) the Indemnifying Party conducts the defense of the Third Party Claim actively and diligently.

(c) So long as the Indemnifying Party is conducting the defense of the Third Party Claim in accordance with Section 5.7(b) above, (A) the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third Party Claim, (B) the Indemnified Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnifying Party (not to be withheld or delayed unreasonably), and (C) the Indemnifying Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnified Party (not to be withheld or delayed unreasonably).

(d) In the event any of the conditions in Section 5.7(b) above is or becomes unsatisfied, however, (A) the Indemnified Party may defend against, and consent to the entry of any judgment or enter into any settlement with respect to, the Third Party Claim in any manner it reasonably may deem appropriate but only after the approval of the Indemnifying Party (which approval shall not be unreasonably withheld or delayed), (B) the Indemnifying Party will reimburse the Indemnified Party promptly and periodically for the reasonable costs of defending against the Third Party Claim (including reasonable attorneys' fees and expenses incurred by the Indemnified Party), and (C) subject to the limitations contained in this Section 5, the Indemnifying Party will remain responsible for any Losses the Indemnified Party may suffer resulting from arising out of, relating to, in the nature of, or caused by the Third Party Claim to the fullest extent provided in this Section 5.

5.8. Limitations on Indemnification.

(a) Except as set forth in Section 5.8 below, Seller shall not be liable to Purchaser Indemnitees under this Agreement unless and until the aggregate amount of all Losses in respect of indemnification under Section 5.2 exceeds Fifty Thousand Dollars ($50,000), (the "Basket Amount") after which Seller shall be liable only for such Losses in excess of the Basket Amount. The maximum aggregate obligation of Seller with respect to all matters for which Purchaser Indemnitees may seek indemnification under this Agreement shall not exceed $1,000,000 in the aggregate as to all Purchaser Indemnitees (the "Cap").

(b) Except as set forth in Section 5.8 below, Purchaser shall not be liable to Seller Indemnitees under this Agreement unless and until the aggregate amount of all Losses in respect of indemnification under Section 5.5 exceeds Fifty Thousand Dollars ($50,000) (the "Seller's Basket Amount") after which Purchaser shall be liable only for such Losses in excess of the Seller's Basket Amount. The maximum aggregate obligation of Purchaser with respect to all matters for which Seller Indemnitees may seek indemnification under this Agreement shall not exceed $1,000,000 (the "Seller's Cap").

(c) The Basket Amount shall not apply to any claim made by Purchaser based upon the representations and warranties of Seller contained in Section 2.1, Section 2.2, Section 2.7, Section 2.9, Section 2.15, Section 2.18, and Section 2.20. The Seller's Basket Amount shall not apply to any claim made by Seller based upon the representations and warranties of Purchaser or Parent contained in Section 3.1, Section 3.2, and Section 3.5. Notwithstanding anything to the contrary contained herein, neither the Basket Amount nor the Seller's Basket Amount shall apply to any indemnification claims resulting from a fraudulent breach by the Seller or Purchaser or Parent, as applicable, of any of their respective representations, warranties or covenants under this Agreement.

5.9. Miscellaneous Indemnification Matters. In determining the amount of any Losses suffered by an indemnitee for which it is entitled to payment or indemnification pursuant hereto or otherwise, there shall be taken into account any insurance proceeds or other amounts actually received by the indemnitee and attributable to or derived from such Loss.

5.10. Exclusive Remedy. Subject to Section 6.4, the sole and exclusive remedy with respect to any Losses under this Agreement (other than claims arising from fraud or willful breach) shall be pursuant to the indemnification provisions set forth in this Section 5.

SECTION 6.
COVENANTS AND AGREEMENTS

6.1. Collection on Accounts Receivable. On or after the Closing Date, Purchaser shall have the right and authority to collect for Purchaser's account all receivables which constitute a part of the Purchased assets. Following the Closing Date, Seller shall promptly remit to Purchaser, or reimburse Purchaser for, all amounts, and endorse or remit to Purchaser the proceeds of all checks, drafts, notes, or other documents, received by Seller that should have otherwise been paid to Purchaser.

6.2. Notice to Customer Accounts. In order to promote the smooth transition of the Business and Customer Accounts to Purchaser after Closing, Seller shall cooperate with Purchaser in providing notice to each Customer Account advising each such Customer Account of the sale of the Business to Purchaser.

6.3. Employee Matters.

(a) Commencing on the Closing date, Seller shall terminate all employees Seller who are actively at work on the Closing Date. Seller acknowledges that Purchaser is not obligated to offer employment to any of Seller's employees and that, at Purchaser's sole discretion, Purchaser may offer employment, on an "at-will" basis, to any such employees. All terms of employment for such employees shall be at the discretion of Purchaser and all benefits and other terms are subject to change as determined by Purchaser in its sole and absolute discretion.

(b) Subject to the last sentence of this Section 6.3(b), Seller acknowledges and agrees with Purchaser that Seller shall be solely responsible, and Purchaser shall have no obligations whatsoever, for all compensation and other amounts payable to current and former employees of Seller through the close of business on the Closing Date, whether or not accrued on the books of Seller as of the Closing Date, including, but not limited to, hourly pay, salary, commission, bonus, vacation pay, sick leave, COBRA (later defined) benefits, termination and severance payments, and fringe benefits, and Seller shall pay all such amounts to entitled employees on or prior to the Closing Date. For the purposes of this Agreement, "COBRA" shall mean health insurance continuation coverage as required by Section 4980B of the Code and Sections 601 through 609 of ERISA or as required by any applicable state law. Seller shall retain liability for all payroll and other obligations of Seller to Seller's PEO provider, which is Insperity (formerly known as Administaff), and all of the same shall be Excluded Liabilities. Anything in the first sentence of this Section 6.3(b) to the contrary notwithstanding, (i) Purchaser shall assume and be liable and responsible for paying up to a maximum total of $6,000 of commissions due and payable by Seller to Seller's employees (whether or not hired by Purchaser in its discretion) with respect to all orders booked or invoiced prior to the Closing Date and in accordance with Seller's standard commission agreement and policy set forth in Schedule 6.3(b), ("Assumed Commission Liabilities").

(c) Seller shall remain solely responsible for the satisfaction of all claims for medical, dental, life insurance, health accident or disability benefits brought by or in respect of current or former employees or agents of Seller which claims relate to events occurring prior to the Closing Date. Seller also shall remain solely responsible for all workers' compensation claims of any current or former employees or agents of Seller which relate to events occurring prior to the Closing Date. Seller shall pay, or cause to be paid, all such amounts to the appropriate persons as and when due.

(d) Following the Closing Date, Purchaser shall bear sole responsibility for instructing and supervising employees of Seller hired by Purchaser and shall be responsible for providing compensation and benefits to all employees of Seller hired by Purchaser for periods on and after the Closing Date during the respective periods of employment of such employees with Purchaser.

6.4. Non-Competition and Non-Solicitation.

(a) Seller covenants and agrees that for a period of five (5) years from the date hereof (the "Restricted Period"), Seller shall not, directly or indirectly, on its own behalf or on behalf of any other person or entity (other than Purchaser) (i) engage in or assist others in engaging in a business competitive with the Business; (ii) cause, induce or encourage any actual or prospective client, customer, supplier or licensor of the Business or any other person who has a business relationship with the Business, to terminate or modify any such actual or prospective relationship; or (iii) solicit or hire any person who is offered employment by Purchaser pursuant to Section 6.3(a) or is or was employed in the Business during the Restricted Period, or encourage any such employee to leave such employment or hire any such employee who has left such employment, except pursuant a general solicitation which is not directed specifically to any such employees; provided, that nothing in this Section 6.4 (a) shall prevent the Seller from hiring any employee whose employment has been terminated by Purchaser.

(b) In the event of any breach of Section 6.4 by Seller, in addition to, and not in lieu of any other remedies to which the non-breaching party may be entitled, Seller and Purchaser each agree that a breach of any covenant set forth in this Section 6.4 would result in irreparable injury, harm, and damage to the non-breaching party for which such party would have no adequate remedy at law, and Seller and Purchaser each further agree, in the event of any violation or breach of any provision of this Section 6.4, the non-breaching party shall be entitled to an immediate injunction and restraining order to prevent such violation or continuing violation, without having to prove damages, and any such violation may be enjoined through proper action filed in a court of competent jurisdiction.

(c) Seller and Purchaser each agree that all restrictions in this Section 6.4 are necessary and fundamental to the protection of the Business and the Purchased Assets, and are reasonable and valid, and all defenses to the strict enforcement hereof are hereby waived. In the event any term, provision, or restriction is held to be illegal, invalid or unenforceable in any respect, such finding shall in no way affect the legality, validity or enforceability of all other provisions of this Section 6.4. Purchaser and Seller each agree that any such unenforceable term, provision or restriction shall be deemed modified to the extent necessary to permit its enforcement to the maximum extent permitted by applicable law.

(d) The provisions of this Section 6.4 shall survive the termination or expiration of this Agreement for any reason or no reason. Anything in this Section 6.4 to the contrary notwithstanding, all of the restrictions in Section 6.4 shall terminate without further action upon the occurrence of the "License Condition" as such event and term is defined in the License Agreement.

6.5. Delivery of Audited Financials. As promptly as practicable following the Closing Date, but in any event no later than forty-five (45) days thereafter, Seller shall cooperate and deliver to Parent audited financial statements and unaudited financial information and a consent of Seller's independent auditors, in each case reasonable acceptable to Parent, that enable Parent to comply with its reporting obligations, including without limitation, the filing of a Form 8-K with the Securities and Exchange Commission with respect to the transactions contemplated hereby in accordance with Item 9 of such form. Schedule 6.5 contains a description of such audited and unaudited financial information based on the Parent's current understanding of such requirements. Parent shall bear all reasonable and documented costs and expenses incurred in connection with the preparation, review and audit of such financial information by Seller's independent auditors; provided that in connection therewith, Seller shall not incur costs or expenses in excess of $40,000 in the aggregate without the prior written consent of Purchaser and Parent, which consent shall not be unreasonable withheld. Upon written request of the Seller's independent auditor, to the extent reasonably required in connection with the audit, Purchaser shall afford reasonable access, during normal business hours, to such books and records received from Seller and constituting Purchased Assets.

6.6. Mutual Release.

(a) This Agreement includes an immediate mutual release by the parties of all claims that have accrued through the Closing Date except as expressly listed in Section 6.6(b) below. Accordingly, Purchaser, Parent and ADI Software , on the one hand, and Seller hereby mutually and completely release and forever discharge each other, along with and including, but not limited to each of their current or former directors, officers, shareholders, members, owners, employees, attorneys, representatives, insurers, subsidiaries, affiliates, joint ventures, agents, heirs, executors, administrators, trust, trustees, principals, predecessors, successors and assigns, and each of them in their individual and representative capacities, from any and all claims from any and all claims, of whatever character, nature and kind, in law or equity, that were brought or could have been brought, whether known or unknown, foreseen or unforeseen, suspected or unsuspected, contingent or liquidated, which the parties have or may claim to have against each other as a result of or in relation to the ADI Agreement, the office sublease or any other contract, purchase order, business or other relationship or transaction existing or occurring between Seller, on the one hand, and Parent, ADI Software or ADI, on the other hand, prior to and through the Closing Date.

(b) Notwithstanding anything contained in Section 6.6(a) to the contrary, and subject to the last sentence of this Section 6.6(b), Purchaser, Parent and ADI Software, on the one hand, and Seller do not release each other for claims against the other party arising out of third party claims based upon or in respect of the ADI Agreement, the office sublease or any other contract, purchase order, business or other relationship or transaction existing or occurring between Seller, on the one hand, and Parent, ADI Software or ADI, on the other hand, prior to and through the Closing Date. The parties hereto do not release, and expressly preserve, any and all claims for any breach of any representation, warranty, covenant, agreement or obligation set forth herein and in the other agreements, documents and instruments required to be delivered at the Closing and otherwise relating to the interpretation and enforcement of this Agreement. Purchaser, Parent and ADI Software agree that the release in Section 6.6(a) includes any claims arising out of or relating to sales by Seller of unauthorized licenses or support services disclosed in Schedule 2.9(b)(ii) and that the first sentence of this Section 6.6(b) shall not apply to any third party claims based upon the matters disclosed in Schedule 2.9(b)(ii). Seller claims not released pursuant to the first sentence of this Section 6.6(b) shall constitute Excluded Assets not conveyed by Seller to Purchaser pursuant to this Agreement.

SECTION 7.
MISCELLANEOUS

7.1. No Waiver. The failure of any party hereto at any time to require performance by any other party of any provision of this Agreement shall not affect the right of such party to require performance of that provision and any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provisions, a waiver of the provision itself or a waiver of any right under this Agreement.

7.2. Successors and Assigns. No assignment by any party hereto shall be permissible without the written consent of the other parties hereto, and this Agreement and all representations, warranties, covenants and agreements contained herein shall be binding upon and inure to the benefit of the parties hereto and their authorized assigns and their respective successors, heirs and administrators. At or after the Closing, all or any of the rights of Purchaser hereunder may be assigned as collateral security to any lender or lenders (including any agent for any such lender or lenders) providing financing to Purchaser, or to any assignee or assignees of any such lender, lenders or agent.

7.3. Governing Law; Jurisdiction. This Agreement is being delivered and is intended to be performed in the State of Delaware and shall be construed, interpreted, governed and enforced in accordance with the laws of that State. Each of the parties submits to the jurisdiction of the federal or state courts located in Austin, Texas in any action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby and agrees that all claims in respect of any such action or proceeding may be heard and determined by such tribunal. Each party also agrees not to bring any action or proceeding arising out of or relating to this Agreement in any other court. Each of the parties waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of any other party with respect thereto. Either party may make service on the other party by sending or delivering a copy of the process to the party to be served at the address and in the manner provided for the giving of notices in Section 7.5.

7.4. Expenses. Except as otherwise expressly provided herein, each party hereto shall pay its own costs and expenses (including, but not limited to, fees and expenses of counsel) incurred in connection with the negotiation, preparation, execution and consummation of this Agreement and the transactions contemplated hereby, whether or not such transactions are consummated or abandoned for any reason, without reimbursement from or by any other party hereto. Sales and other taxes resulting from the transfer of the Purchased Assets to Purchaser shall be paid by Seller.

7.5. Notices. All notices, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given: (a) when delivered by hand (with written confirmation of receipt); (b) when received if sent by a nationally recognized overnight delivery service (receipt requested); and (c) on the third day after the date mailed, if sent by certified or registered mail, return receipt requested. In each case notice shall be sent to the following address or to such other place and with such other copies as any party may designate as to itself by notice to the others:

(a)	If to Purchaser or Parent:	Asure Software, Inc. 110 Wild Basin Road, Suite 100 Austin, Texas 78746 Attention: CFO
	With a copy to:	Messerli & Kramer P.A. 100 South Fifth Street 1400 Fifth Street Towers Minneapolis, MN 55402 Attention: David Weigman, Esq.
(b)	If to Seller: 1506 Rainbow Bend Austin, TX 78703	Walter Ross Attention: Walter Ross
	With a copy to:	Saunders, Noval, Nichols & Atkins, L.L.P. 2630 Exposition Blvd., Suite 203 Austin, TX 78703 Attention: Neal Nichols

7.6. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one in the same instrument. A facsimile signature page shall be deemed an original.

7.7. Announcements and Communications. Seller and Purchaser agree not to make any public announcement in respect to this Agreement and the transactions contemplated hereby or furnish any information to the public or any third party concerning the financial or non-financial aspects of the transactions contemplated by this Agreement prior to or after Closing, unless such announcement or furnishing of information is agreed upon by all parties hereto or is necessitated by Securities and Exchange Commission rules and regulations, stock exchange rules, federal securities laws or other applicable laws, as reasonably determined by counsel for the Purchaser and after consultation with Seller**.** Nothing contained herein shall prohibit or restrict communication by Purchaser to customers of the Business.

7.8. Entire Agreement. This Agreement, together with the Schedules, documents and instruments delivered pursuant to and specified in this Agreement, sets forth the entire agreement and understanding between the parties as to the subject matter hereof, and merges and supersedes all prior discussions, agreements and understandings of every and any nature between them, and no party shall be bound by any condition, definition, warranty or representation, other than as expressly set forth or provided for in this Agreement, or as may be, on or subsequent to the date hereof, set forth in writing and signed by the party to be bound thereby. This Agreement may not be changed or modified, except by agreement in writing, signed by all of the parties hereto.

7.9. Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to Purchaser or the Seller, upon any breach or default of Seller or of Purchaser, respectively, under this Agreement, shall impair any such right, power or remedy of such person nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring.

7.10. Bulk Sale Compliance. Seller shall remain solely responsible to all of its creditors with respect to liabilities incurred with respect to the Business prior to Closing, notwithstanding the sale and purchase pursuant to this Agreement. Seller and Purchaser agree to waive compliance with the bulk sales law of the State of Texas and Seller agrees to hold harmless and indemnify Purchaser for any loss or liability incurred by Purchaser because of such failure to comply.

7.11. Severability. Unless otherwise provided herein, if any provision of the Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the unenforceable provision shall be deemed modified to the limited extent required to permit its enforcement in a manner most closely approximating the intention of the parties as expressed herein.

7.12. Cumulative Remedies. Except as otherwise specifically provided in this Agreement, all rights and remedies of any party hereto are cumulative of each other and of every other right or remedy such party may otherwise have at law or in equity, and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of other rights or remedies.

7.13. Time; Captions; Exhibits and Schedules. Time is of the essence of this Agreement. The captions contained in this Agreement in no way define, limit or extend any provision of this Agreement. The Exhibits and Disclosure Schedules that are attached to this Agreement are a part of this Agreement and are incorporated herein by reference.

7.14. Further Assurances. The parties shall cooperate reasonably with each other and with their respective representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement, and shall (a) furnish upon request to each other such further information; (b) execute and deliver to each other such other documents; and (c) do such other acts and things all as the other party may reasonably request for the purpose of carrying out the intent of this Agreement and the transactions contemplated herein.

7.15. Construction. This Agreement is to be deemed to have been prepared jointly by the parties hereto after arms-length negotiations, and any uncertainty or ambiguity existing herein shall not be interpreted against any party, but according to the application of the rules of interpretation of contracts.

7.16. Third Party Beneficiaries. Except as expressly provided in this Agreement, each party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than parties hereto and their respective successors and permitted assigns.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

PARENT

ASURE SOFTWARE, INC.

By: _____

Name:
Title:

PURCHASER:

ASURE LEGIANT, LLC

By: _____
Name:
Title:

SELLER:

WG ROSS CORP., d/b/a Legiant

By: _____
Name: Walter Ross
Title: President

ADI SOFTWARE, LLC
(with respect to Section 6.6 only)

By: _____
Name:
Title:

[Signature page to Asset Purchase Agreement]

EXHIBITS

EXHIBIT A – Form of Short-Term Note
EXHIBIT B-1 Form of Balloon Holdover Note
–
EXHIBIT B-2 Form of Former Shareholder Tracking Holdover Note
–
EXHIBIT C – Form of Guaranty
EXHIBIT D – Form of Bill of Sale
EXHIBIT E – Form of Assignment and Assumption Agreement
EXHIBIT F – Form of Intellectual Property Assignments
EXHIBIT G – Form of Power of Attorney
EXHIBIT H – Form of Non-Competition Agreement
EXHIBIT I – Form of License Agreement

SCHEDULES

Schedule	Subject
Schedule 1.1(b)	Tangible Personal Property
Schedule 1.1(c)	Accounts Receivable
Schedule 1.1(d)	Customer Accounts
Schedule 1.1(e)	Inventory
Schedule 1.1(h)	Assigned Contracts
Schedule 2.4(a)	Financial Statements
Schedule 2.4(b)	Accounting Principles
Schedule 2.4(c)	Accounts Payable
Schedule 2.5	Revenues and Customer Accounts
Schedule 2.6	Accounts Receivable
Schedule 2.7	Title to Assets
Schedule 2.8	Material Contracts
Schedule 2.9(a)	Purchased Intellectual Property
Schedule 2.9(b)(i)	Intellectual Property Licenses
Schedule 2.9(b)(ii)	Unauthorized Licenses
Schedule 2.9(d)	Ownership
Schedule 2.9(e)	Licenses Granted by Seller
Schedule 2.10	Employees
Schedule 2.14	Undisclosed Liabilities
Schedule 2.16	Material Changes
Schedule 2.17	Permits
Schedule 2.19	Insurance
Schedule 2.20	Finders Fee
Schedule 6.3(b)	Standard Commission Agreement and Policy
Schedule 6.5	Financial Reporting Requirements

EXHIBIT 4.13

PROMISSORY NOTE

$1,095,392
October 1, 2011

FOR VALUE RECEIVED, the undersigned, ADI SOFTWARE, LLC, a Delaware limited liability company (the "Maker"), hereby promises to pay to the order of ADI TIME, LLC, a Rhode Island limited liability company or its assigns (the "Payee"), the principal sum of $1,095,392 or such other amount as provided hereunder, together with interest on the unpaid principal balance at an annual rate equal to 0.16%, under the terms set forth herein.

This Note has been executed and delivered pursuant to the Asset Purchase Agreement dated as of October 1, 2011 by and among Asure Software, Inc., a Delaware corporation ("Parent"), the Maker and the Payee (the "Purchase Agreement"). The principal amount of this Note shall be adjusted in accordance with Section 1.3(c) and Section 1.3(d) of the Purchase Agreement.

1 . Payment. Except as otherwise provided in Section 5 and Section 6 hereunder, the principal amount of this Note shall be due and payable as follows: $150,000 on October 1, 2013 and $850,000 on October 1, 2014 (the "Maturity Date"). Interest on the unpaid principal balance shall be due and payable on the Maturity Date.

2 . Optional Prepayments. The Maker may prepay this Note, in whole or in part, without penalty or premium, at any time and from time to time. Prepayments shall be applied first to accrued but unpaid interest and then to principal.

3. Guaranty. The full and timely payment of this Note is guaranteed by the Parent pursuant to a guaranty effective as of this date (the "Guaranty").

4. Default. The occurrence of any one or more of the following events shall constitute an event of default, upon which the Payee may, at its option, by written notice to the Maker, declare the entire principal amount of this Note, together with all accrued but unpaid interest, to be immediately due and payable:

(a) The Maker fails to make any required payment of principal or interest on the Note when due, and such failure shall continue for ten (10) days after written notice from the Payee to the Maker; provided, however, the failure to pay will not constitute an event of default to the extent specifically set forth in Section 5.4 ofthe Purchase Agreement.

(b) The Maker breaches any covenant contained in the Purchase Agreement and any such breach, to the extent it is susceptible to cure, is not cured by the Maker within thi1iy (30) days after written notice thereof shall have been given to the Maker by the Payee.

(c) Parent shall be in default of any term or provision of the Guaranty and such default is not cured within thirty (30) days after written notice from the Payee to Parent.

(d) The Maker or Parent seeks relief under any bankruptcy, reorganization or insolvency law or any other laws for the relief of debtors or makes any assignment for the benefit of creditors, or suffers an involuntary petition in bankruptcy or receivership not vacated within thirty (30) days.

(e) There shall be a sale of all or substantially all ofthe assets ofthe Maker, or the

sale of more than 50% of the Maker's total voting power, to any person, firm or corporation not a shareholder on the date hereof, or a merger, consolidation, reorganization of the Maker (excluding any recapitalization or reclassification of the capital stock of the Maker) other than any such merger, consolidation, reorganization in which the owners of the Maker immediately prior to such merger, consolidation, reorganization continue to hold at least a majority of the voting power of the surviving entity immediately after such merger, consolidation, reorganization, or dissolution ofthe Maker.

5. Right of Setoff. The Maker has a right to withhold and set-off at any time against up to $1,000,000 of principal due by the Maker under this Note the amount of any and all claims for indemnification to which Purchaser, Parent, and their respective officers, directors, affiliates, employees, agents, advisors and representatives may be entitled under the Purchase Agreement.

6. Refinancing. If, at anytime prior to October 1, 2013, the Maker shall refinance its debt owed to JPMorgan Chase Bank in the principal amount of $500,000, the Maker shall accelerate the payment of up to $95,392 of principal. The amount of principal paid shall be equal to the cost of the Unique Components (as defined in the Purchase Agreement) purchased by Maker as of the date of the refinancing. The remainder of the principal shall remain due and owing until the applicable payment date under this Note.

7. Waivers. The Maker hereby waives presentment for payment, notice of dishonor, protest and notice of payment and all other notices of any kind in connection with the enforcement of this Note.

8. Applicable Law. THE VALIDITY, CONSTRUCTION AND ENFORCEABILITY OF THE NOTE SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF RHODE ISLAND, WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES THEREOF. Each of the Maker and the Payee agree that the state and federal courts located in Providence, Rhode Island shall have exclusive jurisdiction over any dispute arising out of this Note, and consent to the jurisdiction of each such court in any such dispute.

9. Costs of Collection. If this Note is not paid when due, the Maker shall pay the Payee's reasonable costs of collection, including reasonable attorney's fees.

10. Records. The Maker shall maintain records as to the outstanding principal sum of this Note. All entries made on such records shall be presumed to be correct until the Payee establishes the contrary.

[Remainder of page intentionally left blank. Signature page follows]

IN WITNESS WHEREOF, the Maker has executed this Note effective as of the date first stated above.

ADI SOFTWARE, LLC

By _ Name:
Title:

EXHIBIT 4.14

_____, 2011

Asure Software, Inc.
110 Wild Basin Rd.
Suite 100
Austin, Texas 78746

RE: Option Grant dated September 25, 2009

To the Board of Directors:

I hereby acknowledge that pursuant to a Notice of Grant (the "Grant") dated September 25, 2009, Asure Software, Inc. (f/k/a Forgent Networks, Inc.) (the "Company") granted me an option to purchase 800,000 shares of the Company's common stock. Pursuant to a subsequent reverse stock split, this number was reduced to 80,000 shares of Common Stock (the "Shares"). As of the date hereof, 35,000 of these Shares have vested pursuant to the terms of the Grant, and 45,000 remain unvested (the "Unvested Shares"). In consideration of the receipt of a new option from the Company and entering into a revised Employment Agreement with the Company, I hereby irrevocably forfeit the remaining Unvested Shares pursuant to the Grant. I agree and acknowledge that as a result of this forfeiture: (i) I have no further right to obtain the Unvested Shares; (ii) such remaining Unvested Shares shall not vest regardless of my service to the Company; and (iii) 45,000 Shares be returned to the Company's 2009 Equity Plan for further grant.

Sincerely,

Pat Goepel

EXHIBIT 4.15

ASURE SOFTWARE, INC.

2009 EQUITY PLAN

NOTICE OF OPTION GRANT

July 2, 2011

Patrick Goepel

You have been granted an option to purchase Common Stock of Asure Software, Inc., a Delaware corporation (the "Company"), as follows. Any terms not defined in this Notice shall have the definitions set forth in the attached Stock Option Agreement or the Company's 2009 Equity Plan (the "2009 Equity Plan").

Board Approval Date:	July 2, 2011
Date of Grant (Later of Board Approval Date or Commencement of Employment/Consulting):	July 2, 2011
Exercise Price per Share:	$3.50
Total Number of Shares Granted:	115,000
Total Exercise Price:	$402,500
Type of Option:	Incentive Stock Option
Expiration Date:	December 31, 2019
First Vest Date:	September 30, 2011
Vesting/Exercise Schedule:	So long as Continuous Service Status continues, the Shares underlying this Option shall vest and become exercisable in accordance with the following schedule: one-fourteenth (1/14th) of the Total Number of Shares Granted, or 8,214 shares of Common Stock, shall vest and become exercisable on each of September 30, and December 31 of calendar year 2011, and each of March 31, June 30, September 30, and December 31 for calendar years 2012 and 2013 and each of March 31, June 30 and September 30, 2014, with the remaining 8,218 shares to vest and become exercisable on December 31, 2014. Notwithstanding anything contained in the Option Agreement or the 2009 Equity Plan to the contrary, the term "Continuous Service Status" shall be deemed for the purpose of your Stock Option Agreement to include only your service as Chief Executive Officer of the Company, and shall expressly exclude any role as director of the Company.

Termination Period:	This Option may be exercised for 90 days after termination of Continuous Service Status, except as set out in Section 5 of the Stock Option Agreement (but in no event later than the Expiration Date) Optionee is responsible for keeping track of these exercise periods following termination for any reason of his or her service relationship with the Company. The Company will not provide further notice of such periods.
Definition of Cause:	Cause shall have the definition of "cause" as set forth in the Amended and Restated Employment Agreement between the Company and Optionee dated on or about the date of this grant.
Change of Control:	Notwithstanding the foregoing, in the event of a Change of Control (as such term is defined in the 2009 Equity Plan), the number of shares of Common Stock that would vest according to the vesting schedule in a twelve (12) month period (or the remaining number, if fewer remain unvested) shall immediately vest and become exercisable. Further, if the consideration per share in connection with the Change of Control is: (i) at least $4.00 per share, then an additional 25% of the remaining unvested Total Number of Shares shall immediately vest and become exercisable; (ii) at least $5.00 per share, then an additional 50% of the remaining unvested Total Number of Shares shall immediately vest and become exercisable; (iii) at least $6.00 per share, then an additional 75% of the remaining unvested Total Number of Shares shall immediately vest and become exercisable; and (iv) at least $7.00 per share, then all of the remaining unvested Total Number of Shares shall immediately vest and become exercisable.
Transferability:	This Option may not be transferred.

By your signature and the signature of the Company's representative below, you and the Company agree that this option is granted under and governed by the terms and conditions of the Asure Software, Inc. 2009 Equity Plan and the Stock Option Agreement, both of which are attached and made a part of this document.

In addition, you agree and acknowledge that your rights to any Shares underlying the Option will be earned only as you provide services to the Company over time, that the grant of the Option is not as consideration for services you rendered to the Company prior to your vesting commencement date, and that nothing in this Notice or the attached documents confers upon you any right to continue your employment or consulting relationship with the Company for any period of time, nor does it interfere in any way with your right or the Company's right to terminate that relationship at any time, for any reason, with or without cause.

THE COMPANY:

ASURE SOFTWARE, INC.

By: _____
(Signature)

Name: _____
Title: _____

OPTIONEE:

PATRICK GOEPEL

_____

ASURE SOFTWARE, INC.

2009 EQUITY PLAN

STOCK OPTION AGREEMENT

1. **Grant of Option.** Asure Software, Inc., a Delaware corporation (the "Company"), hereby grants to the Optionee identified in the Notice of Option Grant to which this Agreement is attached (the "Notice"), an option (the "Option") to purchase the total number of shares of Common Stock (the "Shares") set forth in the Notice, at the exercise price per Share set forth in the Notice (the "Exercise Price") subject to the terms, definitions and provisions of the Asure Software, Inc. 2009 Equity Plan (the "Plan") adopted by the Company, which is incorporated in this Agreement by reference. Unless otherwise defined in this Agreement, the terms used in this Agreement shall have the meanings defined in the Plan.

2. **Designation of Option.** This Option is intended to be an Incentive Stock Option as defined in Section 422 of the Code only to the extent so designated in the Notice, and to the extent it is not so designated or to the extent the Option does not qualify as an Incentive Stock Option, it is intended to be a Nonstatutory Stock Option.

Notwithstanding the above, if designated as an Incentive Stock Option, in the event that the Shares subject to this Option (and all other Incentive Stock Options granted to Optionee by the Company or any Parent or Subsidiary, including under other plans of the Company) that first become exercisable in any calendar year have an aggregate fair market value (determined for each Share as of the date of grant of the option covering such Share) in excess of $100,000, the Shares in excess of $100,000 shall be treated as subject to a Nonstatutory Stock Option, in accordance with Section 5(c) of the Plan.

3. **Exercise of Option.** This Option shall be exercisable during its term in accordance with the Vesting/Exercise Schedule set out in the Notice and with the provisions of Section 10 of the Plan as follows:

(a) **Right to Exercise.**

(i) This Option may not be exercised for a fraction of a share.

(ii) This Option may only be exercised with respect to Shares that are already Vested as of the date of such exercise.

(iii) This Option may not be exercised more than once in any six month period, without the consent of the Company.

(iv) In the event of Optionee's death, disability or other termination of employment, the exercisability of the Option is governed by Section 5 below, subject to the limitations contained in this Section 3.

(v) In no event may this Option be exercised after the Expiration Date of the Option as set forth in the Notice.

(vi) If requested by the Company, the exercise of this Option shall be conditioned upon and subject to the receipt by the Company of an executed signature page to the Company's Stockholder's Agreement, if any.

(vii) Notwithstanding anything contained herein to the contrary, this Option may NOT be exercised in the event that following the exercise of such Options, the Optionee (together with its Affiliates and Associates (as each is defined in the Company's Rights Plan dated October 28, 2009, as such may be amended from time to time)) holds 4.9% or more of the Common Shares (as defined and calculated pursuant to Section 382 of the Internal Revenue Code.

(b) **Method of Exercise.**

(i) Except as otherwise set forth in the Notice, this Option shall be exercisable by execution and delivery of a written notice approved for such purpose by the Company which shall state Optionee's election to exercise the Option, the number of Shares in respect of which the Option is being exercised, and such other representations and agreements as to the holder's investment intent with respect to such Shares as may be required by the Company pursuant to the provisions of the Plan. Such written notice shall be signed by Optionee and shall be delivered to the Company by such means as are determined by the Plan Administrator in its discretion to constitute adequate delivery. The written notice shall be accompanied by payment of the Exercise Price. This Option shall be deemed to be exercised upon receipt by the Company of such written notice accompanied by the Exercise Price.

(ii) As a condition to the exercise of this Option and as further set forth in Section 12 of the Plan, Optionee agrees to make adequate provision for federal, state or other tax withholding obligations, if any, which arise upon the vesting or exercise of the Option, or disposition of Shares, whether by withholding, direct payment to the Company, or otherwise.

(iii) The Company is not obligated, and will have no liability for failure, to issue or deliver any Shares upon exercise of the Option unless such issuance or delivery would comply with the Applicable Laws, with such compliance determined by the Company in consultation with its legal counsel. This Option may not be exercised until such time as the Plan has been approved by the stockholders of the Company, or if the issuance of such Shares upon such exercise or the method of payment of consideration for such shares would constitute a violation of any applicable federal or state securities or other law or regulation, including any rule under Part 221 of Title 12 of the Code of Federal Regulations as promulgated by the Federal Reserve Board. As a condition to the exercise of this Option, the Company may require Optionee to make any representation and warranty to the Company as may be required by the Applicable Laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Optionee on the date on which the Option is exercised with respect to such Shares.

4. **Method of Payment.** Payment of the Exercise Price shall be by any of the following, or a combination of the following, at the election of Optionee:

(a) cash or check;

(b) cancellation of indebtedness;

(c) prior to the date, if any, upon which the Common Stock becomes a Listed Security, by surrender of other shares of Common Stock of the Company that have an aggregate Fair Market Value on the date of surrender equal to the Exercise Price of the Shares as to which the Option is being exercised. In the case of shares acquired directly or indirectly from the Company, such shares must have been owned by Optionee for more than six (6) months on the date of surrender (or such other period of time as is necessary to avoid the Company's incurring adverse accounting charges); or

(d) following the date, if any, upon which the Common Stock is a Listed Security, and if the Company is at such time permitting "same day sale" cashless brokered exercises, delivery of a properly executed exercise notice together with irrevocable instructions to a broker participating in such cashless brokered exercise program to deliver promptly to the Company the amount required to pay the exercise price (and applicable withholding taxes).

5. **Termination of Relationship.** Following the date of termination of Optionee's Continuous Service Status for any reason (the "Termination Date"), Optionee may exercise the Option only as set forth in the Notice and this Section 5. To the extent that Optionee is not entitled to exercise this Option as of the Termination Date, or if Optionee does not exercise this Option within the Termination Period set forth in the Notice or the termination periods set forth below, the Option shall terminate in its entirety. In no event, may any Option be exercised after the Expiration Date of the Option as set forth in the Notice.

(a) **Termination.** In the event of termination of Optionee's Continuous Service Status other than as a result of Optionee's disability or death or for Cause (as defined in the Plan), Optionee may, to the extent Optionee is vested in the Option Shares at the date of such termination (the "Termination Date"), exercise this Option during the Termination Period set forth in the Notice.

(b) **Other Terminations.** In connection with any termination other than a termination covered by Section 5(a), Optionee may exercise the Option only as described below:

(i) **Termination upon Disability of Optionee.** In the event of termination of Optionee's Continuous Service Status as a result of Optionee's disability, Optionee may, but only within six months from the Termination Date, exercise this Option to the extent Optionee was vested in the Option Shares as of such Termination Date.

(ii) **Death of Optionee.** In the event of the death of Optionee (a) during the term of this Option and while an Employee or Consultant of the Company and having been in Continuous Service Status since the date of grant of the Option, or (b) within thirty (30) days after Optionee's Termination Date, the Option may be exercised at any time within six months following the date of death by Optionee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance, but only to the extent Optionee was vested in the Option as of the Termination Date.

(iii) **Termination for Cause**. In the event Optionee's Continuous Service Status is terminated for Cause, the Option shall terminate immediately upon such termination for Cause as set forth in Section 10(b)(iv) of the Plan. In the event Optionee's employment or consulting relationship with the Company is suspended pending investigation of whether such relationship shall be terminated for Cause, all Optionee's rights under the Option, including the right to exercise the Option, shall be suspended during the investigation period, also as set forth in Section 10(b)(iv) of the Plan.

6 . **Non-Transferability of Option.** This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Optionee only by him or her. The terms of this Option shall be binding upon the executors, administrators, heirs, successors and assigns of Optionee.

7 . **Tax Consequences.** THE OPTIONEE HEREBY ACKNOWLEDGES THAT THE ISSUANCE AND EXERCISE OF THIS OPTION MAY HAVE TAX CONSEQUENCES TO THE OPTIONEE AND THAT ANY AND ALL SUCH TAX CONSEQUENCES ARE THE SOLE RESPONSIBILITY OF THE OPTIONEE. OPTIONEE SHOULD CONSULT A TAX ADVISER BEFORE ACCEPTING AND/OR EXERCISING THIS OPTION OR DISPOSING OF THE SHARES.

(a) **Incentive Stock Option.**

(i) **Tax Treatment upon Exercise and Sale of Shares.** If this Option qualifies as an Incentive Stock Option, there will be no regular federal income tax liability upon the exercise of the Option, although the excess, if any, of the fair market value of the Shares on the date of exercise over the Exercise Price will be treated as an adjustment to the alternative minimum tax for federal tax purposes and may subject Optionee to the alternative minimum tax in the year of exercise. If Shares issued upon exercise of an Incentive Stock Option are held for at least one year after exercise and are disposed of at least two years after the Option grant date, any gain realized on disposition of the Shares will also be treated as long-term capital gain for federal income tax purposes. If Shares issued upon exercise of an Incentive Stock Option are disposed of within such one-year period or within two years after the Option grant date, any gain realized on such disposition will be treated as compensation income (taxable at ordinary income rates) to the extent of the difference between the Exercise Price and the lesser of (i) the fair market value of the Shares on the date of exercise, or (ii) the sale price of the Shares.

(ii) **Notice of Disqualifying Dispositions**. With respect to any Shares issued upon exercise of an Incentive Stock Option, if Optionee sells or otherwise disposes of such Shares on or before the later of (i) the date two years after the Option grant date, or (ii) the date one year after the date of exercise, Optionee shall immediately notify the Company in writing of such disposition. Optionee acknowledges and agrees that he or she may be subject to income tax withholding by the Company on the compensation income recognized by Optionee from the early disposition by payment in cash or out of the current earnings paid to Optionee.

(b) **Nonstatutory Stock Option.** If this Option does not qualify as an Incentive Stock Option, there may be a regular federal (and state) income tax liability upon the exercise of the Option. Optionee will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the excess, if any, of the fair market value of the Shares on the date of exercise over the Exercise Price. If Optionee is an Employee, the Company will be required to withhold from Optionee's compensation or collect from Optionee and pay to the applicable taxing authorities an amount equal to a percentage of this compensation income at the time of exercise. If Shares issued upon exercise of a Nonstatutory Stock Option are held for at least one year, any gain realized on disposition of the Shares will be treated as long-term capital gain for federal income tax purposes.

8. **Lock-Up Agreement.** In connection with the initial public offering of the Company's securities and upon request of the Company or the underwriters managing any underwritten offering of the Company's securities, Optionee hereby agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however and whenever acquired (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering.

9. **Effect of Agreement**. Optionee acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the Option terms), and hereby accepts this Option and agrees to be bound by its contractual terms as set forth herein and in the Plan. Optionee hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Plan Administrator regarding any questions relating to the Option. In the event of a conflict between the terms and provisions of the Plan and the terms and provisions of the Notice and this Agreement, the Plan terms and provisions shall prevail. The Option, including the Plan, constitutes the entire agreement between Optionee and the Company on the subject matter hereof and supersedes all proposals, written or oral, and all other communications between the parties relating to such subject matter.

10. **Section 409A**. This Plan is intended to meet the requirements to be exempt from the application of Section 409A of the Internal Revenue Code ("Section 409A"). If any amount payable under the Plan is determined to be subject to Code Section 409A, then the applicable provisions of the Plan shall be interpreted and administered in accordance with Section 409A and the applicable guidance issued by the Department of the Treasury with respect to the application of Section 409A. Notwithstanding any provision of the Plan to the contrary, no payment of an amount subject to Section 409A on account of a termination of service as defined in Section 409A and the accompanying guidance, shall be made to Optionee if he is a specified employee (within the meaning of Section 409A and the applicable guidance) as of the date of Optionee's termination of service, within the six-month period following Optionee's termination of service. Amounts to which Optionee would otherwise be entitled under the Plan during the first six months following the termination of service will be accumulated and paid on the first day of the seventh month following the Optionee's termination of service.

[Signature Page Follows]

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one document.

THE COMPANY:

ASURE SOFTWARE, INC.

By: _____
(Signature)

Name: _____
Title: _____

OPTIONEE:

PATRICK GOEPEL

_____

EXHIBIT 4.16

ASURE SOFTWARE, INC.

2009 EQUITY PLAN

NOTICE OF OPTION GRANT

July __, 2011

Steve Rodriguez

You have been granted an option to purchase Common Stock of Asure Software, Inc., a Delaware corporation (the "Company"), as follows. Any terms not defined in this Notice shall have the definitions set forth in the attached Stock Option Agreement or the Company's 2009 Equity Plan (the "2009 Equity Plan").

Board Approval Date:	July _, 2011
Date of Grant (Later of Board Approval Date or Commencement of Employment/Consulting):	July _, 2011
Exercise Price per Share:	$3.50
Total Number of Shares Granted:	90,000
Total Exercise Price:	$315,000
Type of Option:	Incentive Stock Option
Expiration Date:	July __, 2016
First Vest Date:	July __, 2012
Vesting/Exercise Schedule:	So long as Continuous Service Status continues, the Shares underlying this Option shall vest and become exercisable in accordance with the following schedule: one-fourth (1/4th) of the Total Number of Shares Granted, or 22,500 shares of Common Stock, shall vest and become exercisable on the First Vest Date, and then one-sixteenth (1/16th) of the Total Number of Shares Granted, or 5,625 shares of Common Stock, shall vest and become exercisable on each three (3) month anniversary thereafter.
Termination Period:	This Option may be exercised for 90 days after termination of Continuous Service Status, except as set out in Section 5 of the Stock Option Agreement (but in no event later than the Expiration Date) Optionee is responsible for keeping track of these exercise periods following termination for any reason of his or her service relationship with the Company. The Company will not provide further notice of such periods.
Transferability:	This Option may not be transferred.

By your signature and the signature of the Company's representative below, you and the Company agree that this option is granted under and governed by the terms and conditions of the Asure Software, Inc. 2009 Equity Plan and the Stock Option Agreement, both of which are attached and made a part of this document.

In addition, you agree and acknowledge that your rights to any Shares underlying the Option will be earned only as you provide services to the Company over time, that the grant of the Option is not as consideration for services you rendered to the Company prior to your vesting commencement date, and that nothing in this Notice or the attached documents confers upon you any right to continue your employment or consulting relationship with the Company for any period of time, nor does it interfere in any way with your right or the Company's right to terminate that relationship at any time, for any reason, with or without cause.

THE COMPANY:

ASURE SOFTWARE, INC.

By: _____
(Signature)

Name: _____
Title: _____

OPTIONEE:

STEVE RODRIGUEZ

_____

ASURE SOFTWARE, INC.

2009 EQUITY PLAN

STOCK OPTION AGREEMENT

1. **Grant of Option.** Asure Software, Inc., a Delaware corporation (the "Company"), hereby grants to the Optionee identified in the Notice of Option Grant to which this Agreement is attached (the "Notice"), an option (the "Option") to purchase the total number of shares of Common Stock (the "Shares") set forth in the Notice, at the exercise price per Share set forth in the Notice (the "Exercise Price") subject to the terms, definitions and provisions of the Asure Software, Inc. 2009 Equity Plan (the "Plan") adopted by the Company, which is incorporated in this Agreement by reference. Unless otherwise defined in this Agreement, the terms used in this Agreement shall have the meanings defined in the Plan.

2. **Designation of Option.** This Option is intended to be an Incentive Stock Option as defined in Section 422 of the Code only to the extent so designated in the Notice, and to the extent it is not so designated or to the extent the Option does not qualify as an Incentive Stock Option, it is intended to be a Nonstatutory Stock Option.

Notwithstanding the above, if designated as an Incentive Stock Option, in the event that the Shares subject to this Option (and all other Incentive Stock Options granted to Optionee by the Company or any Parent or Subsidiary, including under other plans of the Company) that first become exercisable in any calendar year have an aggregate fair market value (determined for each Share as of the date of grant of the option covering such Share) in excess of $100,000, the Shares in excess of $100,000 shall be treated as subject to a Nonstatutory Stock Option, in accordance with Section 5(c) of the Plan.

3. **Exercise of Option.** This Option shall be exercisable during its term in accordance with the Vesting/Exercise Schedule set out in the Notice and with the provisions of Section 10 of the Plan as follows:

(a) **Right to Exercise.**

(i) This Option may not be exercised for a fraction of a share.

(ii) This Option may only be exercised with respect to Shares that are already Vested as of the date of such exercise.

(iii) This Option may not be exercised more than once in any six month period, without the consent of the Company.

(iv) In the event of Optionee's death, disability or other termination of employment, the exercisability of the Option is governed by Section 5 below, subject to the limitations contained in this Section 3.

(v) In no event may this Option be exercised after the Expiration Date of the Option as set forth in the Notice.

(vi) If requested by the Company, the exercise of this Option shall be conditioned upon and subject to the receipt by the Company of an executed signature page to the Company's Stockholder's Agreement, if any.

(vii) Notwithstanding anything contained herein to the contrary, this Option may NOT be exercised in the event that following the exercise of such Options, the Optionee (together with its Affiliates and Associates (as each is defined in the Company's Rights Plan dated October 28, 2009, as such may be amended from time to time)) holds 4.9% or more of the Common Shares (as defined and calculated pursuant to Section 382 of the Internal Revenue Code.

(b) **Method of Exercise.**

(i) Except as otherwise set forth in the Notice, this Option shall be exercisable by execution and delivery of a written notice approved for such purpose by the Company which shall state Optionee's election to exercise the Option, the number of Shares in respect of which the Option is being exercised, and such other representations and agreements as to the holder's investment intent with respect to such Shares as may be required by the Company pursuant to the provisions of the Plan. Such written notice shall be signed by Optionee and shall be delivered to the Company by such means as are determined by the Plan Administrator in its discretion to constitute adequate delivery. The written notice shall be accompanied by payment of the Exercise Price. This Option shall be deemed to be exercised upon receipt by the Company of such written notice accompanied by the Exercise Price.

(ii) As a condition to the exercise of this Option and as further set forth in Section 12 of the Plan, Optionee agrees to make adequate provision for federal, state or other tax withholding obligations, if any, which arise upon the vesting or exercise of the Option, or disposition of Shares, whether by withholding, direct payment to the Company, or otherwise.

(iii) The Company is not obligated, and will have no liability for failure, to issue or deliver any Shares upon exercise of the Option unless such issuance or delivery would comply with the Applicable Laws, with such compliance determined by the Company in consultation with its legal counsel. This Option may not be exercised until such time as the Plan has been approved by the stockholders of the Company, or if the issuance of such Shares upon such exercise or the method of payment of consideration for such shares would constitute a violation of any applicable federal or state securities or other law or regulation, including any rule under Part 221 of Title 12 of the Code of Federal Regulations as promulgated by the Federal Reserve Board. As a condition to the exercise of this Option, the Company may require Optionee to make any representation and warranty to the Company as may be required by the Applicable Laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Optionee on the date on which the Option is exercised with respect to such Shares.

4. **Method of Payment.** Payment of the Exercise Price shall be by any of the following, or a combination of the following, at the election of Optionee:

(a) cash or check;

(b) cancellation of indebtedness;

(c) prior to the date, if any, upon which the Common Stock becomes a Listed Security, by surrender of other shares of Common Stock of the Company that have an aggregate Fair Market Value on the date of surrender equal to the Exercise Price of the Shares as to which the Option is being exercised. In the case of shares acquired directly or indirectly from the Company, such shares must have been owned by Optionee for more than six (6) months on the date of surrender (or such other period of time as is necessary to avoid the Company's incurring adverse accounting charges); or

(d) following the date, if any, upon which the Common Stock is a Listed Security, and if the Company is at such time permitting "same day sale" cashless brokered exercises, delivery of a properly executed exercise notice together with irrevocable instructions to a broker participating in such cashless brokered exercise program to deliver promptly to the Company the amount required to pay the exercise price (and applicable withholding taxes).

5. **Termination of Relationship.** Following the date of termination of Optionee's Continuous Service Status for any reason (the "Termination Date"), Optionee may exercise the Option only as set forth in the Notice and this Section 5. To the extent that Optionee is not entitled to exercise this Option as of the Termination Date, or if Optionee does not exercise this Option within the Termination Period set forth in the Notice or the termination periods set forth below, the Option shall terminate in its entirety. In no event, may any Option be exercised after the Expiration Date of the Option as set forth in the Notice.

(a) **Termination.** In the event of termination of Optionee's Continuous Service Status other than as a result of Optionee's disability or death or for Cause (as defined in the Plan), Optionee may, to the extent Optionee is vested in the Option Shares at the date of such termination (the "Termination Date"), exercise this Option during the Termination Period set forth in the Notice.

(b) **Other Terminations.** In connection with any termination other than a termination covered by Section 5(a), Optionee may exercise the Option only as described below:

(i) **Termination upon Disability of Optionee.** In the event of termination of Optionee's Continuous Service Status as a result of Optionee's disability, Optionee may, but only within six months from the Termination Date, exercise this Option to the extent Optionee was vested in the Option Shares as of such Termination Date.

(ii) **Death of Optionee.** In the event of the death of Optionee (a) during the term of this Option and while an Employee or Consultant of the Company and having been in Continuous Service Status since the date of grant of the Option, or (b) within thirty (30) days after Optionee's Termination Date, the Option may be exercised at any time within six months following the date of death by Optionee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance, but only to the extent Optionee was vested in the Option as of the Termination Date.

(iii) **Termination for Cause**. In the event Optionee's Continuous Service Status is terminated for Cause, the Option shall terminate immediately upon such termination for Cause as set forth in Section 10(b)(iv) of the Plan. In the event Optionee's employment or consulting relationship with the Company is suspended pending investigation of whether such relationship shall be terminated for Cause, all Optionee's rights under the Option, including the right to exercise the Option, shall be suspended during the investigation period, also as set forth in Section 10(b)(iv) of the Plan.

6. **Non-Transferability of Option.** This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Optionee only by him or her. The terms of this Option shall be binding upon the executors, administrators, heirs, successors and assigns of Optionee.

7. **Tax Consequences.** THE OPTIONEE HEREBY ACKNOWLEDGES THAT THE ISSUANCE AND EXERCISE OF THIS OPTION MAY HAVE TAX CONSEQUENCES TO THE OPTIONEE AND THAT ANY AND ALL SUCH TAX CONSEQUENCES ARE THE SOLE RESPONSIBILITY OF THE OPTIONEE. OPTIONEE SHOULD CONSULT A TAX ADVISER BEFORE ACCEPTING AND/OR EXERCISING THIS OPTION OR DISPOSING OF THE SHARES.

(a) **Incentive Stock Option.**

(i) **Tax Treatment upon Exercise and Sale of Shares.** If this Option qualifies as an Incentive Stock Option, there will be no regular federal income tax liability upon the exercise of the Option, although the excess, if any, of the fair market value of the Shares on the date of exercise over the Exercise Price will be treated as an adjustment to the alternative minimum tax for federal tax purposes and may subject Optionee to the alternative minimum tax in the year of exercise. If Shares issued upon exercise of an Incentive Stock Option are held for at least one year after exercise and are disposed of at least two years after the Option grant date, any gain realized on disposition of the Shares will also be treated as long-term capital gain for federal income tax purposes. If Shares issued upon exercise of an Incentive Stock Option are disposed of within such one-year period or within two years after the Option grant date, any gain realized on such disposition will be treated as compensation income (taxable at ordinary income rates) to the extent of the difference between the Exercise Price and the lesser of (i) the fair market value of the Shares on the date of exercise, or (ii) the sale price of the Shares.

(ii) **Notice of Disqualifying Dispositions**. With respect to any Shares issued upon exercise of an Incentive Stock Option, if Optionee sells or otherwise disposes of such Shares on or before the later of (i) the date two years after the Option grant date, or (ii) the date one year after the date of exercise, Optionee shall immediately notify the Company in writing of such disposition. Optionee acknowledges and agrees that he or she may be subject to income tax withholding by the Company on the compensation income recognized by Optionee from the early disposition by payment in cash or out of the current earnings paid to Optionee.

(b) **Nonstatutory Stock Option.** If this Option does not qualify as an Incentive Stock Option, there may be a regular federal (and state) income tax liability upon the exercise of the Option. Optionee will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the excess, if any, of the fair market value of the Shares on the date of exercise over the Exercise Price. If Optionee is an Employee, the Company will be required to withhold from Optionee's compensation or collect from Optionee and pay to the applicable taxing authorities an amount equal to a percentage of this compensation income at the time of exercise. If Shares issued upon exercise of a Nonstatutory Stock Option are held for at least one year, any gain realized on disposition of the Shares will be treated as long-term capital gain for federal income tax purposes.

8. **Lock-Up Agreement.** In connection with the initial public offering of the Company's securities and upon request of the Company or the underwriters managing any underwritten offering of the Company's securities, Optionee hereby agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however and whenever acquired (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering.

9. **Effect of Agreement**. Optionee acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the Option terms), and hereby accepts this Option and agrees to be bound by its contractual terms as set forth herein and in the Plan. Optionee hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Plan Administrator regarding any questions relating to the Option. In the event of a conflict between the terms and provisions of the Plan and the terms and provisions of the Notice and this Agreement, the Plan terms and provisions shall prevail. The Option, including the Plan, constitutes the entire agreement between Optionee and the Company on the subject matter hereof and supersedes all proposals, written or oral, and all other communications between the parties relating to such subject matter. In addition, Optionee agrees to at all times abide by all applicable policies of the Company, including the Company's Insider Trading Policies and the Company's Rights Plan.

10. **Section 409A**. This Plan is intended to meet the requirements to be exempt from the application of Section 409A of the Internal Revenue Code ("Section 409A"). If any amount payable under the Plan is determined to be subject to Code Section 409A, then the applicable provisions of the Plan shall be interpreted and administered in accordance with Section 409A and the applicable guidance issued by the Department of the Treasury with respect to the application of Section 409A. Notwithstanding any provision of the Plan to the contrary, no payment of an amount subject to Section 409A on account of a termination of service as defined in Section 409A and the accompanying guidance, shall be made to Optionee if he is a specified employee (within the meaning of Section 409A and the applicable guidance) as of the date of Optionee's termination of service, within the six-month period following Optionee's termination of service. Amounts to which Optionee would otherwise be entitled under the Plan during the first six months following the termination of service will be accumulated and paid on the first day of the seventh month following the Optionee's termination of service.

[Signature Page Follows]

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one document.

THE COMPANY:

ASURE SOFTWARE, INC.

By: _____
(Signature)

Name: _____
Title: _____

OPTIONEE:

STEVE RODRIGUEZ

_____

EXHIBIT 4.17

ASURE SOFTWARE, INC.

2009 EQUITY PLAN

NOTICE OF OPTION GRANT

July __, 2011

Mike Kinney

You have been granted an option to purchase Common Stock of Asure Software, Inc., a Delaware corporation (the "Company"), as follows. Any terms not defined in this Notice shall have the definitions set forth in the attached Stock Option Agreement or the Company's 2009 Equity Plan (the "2009 Equity Plan").

Board Approval Date:	July _, 2011
Date of Grant (Later of Board Approval Date or Commencement of Employment/Consulting):	July _, 2011
Exercise Price per Share:	$3.50
Total Number of Shares Granted:	60,000
Total Exercise Price:	$210,000
Type of Option:	Incentive Stock Option
Expiration Date:	July __, 2016
First Vest Date:	July __, 2012
Vesting/Exercise Schedule:	So long as Continuous Service Status continues, the Shares underlying this Option shall vest and become exercisable in accordance with the following schedule: one-fourth (1/4th) of the Total Number of Shares Granted, or 15,000 shares of Common Stock, shall vest and become exercisable on the First Vest Date, and then one-sixteenth (1/16th) of the Total Number of Shares Granted, or 3,750 shares of Common Stock, shall vest and become exercisable on each three (3) month anniversary thereafter.

Termination Period:	This Option may be exercised for 90 days after termination of Continuous Service Status, except as set out in Section 5 of the Stock Option Agreement (but in no event later than the Expiration Date) Optionee is responsible for keeping track of these exercise periods following termination for any reason of his or her service relationship with the Company. The Company will not provide further notice of such periods.
Transferability:	This Option may not be transferred.

By your signature and the signature of the Company's representative below, you and the Company agree that this option is granted under and governed by the terms and conditions of the Asure Software, Inc. 2009 Equity Plan and the Stock Option Agreement, both of which are attached and made a part of this document.

In addition, you agree and acknowledge that your rights to any Shares underlying the Option will be earned only as you provide services to the Company over time, that the grant of the Option is not as consideration for services you rendered to the Company prior to your vesting commencement date, and that nothing in this Notice or the attached documents confers upon you any right to continue your employment or consulting relationship with the Company for any period of time, nor does it interfere in any way with your right or the Company's right to terminate that relationship at any time, for any reason, with or without cause.

THE COMPANY:

ASURE SOFTWARE, INC.

By: _____
(Signature)

Name: _____
Title: _____

OPTIONEE:

MIKE KINNEY

_____

ASURE SOFTWARE, INC.

2009 EQUITY PLAN

STOCK OPTION AGREEMENT

1. **Grant of Option.** Asure Software, Inc., a Delaware corporation (the "Company"), hereby grants to the Optionee identified in the Notice of Option Grant to which this Agreement is attached (the "Notice"), an option (the "Option") to purchase the total number of shares of Common Stock (the "Shares") set forth in the Notice, at the exercise price per Share set forth in the Notice (the "Exercise Price") subject to the terms, definitions and provisions of the Asure Software, Inc. 2009 Equity Plan (the "Plan") adopted by the Company, which is incorporated in this Agreement by reference. Unless otherwise defined in this Agreement, the terms used in this Agreement shall have the meanings defined in the Plan.

2. **Designation of Option.** This Option is intended to be an Incentive Stock Option as defined in Section 422 of the Code only to the extent so designated in the Notice, and to the extent it is not so designated or to the extent the Option does not qualify as an Incentive Stock Option, it is intended to be a Nonstatutory Stock Option.

Notwithstanding the above, if designated as an Incentive Stock Option, in the event that the Shares subject to this Option (and all other Incentive Stock Options granted to Optionee by the Company or any Parent or Subsidiary, including under other plans of the Company) that first become exercisable in any calendar year have an aggregate fair market value (determined for each Share as of the date of grant of the option covering such Share) in excess of $100,000, the Shares in excess of $100,000 shall be treated as subject to a Nonstatutory Stock Option, in accordance with Section 5(c) of the Plan.

3. **Exercise of Option.** This Option shall be exercisable during its term in accordance with the Vesting/Exercise Schedule set out in the Notice and with the provisions of Section 10 of the Plan as follows:

(a) **Right to Exercise.**

(i) This Option may not be exercised for a fraction of a share.

(ii) This Option may only be exercised with respect to Shares that are already Vested as of the date of such exercise.

(iii) This Option may not be exercised more than once in any six month period, without the consent of the Company.

(iv) In the event of Optionee's death, disability or other termination of employment, the exercisability of the Option is governed by Section 5 below, subject to the limitations contained in this Section 3.

(v) In no event may this Option be exercised after the Expiration Date of the Option as set forth in the Notice.

(vi) If requested by the Company, the exercise of this Option shall be conditioned upon and subject to the receipt by the Company of an executed signature page to the Company's Stockholder's Agreement, if any.

(vii) Notwithstanding anything contained herein to the contrary, this Option may NOT be exercised in the event that following the exercise of such Options, the Optionee (together with its Affiliates and Associates (as each is defined in the Company's Rights Plan dated October 28, 2009, as such may be amended from time to time)) holds 4.9% or more of the Common Shares (as defined and calculated pursuant to Section 382 of the Internal Revenue Code.

(b) **Method of Exercise.**

(i) Except as otherwise set forth in the Notice, this Option shall be exercisable by execution and delivery of a written notice approved for such purpose by the Company which shall state Optionee's election to exercise the Option, the number of Shares in respect of which the Option is being exercised, and such other representations and agreements as to the holder's investment intent with respect to such Shares as may be required by the Company pursuant to the provisions of the Plan. Such written notice shall be signed by Optionee and shall be delivered to the Company by such means as are determined by the Plan Administrator in its discretion to constitute adequate delivery. The written notice shall be accompanied by payment of the Exercise Price. This Option shall be deemed to be exercised upon receipt by the Company of such written notice accompanied by the Exercise Price.

(ii) As a condition to the exercise of this Option and as further set forth in Section 12 of the Plan, Optionee agrees to make adequate provision for federal, state or other tax withholding obligations, if any, which arise upon the vesting or exercise of the Option, or disposition of Shares, whether by withholding, direct payment to the Company, or otherwise.

(iii) The Company is not obligated, and will have no liability for failure, to issue or deliver any Shares upon exercise of the Option unless such issuance or delivery would comply with the Applicable Laws, with such compliance determined by the Company in consultation with its legal counsel. This Option may not be exercised until such time as the Plan has been approved by the stockholders of the Company, or if the issuance of such Shares upon such exercise or the method of payment of consideration for such shares would constitute a violation of any applicable federal or state securities or other law or regulation, including any rule under Part 221 of Title 12 of the Code of Federal Regulations as promulgated by the Federal Reserve Board. As a condition to the exercise of this Option, the Company may require Optionee to make any representation and warranty to the Company as may be required by the Applicable Laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Optionee on the date on which the Option is exercised with respect to such Shares.

4 . **Method of Payment.** Payment of the Exercise Price shall be by any of the following, or a combination of the following, at the election of Optionee:

(a) cash or check;

(b) cancellation of indebtedness;

(c) prior to the date, if any, upon which the Common Stock becomes a Listed Security, by surrender of other shares of Common Stock of the Company that have an aggregate Fair Market Value on the date of surrender equal to the Exercise Price of the Shares as to which the Option is being exercised. In the case of shares acquired directly or indirectly from the Company, such shares must have been owned by Optionee for more than six (6) months on the date of surrender (or such other period of time as is necessary to avoid the Company's incurring adverse accounting charges); or

(d) following the date, if any, upon which the Common Stock is a Listed Security, and if the Company is at such time permitting "same day sale" cashless brokered exercises, delivery of a properly executed exercise notice together with irrevocable instructions to a broker participating in such cashless brokered exercise program to deliver promptly to the Company the amount required to pay the exercise price (and applicable withholding taxes).

5 . **Termination of Relationship.** Following the date of termination of Optionee's Continuous Service Status for any reason (the "Termination Date"), Optionee may exercise the Option only as set forth in the Notice and this Section 5. To the extent that Optionee is not entitled to exercise this Option as of the Termination Date, or if Optionee does not exercise this Option within the Termination Period set forth in the Notice or the termination periods set forth below, the Option shall terminate in its entirety. In no event, may any Option be exercised after the Expiration Date of the Option as set forth in the Notice.

(a) **Termination.** In the event of termination of Optionee's Continuous Service Status other than as a result of Optionee's disability or death or for Cause (as defined in the Plan), Optionee may, to the extent Optionee is vested in the Option Shares at the date of such termination (the "Termination Date"), exercise this Option during the Termination Period set forth in the Notice.

(b) **Other Terminations.** In connection with any termination other than a termination covered by Section 5(a), Optionee may exercise the Option only as described below:

(i) **Termination upon Disability of Optionee.** In the event of termination of Optionee's Continuous Service Status as a result of Optionee's disability, Optionee may, but only within six months from the Termination Date, exercise this Option to the extent Optionee was vested in the Option Shares as of such Termination Date.

(ii) **Death of Optionee.** In the event of the death of Optionee (a) during the term of this Option and while an Employee or Consultant of the Company and having been in Continuous Service Status since the date of grant of the Option, or (b) within thirty (30) days after Optionee's Termination Date, the Option may be exercised at any time within six months following the date of death by Optionee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance, but only to the extent Optionee was vested in the Option as of the Termination Date.

(iii) **Termination for Cause**. In the event Optionee's Continuous Service Status is terminated for Cause, the Option shall terminate immediately upon such termination for Cause as set forth in Section 10(b)(iv) of the Plan. In the event Optionee's employment or consulting relationship with the Company is suspended pending investigation of whether such relationship shall be terminated for Cause, all Optionee's rights under the Option, including the right to exercise the Option, shall be suspended during the investigation period, also as set forth in Section 10(b)(iv) of the Plan.

6. **Non-Transferability of Option.** This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Optionee only by him or her. The terms of this Option shall be binding upon the executors, administrators, heirs, successors and assigns of Optionee.

7. **Tax Consequences.** THE OPTIONEE HEREBY ACKNOWLEDGES THAT THE ISSUANCE AND EXERCISE OF THIS OPTION MAY HAVE TAX CONSEQUENCES TO THE OPTIONEE AND THAT ANY AND ALL SUCH TAX CONSEQUENCES ARE THE SOLE RESPONSIBILITY OF THE OPTIONEE. OPTIONEE SHOULD CONSULT A TAX ADVISER BEFORE ACCEPTING AND/OR EXERCISING THIS OPTION OR DISPOSING OF THE SHARES.

(a) **Incentive Stock Option.**

(i) **Tax Treatment upon Exercise and Sale of Shares.** If this Option qualifies as an Incentive Stock Option, there will be no regular federal income tax liability upon the exercise of the Option, although the excess, if any, of the fair market value of the Shares on the date of exercise over the Exercise Price will be treated as an adjustment to the alternative minimum tax for federal tax purposes and may subject Optionee to the alternative minimum tax in the year of exercise. If Shares issued upon exercise of an Incentive Stock Option are held for at least one year after exercise and are disposed of at least two years after the Option grant date, any gain realized on disposition of the Shares will also be treated as long-term capital gain for federal income tax purposes. If Shares issued upon exercise of an Incentive Stock Option are disposed of within such one-year period or within two years after the Option grant date, any gain realized on such disposition will be treated as compensation income (taxable at ordinary income rates) to the extent of the difference between the Exercise Price and the lesser of (i) the fair market value of the Shares on the date of exercise, or (ii) the sale price of the Shares.

(ii) **Notice of Disqualifying Dispositions**. With respect to any Shares issued upon exercise of an Incentive Stock Option, if Optionee sells or otherwise disposes of such Shares on or before the later of (i) the date two years after the Option grant date, or (ii) the date one year after the date of exercise, Optionee shall immediately notify the Company in writing of such disposition. Optionee acknowledges and agrees that he or she may be subject to income tax withholding by the Company on the compensation income recognized by Optionee from the early disposition by payment in cash or out of the current earnings paid to Optionee.

(b) **Nonstatutory Stock Option.** If this Option does not qualify as an Incentive Stock Option, there may be a regular federal (and state) income tax liability upon the exercise of the Option. Optionee will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the excess, if any, of the fair market value of the Shares on the date of exercise over the Exercise Price. If Optionee is an Employee, the Company will be required to withhold from Optionee's compensation or collect from Optionee and pay to the applicable taxing authorities an amount equal to a percentage of this compensation income at the time of exercise. If Shares issued upon exercise of a Nonstatutory Stock Option are held for at least one year, any gain realized on disposition of the Shares will be treated as long-term capital gain for federal income tax purposes.

8. **Lock-Up Agreement.** In connection with the initial public offering of the Company's securities and upon request of the Company or the underwriters managing any underwritten offering of the Company's securities, Optionee hereby agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however and whenever acquired (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering.

9. **Effect of Agreement**. Optionee acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the Option terms), and hereby accepts this Option and agrees to be bound by its contractual terms as set forth herein and in the Plan. Optionee hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Plan Administrator regarding any questions relating to the Option. In the event of a conflict between the terms and provisions of the Plan and the terms and provisions of the Notice and this Agreement, the Plan terms and provisions shall prevail. The Option, including the Plan, constitutes the entire agreement between Optionee and the Company on the subject matter hereof and supersedes all proposals, written or oral, and all other communications between the parties relating to such subject matter. In addition, Optionee agrees to at all times abide by all applicable policies of the Company, including the Company's Insider Trading Policies and the Company's Rights Plan.

10. **Section 409A**. This Plan is intended to meet the requirements to be exempt from the application of Section 409A of the Internal Revenue Code ("Section 409A"). If any amount payable under the Plan is determined to be subject to Code Section 409A, then the applicable provisions of the Plan shall be interpreted and administered in accordance with Section 409A and the applicable guidance issued by the Department of the Treasury with respect to the application of Section 409A. Notwithstanding any provision of the Plan to the contrary, no payment of an amount subject to Section 409A on account of a termination of service as defined in Section 409A and the accompanying guidance, shall be made to Optionee if he is a specified employee (within the meaning of Section 409A and the applicable guidance) as of the date of Optionee's termination of service, within the six-month period following Optionee's termination of service. Amounts to which Optionee would otherwise be entitled under the Plan during the first six months following the termination of service will be accumulated and paid on the first day of the seventh month following the Optionee's termination of service.

[Signature Page Follows]

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one document.

THE COMPANY:

ASURE SOFTWARE, INC.

By: _____
(Signature)

Name: _____
Title: _____

OPTIONEE:

MIKE KINNEY

_____

EXHIBIT 4.18

SUBORDINATED PROMISSORY NOTE

This Subordinated Promissory Note ("**Note**") is executed by Asure Legiant, LLC, a Delaware limited liability company ("**Borrower**"), and delivered to WG Ross Corp., a Texas corporation ("**Lender**"), as of the Effective Date of this Note. This Note is one of three subordinated promissory notes that have been executed and delivered pursuant to that certain Asset Purchase Agreement dated the same date as the date of this Note among Borrower, Guarantor, Lender and, with respect to Section 6.6 only, ADI Software, LLC, a Delaware limited liability company ("**Purchase Agreement**"). The aggregate principal amount of this Note shall be adjusted in accordance with Section 1.3(c) of the Purchase Agreement.

Section 1. **Definitions**. The following terms shall have the meanings indicated below in this Section 1 when used in this Note.

"Balloon Holdover Note" means that certain subordinated promissory note dated the same date as the date of this Note payable to Lender by Borrower in an original principal amount of $1,761,231.97.

"*Business Day*" means any day other than a Saturday, a Sunday or a holiday on which national banking associations in the State of Texas are authorized by law to close.

"*Borrower Change of Control*" means a sale of all or substantially all of the assets of Borrower or any transaction or series or combination of transactions which results in Guarantor not having control of Borrower, with "control" for such purposes meaning the power, directly or indirectly, to vote 50% or more of the equity and other voting interests of Borrower and to direct or cause the direction of the management and policies of Borrower.

"*Default Interest Rate*" means a rate of interest equal to eight percent (8%) per annum.

"*Effective D*ate" means December 14, 2011.

"*Event(s) of Default*" are defined in Section 6 of this Note.

"Former Shareholder Tracking Holdover Note" means that certain subordinated promissory note dated the same date as the date of this Note payable to Lender by Borrower in an original principal amount of $477,536.05.

"*Guarantor*" means Asure Software, Inc., a Delaware corporation.

"*Guarantor Change of Control*" means a sale of all or substantially all of the assets of Guarantor, a merger, consolidation or reorganization of Guarantor with and into any other entity other than any such merger, consolidation or reorganization in which owners of the Guarantor immediately prior to such merger, consolidation or reorganization continue to hold at least a majority of the voting power of the surviving entity immediately after such merger, consolidation or reorganization, or a transfer of more than fifty percent (50%) of the outstanding equity voting securities of Guarantor on a fully diluted basis in a single transaction or series or related transactions.

"*Lender's Payment Address*" means 1506 Rainbow Bend, Austin, Texas 78703 (or at such other place as the Payee may direct the Borrower in writing).

"*Maturity Date*" means February 1, 2012.

"*Maximum Interest Rate*" means the maximum rate of nonusurious interest permitted with respect to the indebtedness evidenced by this Note from time to time by applicable law after taking into account any and all fees, payments, and other charges that constitute interest under applicable law. Unless changed in accordance with applicable law, the applicable rate ceiling under Texas law shall be the weekly ceiling in effect on the date hereof, as provided in Chapter 303 of the Texas Finance Code (as amended), subject to the provisions of Section 303.009 of the Texas Finance Code (as amended).

"*Obligated Parties*" means Borrower and Guarantor.

"*Original Principal Amount*" means Two Hundred Fifty Thousand and 00/100 Dollars ($250,000.00).

"*Stated Interest Rate*" means a rate equal to 0.20% per annum.

Section 2. **Borrower's Promise to Pay**. For value received, Borrower promises to pay to the order of Lender at Lender's Payment Address in lawful money of the United States of American the Original Principal Amount of this Note, together with interest as provided below in this Note on the unpaid portion of this Note for the period such amount is unpaid. Borrower's payment and performance of this Note are guaranteed by Guarantor pursuant to a separate Guaranty Agreement dated the same date as the Effective Date of this Note executed by Guarantor in favor of Lender.

Section 3. **Interest**. Interest on the outstanding unpaid balance of this Note shall accrue to the Maturity Date, or such earlier date as principal owing under this Note becomes due and payable, at a rate per annum equal to the Stated Interest Rate; provided, however, that during the continuation of any Event of Default, the Borrower shall pay, on demand, at the Lender's option, interest (after as well as before judgment to the extent permitted by applicable law) on the principal amount outstanding on this Note at a per annum rate equal to the Default Interest Rate, subject in all respects to the limitations and provisions of Section 13 of this Note.

Section 4. **Payment Terms**. The outstanding unpaid principal amount of this Note and all outstanding accrued and unpaid interest thereon shall be due and payable in full by Borrower to Lender on the Maturity Date unless otherwise becoming earlier due and payable under this Note by reason of the occurrence of an Event of Default.

Section 5. **Right to Prepay**. The Borrower may prepay this Note, in whole or in part, at any time and from time to time, without premium or penalty. Any partial prepayment shall be applied first toward the payment of accrued and unpaid interest and then to the outstanding unpaid principal amount of this Note. All accrued and unpaid interest shall be payable together with any prepayment of principal.

Section 6. **Events of Default**. Each of the following shall constitute an "*Event of Default*" under this Note:

(i) The failure, refusal or neglect of any Obligated Party to pay when due any part of the principal of, or interest on, this Note if such default is not cured within ten (10) days after the giving by Lender of written notice of such default to the defaulting Obligated Party;

(ii) The failure, refusal or neglect of any Obligated Party to make any payments when due to Lender under Section 5 of the Purchase Agreement if such default is not cured within ten (10) days after the giving by Lender of written notice of such default to the defaulting Obligated Party.

(iii) If any Obligated Party: (a) becomes insolvent, or makes a transfer in fraud of creditors, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts as they become due; (b) generally is not paying its debts as such debts become due; (c) has a receiver, trustee or custodian appointed for, or take possession of, all or substantially all of the assets of such party, either in a proceeding brought by such party or in a proceeding brought against such party and such appointment is not discharged or such possession is not terminated within thirty (30) days after the effective date thereof or such party consents to or acquiesces in such appointment or possession; or (d) files a petition for relief under the United States Bankruptcy Code or any other present or future federal or state insolvency, bankruptcy or similar laws (all of the foregoing hereinafter collectively called "Applicable Bankruptcy Law") or an involuntary petition for relief is filed against such party under any Applicable Bankruptcy Law and such involuntary petition is not dismissed within thirty (30) days after the filing thereof, or an order for relief naming such party is entered under any Applicable Bankruptcy Law, or any composition, rearrangement, extension, reorganization or other relief of debtors now or hereafter existing is requested or consented to by such party.

(iv) An event of default occurs under the Balloon Holdover Note or the Former Shareholder Tracking Holdover Note.

(v) A dissolution or liquidation of Guarantor occurs, a Borrower Change of Control occurs or a Guarantor Change of Control occurs, in each case on or after the Effective Date of this Note.

Borrower shall give Lender written notice of the occurrence of any Event of Default described in clause (iii) or (v) of the immediately preceding sentence, in each case within three (3) business days after the occurrence of any such event. Borrower shall give Lender ten (10) days prior written notice of a Borrower or Guarantor Change of Control and written notice of the consummation of any such events within three (3) Business Days after the consummation of the same. The failure by Borrower to give any such written notice to Lender shall not constitute an Event of Default hereunder.

Section 7. **Acceleration Upon Occurrence of Event of Default**. If any one or more of the foregoing Events of Default has occurred and is continuing, the entire unpaid balance of principal of this Note, together with all accrued but unpaid interest thereon, and all other indebtedness and obligations owing to Lender by the Borrower at such time shall, at the option of Lender, become immediately due and payable without further notice, demand, presentation, notice of dishonor, notice of intent to accelerate, notice of acceleration, protest or notice of protest of any kind, all of which are expressly waived by the Borrower. All rights and remedies of Lender set forth in this Note, and to which the Lender may otherwise be entitled or have at law or in equity, and which shall be cumulative, may also be exercised by the Lender, at its option to be exercised in its sole discretion, upon the occurrence of an Event of Default.

Section 8. **Subordination**. The indebtedness evidenced by this Note is subordinated to the prior payment in full of the Bank Debt (as defined in the Subordination Agreement hereinafter referred to) pursuant to, and to the extent provided in, the Subordination Agreement effective as of the date of this Note by the Borrower and Lender in favor of JPMorgan Chase Bank, N.A. If an Event of Default under this Note has occurred and is continuing, no circumstances constituting such an Event of Default shall be excused and such an Event of Default shall be deemed to have occurred, notwithstanding that an Obligated Party may be prohibited from making any payment when due under this Note by reason of any prohibition, restriction or provision of the Subordination Agreement or that Lender may be prohibited from or restricted in exercising any of its rights or remedies under this Note by the terms and conditions of the Subordination Agreement.

Section 9. **Payment of Expenses**. If Lender expends any effort in any attempt to enforce payment of all or any part of any sum due Lender under this Note, or if this Note is placed in the hands of an attorney for collection, or if this Note is collected through any legal proceedings, Borrower agrees to pay all collection costs and fees incurred by Lender, including reasonable attorneys' fees and expenses and court costs. Any amount payable under this Section by Borrower to Lender, to the extent not prohibited by applicable law, shall bear interest from the date of expenditure until reimbursed to Lender by Borrower at the Default Rate.

Section 10. **General Waivers**. Borrower and each other Obligated Party severally waive presentment for payment, demand, notice of intent to accelerate, notice of acceleration, protest and notice of protest and of dishonor and diligence in collecting and the bringing of suit against any other party, and agree to all renewals, extensions, partial payments, releases, subordinations and substitutions of security, in whole or in part, with or without notice, before or after maturity. The failure by Lender to exercise any of its rights, remedies, recourses, or powers upon the occurrence of one or more defaults shall not constitute a waiver of the right to exercise the same or any other right, remedy, recourse, or power at any subsequent time in respect to the same or any other default. The acceptance by Lender of any payment under this Note which is less than payment in full of all amounts due and payable at the time of such payment shall not constitute a waiver of the right to exercise any of the Borrower's rights, remedies, recourses, or powers at that time, or any subsequent time, or nullify any prior exercise of any such right, remedy, recourse or power without the written consent of Borrower, except as and to the extent otherwise required by applicable law.

Section 11. **Applicable Law; Jurisdiction; Venue**. This Note is being delivered and is intended to be performed in the State of Texas and shall be construed, interpreted, governed and enforced in accordance with the laws of the State of Texas. Each of the parties submits to the jurisdiction of the federal or state courts located in Austin, Texas in any action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby and agrees that all claims in respect of any such action or proceeding may be heard and determined by such tribunal. Each party also agrees not to bring any action or proceeding arising out of or relating to this Agreement in any other court. Each of the parties waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of any other party with respect thereto.

Section 12. **Reduction in Interest**. It is the intention of Borrower and Lender to conform strictly to the applicable laws of usury. All agreements and transactions between Borrower and Lender, whether now existing or hereafter arising, whether contained herein or in any other instrument, and whether written or oral , are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of the maturity hereof, late payment, prepayment, demand for prepayment or otherwise, shall the amount contracted for, charged or received by Lender from Borrower for the use, forbearance, or detention of the principal indebtedness or interest of, which remains unpaid from time to time, exceed the maximum amount permissible under applicable law. Any interest payable hereunder or under any other instrument relating to the loan evidenced hereby that is in excess of the legal maximum, shall, in the event of acceleration of maturity, late payment, prepayment, demand or otherwise, be applied to a reduction of the principal indebtedness hereof and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of such principal, such excess shall be refunded to Borrower. To the extent not prohibited by law, determination of the legal maximum amount of interest shall at all times be made by amortizing, prorating, allocating and spreading all interest at any time contracted for, charged or received from Borrower in connection with the loan in equal parts during the period of the full term of the loan evidenced by this Note until repayment in full of the principal (including the period of any renewal or extension hereof), so that the actual rate of interest on account of such indebtedness does not exceed the maximum amount permitted under applicable law.

Section 13. **Successors**. The term "Lender" when used in this Note shall include the successors and assigns of Lender and any subsequent owner and holder of this Note.

Section 14. **Extension of Due Date**. If the payment of principal or interest to be made on this Note shall become due on a day other than a Business Day, such payment may be made on the next succeeding Business Day (unless the result of such extension of time would be to extend the date for such payment beyond the Maturity Date of this Note, in which event the payment shall be made on the Business Day immediately preceding the day on which such payment would otherwise have been due).

This Note is executed and delivered by the Borrower as of the Effective Date.

Asure Legiant, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT 10.25

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this " Agreement") effective as of the 2nd day of July, 2011 (the "Effective Date"), by and between **Asure Software, Inc.**, a Delaware corporation (the "Company") having an office at 110 Wild Basin Road, Austin, TX 78746, and **Patrick Goepel**, an individual residing at _____ (the "Executive").

W I T N E S S E T H:

WHEREAS, the parties entered into an Employment Agreement dated as of September 25, 2009 (the "Original Agreement");

WHEREAS, the Company desires to continue to employ the Executive, the Executive desires to continue to be employed by the Company, and the Executive has specifically provided to the Company all assurances that there is no prohibition or restraint legally or otherwise in the Company continuing to obtain the services of the Executive, all in accordance with the terms and provisions of this Agreement; and

WHEREAS, the parties wish to amend certain terms of the Original Agreement, including, among others, the compensation paid and awarded to the Executive;

NOW, THEREFORE, in consideration of the covenants and promises hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Executive represent, covenant and agree as follows:

1. Employment. The Company shall employ the Executive as Chief Executive Officer of the Company in accordance with the terms and provisions of this Agreement.

2. Term. The term of the Executive's employment hereunder shall be deemed for purposes hereof to have commenced on the Effective Date, and shall continue until this Agreement is terminated as hereinafter provided (the "Term").

3. Compensation. As compensation for all services rendered by the Executive to the Company pursuant to this Agreement, Executive shall receive the following amounts during the Term:

(a) Base Salary. Executive shall receive an annual base salary (the "Base Salary") of Two Hundred Thousand Dollars ($200,000.00), which shall be payable in accordance with Company's standard payroll practices.

(b) Stock Option. The Executive was awarded a stock option under the Company's 2009 Option Plan (the "Plan") as part of the Original Agreement for the purchase of 800,000 shares of Common Stock (the "Initial Option"). Subsequent to the issuance of the Initial Option the Company underwent a 10:1 reverse stock split, such that the number of shares exercisable pursuant to the Initial Option was modified from 800,000 to 80,000. The Board of Directors, as administrator of the Plan, wishes to exercise its powers pursuant to Section 4(c) of the Plan and amend certain terms of the Initial Option, including, among other things, the vesting schedule. As of July 1, 2011, 35,000 shares have vested ("Vested Shares") and 45,000 shares remain unvested (the "Unvested Shares"). The Company and the Executive agree to (i) amend the Initial Option so as to cancel the grant of all Unvested Shares, in the form of agreement attached hereto as **Exhibit A**, and (ii) grant the Executive a new option to purchase 115,000 shares of the Company's common stock (the "New Option"), in accordance with the terms of the Stock Option Grant and Stock Option Agreement attached as **Exhibit B** (together with Exhibit A, the "Stock Option Agreements") hereto and in accordance with the following vesting schedule: one-fourteenth (1/14th) of shares of common stock underlying the Stock Option, or 8,214 shares, shall vest and become exercisable on each of September 30 and December 31 for calendar year 2011, and each of March 31, June 30, September 30, and December 31 for each of calendar years 2012 and 2013, and each of March 31, June 30 and September 30, 2014, with the remaining 8,218 shares to vest and become exercisable on December 31, 2014. Notwithstanding the foregoing, in the event of a Change of Control (as defined in the Plan), the Stock Option will vest as set forth in the Stock Option Agreement. For clarity, all Vested Shares can continue to be exercised pursuant to the terms of the Initial Option.

(c) Discretionary Bonus. The Executive may be eligible to receive a discretionary bonus as part of the Company's annual short-term bonus plan, as adopted by the Board of Directors (the "Board") in 2011; provided that the Board shall have the right to adjust net income (as defined in the short-term bonus plan) to adjust for one-time or extraordinary items.

(d) Board Service. During the Term, to the extent that the Executive serves as a member of the Company's Board, Executive shall waive the right to receive any additional compensation, whether cash, equity or otherwise, in connection with serving on the Board of Directors.

4. Vacation and Executive Benefits. During the Term:

(a) Vacation and Sick Time. The Executive shall be entitled to the same number of vacation and/or sick days as provided to other senior executive officers of the Company, in accordance with the Company's vacation policy as applicable to employees generally. Vacation shall be taken upon reasonable advance notice to the Company, and at such times, so as not to interfere with the proper operation of the Company's business.

(b) Executive Benefits. The Executive shall be entitled to participate in the health, dental, and 401(k) plans, if any, maintained by Company, as well as any other benefit plans made available to employees of Company generally. The terms of the Executive's participation in such plans or policies shall be determined by the Board in its discretion and in accordance with those plans. These plans are subject to change in the Company's sole discretion.

(c) Business Expenses. The Company shall reimburse the Executive for all necessary and reasonable business expenses, including expenses in connection with a rental car, hotel and/or other lodging, food and travel, incurred in business travel by the Executive, subject to any policies established by the Board of Directors or the Company.

5. Description of Duties. During the Term, the Executive shall act as chief executive officer of the Company and shall:

(a) Devote on a full time basis all necessary time, best efforts, professional skills, attention and energies to perform his duties hereunder to Company; provided, however, the Executive shall be allowed to devote up to four (4) business days a month to other business activities so long as such activities do not interfere or conflict with the Executive's duties and responsibilities hereunder ;

(b) Act in accordance herewith, and in all accounts be responsible and responsive to, the Company;

(c) Perform such services as are generally required of a chief executive officer and follow the lawful directives of the Board as requested from time to time.

6. General Services. During the Term, the Executive shall:

(a) Observe and adhere to the Company's policies and standards of conduct, including, without limitation, the Company's Insider Trading Policies and the Company's Rights Plan, as well as customary standards of business conduct, including any standards prescribed by law or regulation and generally adhere to the Company's employee handbook;

(b) Perform the Executive's duties hereunder in a manner that preserves and protects the Company's business reputation; and

(c) Do all things and render such services as may be necessary or beneficial in carrying out any of the foregoing.

7. Confidential Information and Assignment of Inventions Agreement. The Executive hereby acknowledges that the Executive has executed Company's form of Confidential Information and Invention Assignment Agreement (the "Confidentiality and Assignment Agreement"). The Executive and the Company hereby acknowledge that such Confidentiality and Assignment Agreement is an integral part of this Agreement and is thus incorporated herein its entirety by reference.

8. Conflict of Interest Guidelines. Except as provided herein, during the Term, the Executive shall devote his full business time and attention to the business of the Company and will not engage in or devote time to any personal business activities or business ventures that may interfere (as determined in good faith by the Board of Directors) with his duties hereunder without the prior consent of the Board. Executive further agrees to diligently adhere to the Conflict of Interest Guidelines attached as **Exhibit C** hereto. The Company hereby acknowledges and consents to Executive's involvement, as currently structured and as previously communicated to the Company's Chairman of the Board, with and business activities for Safeguard, Allover Media, and APPD Investments, and agrees that same do not constitute a conflict of interest under this Agreement or the Conflict of Interest Guidelines. The Executive warrants and represents that he has the full right and authority to enter into this Agreement and to render services as required under this Agreement and that by signing this Agreement and rendering such services, he is not breaching any contract or legal obligation he owes to any third party.

9. Non-Solicitation.

(a) The Executive shall not, either alone or in association with others, (i) during the term and for a period of two (2) years after the termination, expiration or cessation of the Executive's employment with the Company for any reason solicit, or permit any organization directly or indirectly controlled by or affiliated with the Executive to solicit, any employee of the Company to leave the employ of the Company, and (ii) during the term and for a period of two (2) years after the termination, expiration or cessation of the Executive's employment with the Company for any reason, solicit for employment, hire, or engage as an independent contractor, or permit any organization directly or indirectly controlled by or affiliated with the Executive to solicit for employment, hire, or engage as an independent contractor, any person who is or was either employed or engaged as an independent contractor by the Company.

(b) Without limiting his obligations under section (a) above, during the term and for a period of two (2) years after the termination, expiration or cessation of the Executive's employment with the Company for any reason, Executive shall not (1) engage or participate in any effort or act to solicit the Company's customers, suppliers, associates, employees or consultants to cease, reduce or diminish doing business, or their association or employment with the Company; (2) solicit or accept business from the Company's customers; or (3) interfere in any manner in the contractual or employment relationship between the Company and any such customer, supplier, associate, employee or consultant of the Company.

10. Termination.

(a) This Agreement shall be terminable by either party upon sixty (60) days' written notice to the other party (the "Termination Date").

(b) In the event of termination, for whatever reason, the Executive shall be entitled to receive his Base Salary through the effective date of termination and all compensation and/or benefits that have vested or accrued or that were earned immediately prior to the effective date of termination, payable in accordance with the terms and conditions of the applicable compensation and/or benefits plans, programs or arrangements.

(c) In addition, should Company terminate Executive's employment without Cause, Company shall pay Executive severance pay in the amount of six (6) months of Executive's then base salary. For purposes of this Agreement, "Cause" is defined as: (i) Executive's breach of any material provision set forth in this Agreement or Company's policies, provided Executive failed to cure the breach within fifteen (15) days of written notice of the breach by Company; (ii) conviction or plea of no contest to a felony or a gross misdemeanor (provided such gross misdemeanor negatively impacts Employee's ability to carry out the duties of his employment); or (iii) Executive, in carrying out his duties under this Agreement, is guilty of gross negligence or willful misconduct resulting in material economic harm to, or a materially adverse effect on, Company or any of Company's operations, properties, prospects or business relationships.

(d) The Executive agrees that nothing contained in this Agreement shall be construed to give the Executive a right to continuing employment beyond the Termination Date.

11. Severability. All of the terms and provisions contained in this Agreement are severable and, in the event that any of them shall be deemed unenforceable or invalid by a court of competent jurisdiction, then this Agreement shall be interpreted as if such unenforceable or invalid term or provision were not contained herein.

12. Reformation of Time, Geographical and Occupational Limitations. The Company and Executive agree and stipulate that the obligations set forth in Sections 7 through 9 of the Agreement are fair and reasonable. Therefore, in furtherance of and not in derogation of these provisions of this Agreement, in the event that any provision in this Agreement is held to be unenforceable by a court of competent jurisdiction because it exceeds the maximum time, geographical or occupational limitations permitted by applicable law, then such provision(s) shall be and hereby are reformed to the maximum time, geographical and occupational limitations as may be permitted by applicable law.

13. Section 409A. This Agreement and the Exhibits and Schedules hereto are intended to meet the requirements to be exempt from the application of Section 409A of the Internal Revenue Code ("Section 409A"). If any amount payable under the Agreement, Exhibits or Schedules is determined to be subject to Code Section 409A, then the applicable provisions of the Agreement, Exhibit or Schedule shall be interpreted and administered in accordance with Section 409A and the applicable guidance issued by the Department of the Treasury with respect to the application of Section 409A. Notwithstanding any provision of the Agreement, Exhibit or Schedule to the contrary, no payment of an amount subject to Section 409A on account of a termination of service as defined in Section 409A and the accompanying guidance, shall be made to Executive if he is a specified employee (within the meaning of Section 409A and the applicable guidance) as of the date of Executive's termination of service, within the six-month period following Executive's termination of service. Amounts to which Executive would otherwise be entitled under the Agreement, Exhibit or Schedule during the first six months following the termination of service will be accumulated and paid on the first day of the seventh month following the Executive's termination of service.

14. Governing Law; Consent to Personal Jurisdiction. This Agreement will be governed by the laws of the State of Texas, without regard to its conflicts of laws principles. Each of the parties of this Agreement consents to the exclusive jurisdiction and venue of the Courts of the State and Federal Courts of Travis County, Texas.

15. Entire Agreement. This Agreement, the Exhibits and Schedules attached hereto constitutes the entire agreement of the parties hereto, and replaces all prior agreements, including the Original Agreement, and all promises, representations and understandings between the Company and the Executive whatsoever concerning the limited subject matter hereof. There are no other agreements, conditions or representations, oral or written, express or implied, which form the basis for this Agreement.

16. Modification. No waiver or modification of this Agreement or of any covenant, condition, or limitation contained herein shall be valid unless in a writing of subsequent date hereto and duly executed by the party to be charged therewith and no evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the parties hereto arising out of or affecting this Agreement, or the rights or obligations of the parties hereunder, unless such waiver or modification is in writing, duly executed as aforesaid. The parties further agree that the provisions of this Section may not be waived except as herein set forth.

17. Section Headings. The section headings contained in this Agreement are for convenience only, and shall in no manner be construed as part of this Agreement.

18. Waiver of Breach. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach thereof.

19. Notices. Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient upon receipt, when delivered personally or by courier, overnight delivery service or confirmed facsimile, or three (3) days after being deposited in the regular mail as certified or registered mail (airmail if sent internationally) with postage prepaid, if such notice is addressed to the party to be notified at such party's address or facsimile number as set forth above, or as subsequently modified by written notice,

20. Withholding. The Company shall deduct and withhold from Executive's compensation all necessary or required taxes, including but not limited to Social Security, withholding and otherwise, and any other applicable amounts required by law or any taxing authority.

21. Survival Clauses. Sections 7 through 24 of this Agreement shall survive the termination of the Executive's employment with the Company for any reasons set forth in such Sections.

22. Construction. Each party has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against any party on the basis that the party was the drafter. The captions of this Agreement are not part of the provisions and shall have no force or effect.

23. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument.

24. Legal Counsel**.** Executive represents that he is knowledgeable and sophisticated as to business matters, including the subject matter of this Agreement, that he has read this Agreement and that he understands its terms. Executive acknowledges that prior to assenting to the terms of this Agreement he has been given a reasonable time to review it, to consult with counsel of his choice, and to negotiate at arm's-length with the Company as to its contents. Executive and the Company agree that the language used in this Agreement is the language chosen by the parties to express their mutual intent, and that they have entered into this Agreement freely and voluntarily and without pressure or coercion from anyone.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year hereinbefore first written.

COMPANY

ASURE SOFTWARE, INC.

By: _____
Name:
Title:

EXECUTIVE

_____
Patrick Goepel

Exhibit A

Form of Amended Option Agreement

Exhibit B

Form of New Option Agreement

Exhibit C

CONFLICT OF INTEREST GUIDELINES

It is the policy of the Company to conduct its affairs in strict compliance with the letter and spirit of the law and to adhere to the highest principles of business ethics. Accordingly, all officers, employees and independent contractors must avoid activities, which are in conflict, or give the appearance of being in conflict, with these principles and with the interests of the Company. The following are potentially compromising situations, which must be avoided. Any exceptions must be reported to the Board of Directors of the Company and written approval for continuation must be obtained.

1. Revealing confidential information to outsiders or misusing confidential information. Unauthorized divulging of information is a violation of this policy whether or not for personal gain and whether or not harm to the Company is intended (The Employment Agreement elaborates on this principle and is a binding agreement).

2. Accepting or offering substantial gifts, excessive entertainment, favors or payments which may be deemed to constitute undue influence or otherwise be improper or embarrassing to the Company.

3. Participating in civic or professional organizations that might involve divulging confidential information of the Company.

4. Initiating or approving personnel actions affecting reward or punishment of employees or applicants where there is a family relationship or is or appears to be a personal or social involvement.

5. Initiating or approving any form of personal or social harassment of employees.

6. Investing or holding outside directorship in suppliers, customers, or competing companies, including financial speculations, where such investment or directorship might influence in any manner a decision or course of action of the Company.

7. Borrowing from or lending to employees, customers or suppliers.

8. Acquiring real estate or other property of interest to the Company.

9. Improperly using or disclosing to the Company any proprietary information or trade secrets of any former or concurrent Company or other person or entity with whom obligations of confidentiality exist.

10. Unlawfully discussing prices, costs, customers, sales or markets with competing companies or either employees.

11. Making any unlawful agreement with distributors with respect to prices.

12. Improperly using or authorizing the use of any inventions, which are the subject of patent claims of any other person or entity.

13. Engaging in any conduct, which is not in the best interest of the Company.

Each officer, employee and independent contractor must take every necessary action to ensure compliance with these guidelines, and to bring problem areas to the attention of higher management for review. Violations of this conflict of interest policy may result in discharge without warning.

EXHIBIT 10.26

August 15, 2011

David Scoglio
1904 Jadewood Drive
Morrisville, NC 27560

Dear David:

Re: Modified Terms of Employment

On behalf of Asure Software, Inc. (the "Company"), I am pleased to modify the terms of your existing employment as Chief Financial Officer with the Company as indicated herein, including without limitation additional cash consideration. You are expected to work at the Company's offices in Austin, Texas and at your home in Raleigh, North Carolina under the guidance and direction of Pat Goepel ("Supervisor"). These modified terms of employment commence on January 1, 2010 ("Effective Date").

1. **Duties and Responsibilities**

   Such other duties and responsibilities as communicated to you by your immediate supervisors or the Supervisor from time to time.

   You understand that your duties and responsibilities may evolve over a period of time and may not be limited to the duties and responsibilities set forth above.

2. **Compensation**

   a. **Base Wage.** Your initial annualized salary for calendar year 2011 will be One Hundred Seventy Five Thousand US dollars (US$175,000) ("Base Salary"). Your salary will be payable pursuant to the Company's regular payroll policy, as the same may be modified from time to time by the Company.

   b. **Bonus Compensation.**

      Discretionary Bonus. In addition to your Base Salary, you may be eligible, from time to time, as determined in the sole discretion of the Board of Directors for an annual bonus. The availability and amount of such Bonus, if any, shall be at all times at the sole discretion of the Board. Solely with respect to the remaining portion of calendar year 2011, you will be eligible to participate in the Company's "Beat the Budget" bonus plan (the "2011 Bonus"). Your 2011 Bonus shall be calculated pursuant to the terms of the "Beat the Budget" plan. Provided you remain employed by the Company as of the dates payments are due, the 2011 Bonus shall be paid quarterly (1/7th in Q2, 3/7ths in Q3 and 3/7ths in Q4). To the extent that you receive any such bonus, the Company will be entitled to withhold payroll taxes and other amounts as required pursuant to law.

c. **Reservation of Rights.** The Company reserves the right to change the existing compensation structure at any time, without prior notice thereof, however, subject to the provisions of this letter, the Company will not affect any material reduction in your Base Salary without first discussing such reduction with you.

d. **Business Expenses.** The Company shall reimburse the Executive for all necessary and reasonable business expenses, including expenses in connection with a rental car, hotel and/or other lodging, food and travel, incurred in business travel by the Executive, subject to any policies established by the Board of Directors or the Company. Business expenses include the expenses associated with travel between Mr. Scoglio's residence and Austin, TX, and expenses while in Austin, TX.

3. Employee Benefits

a. **Standard Health/ Medical Insurance Plan.** The Company agrees to provide you with the same health insurance options for you and your immediate family as is offered to other employees of the Company.

b. **Paid Time Off.** You will be eligible for the number of paid vacation days during each year of your employment and other paid public holidays as is consistent with the number of paid vacation days and holidays granted to the other officers of the Company and in accordance with standard Company policy.

4. Pre-employment Conditions

a. **Confidentiality Agreement.** Your acceptance of these modified terms of employment with the Company is contingent upon the execution and delivery to an officer of the Company of the Company's Confidential Information and Invention Assignment Agreement ("Confidentiality Agreement"), a copy of which is being provided simultaneously herewith.

b. **Right to Work.** You hereby acknowledge that you have previously provide the Company documentary evidence of your identity and eligibility for employment in the United States or in your country of work.

5. No Conflicting Obligations. You understand and agree that by accepting these modified terms of employment, you represent to the Company that your performance will not breach any other agreement to which you are a party, including any agreements with your prior employer or client(s), and that you have not, and will not during the term of your employment with the Company, enter into any oral or written agreement in conflict with any of the provisions of this letter or the Company's policies. You are not to bring with you to the Company, or use or disclose to any person associated with the Company, any confidential or proprietary information belonging to any former employer or client, or other person or entity with respect to which you owe an obligation of confidentiality under any agreement or otherwise. The Company does not need and will not use such information and we will assist you in any reasonable way possible to preserve and protect the confidentiality of proprietary information belonging to third parties. Also, we expect you to abide by any obligations to refrain from soliciting any person employed by or otherwise associated with any former employer and suggest that you refrain from having any contact with such persons until such time as any non-solicitation obligation expires.

6. **General Obligations.** As an employee, you will be expected to adhere to the Company's standards of professionalism, loyalty, integrity, honesty, reliability and respect for all. You are expected to work with a high standard of initiative, efficiency, and economy. You will perform, observe, and confirm to such duties, directions, and instructions communicated to you by the Company, your immediate supervisors, the Supervisor and/or its designee. In addition, you are expected to abide by the equity ownership limitations set forth in the Company's Rights Plan.

7. **Notice.** You agree to provide to the Company at all times your then current contact information, including home address and telephone number. Should your home address and/or telephone number change, you agree to provide the Company with updated information within seven (7) business days of such change.

8. **At-Will Employment.** Your employment with the Company will continue to be on an "at will" basis, meaning that either you or the Company may terminate your employment at any time for any reason or no reason, without further obligation or liability. However, the Company requests that you provide the Company with at least one month written notice if you desire to resign from the employment with the Company. If employment is terminated by either party you agree to return any property or material of the Company in your possession at the time of termination. This policy of at-will employment will remain in effect during the entire term of your employment and may only be modified in an express written agreement authorized and signed by the Company.

9. **Severance.** Notwithstanding the fact that you will be an "At Will" employee, conditioned upon the receipt of a full release of all claims you may have against the Company, you will be entitled to receive severance equal to 13 weeks of Base Salary in the event that the Company terminates your employment without "cause". Such severance payments shall be made over the 13 week period following such termination in accordance with the Company's normal payroll procedures (including withholding). For the purposes hereof, the term "cause" shall mean: (i) your material breach of any written policy, procedure or agreement with the Company, (ii) your failure to follow the directives of your superiors or that of the board, provided that such failure continues after receiving ten (10) days to cure such failure, (iii) your conviction or plea of no contest in relation to any felony or crime of moral turpitude, or (iv) any willful conduct with is materially injurious to the Company monetarily, reputationaly or otherwise. For the avoidance of doubt, no such severance payment shall be due in the event that your employment is terminated voluntarily by you or as a result of your death or disability.

10. **Insider Trading.** You hereby acknowledge that: (i) you are aware that "insider trading" and "tipping" of "inside information" are criminal offenses and (ii) through your employment with the Company you may have access or otherwise be privy to material non public information relating the Company and/or the Company's affiliates, clients, customers or commercial counterparties (collectively, "Insider Information"). The Company has a compliance policy with respect to Insider Information (the "Insider Trading Policy"), and the Company expects each of its employees to act at all times in compliance with the Insider Trading Policy and all applicable rules, regulations and laws, including those relating to or pertaining to the use (including trading) and/or disclosure of material non public information (collectively, "Insider Trading Rules"). You hereby agree to at all times abide by the Insider Trading Policy and all Insider Trading Rules. In the event that in the course of your employment with the Company you learn (or suspect) any employee of the Company or other person or entity related to or connected with the Company is violating the Insider Trading Policy or Insider Trading Rules, you are directed to contact your Supervisor immediately. If you have any questions or concerns regarding your obligations relating to Insider Trading, please contact Adrian Pertierra.

11. **Governing Law.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the law of the State of Texas, without giving effect to the principles of conflicts of law. Any suit or action brought by the Company against you or by you against Company shall be brought in the state or federal courts situated in the State of Texas. Both parties hereby are waiving any claim or defense that such forum is not convenient or proper. Each party hereby agrees that any such court shall have *in personam* jurisdiction over it and consents to service of process by any means authorized by Texas law. Each party waives any right to trial by jury with respect to any dispute, suit, action or proceeding arising out of or relating to this letter or otherwise relating to Company's relationship with you, whether in contract, tort or otherwise.

12. **Equal Opportunity.** Please note that the Company is an equal opportunity employer. The Company does not permit, and will not tolerate, the unlawful discrimination or harassment of any employees, consultants, or related third parties on the basis of sex, race, color, religion, age, national origin or ancestry, marital status, veteran status, mental or physical disability or medical condition, sexual orientation, pregnancy, childbirth or related medical condition, or any other status protected by applicable law. Any questions regarding this EEO statement should be directed to the Supervisor.

13. **Change of Control.** Prior to the date of this Agreement, you have been granted stock options. In addition to all other rights you have under the stock options if the consideration per share in connection with the "Change of Control" (as defined in the Company plan) is: (i) at least $4.00 per share, then an additional 25% of the remaining unvested Total Number of Shares shall immediately vest and become exercisable; (ii) at least $5.00 per share, then an additional 50% of the remaining unvested Total Number of Shares shall immediately vest and become exercisable; (iii) at least $6.00 per share, then an additional 75% of the remaining unvested Total Number of Shares shall immediately vest and become exercisable; and (iv) at least $7.00 per share, then all of the remaining unvested total Number of Shares shall immediately vest and become exercisable.

We are all delighted to be able to extend you these modified terms of employment, wish you a long and rewarding career, and look forward to your contribution in making the Company a professional and successful organization. To indicate your acceptance of these modified terms of employment, please sign and date this letter in the space provided below and return it to me within seven (7) days of the date of this letter. This letter, together with the Confidentiality Agreement, sets forth the terms of your employment with the Company and supersedes any prior representations or agreements, whether written or oral, including any earlier consulting agreement executed between you and the Company. This letter may not be modified or amended except by a written agreement, signed by you and the Company.

Very truly yours,

Asure Software, Inc.

Pat Goepel
CEO

I am in receipt of this modified terms of employment of the Company along with the Confidentiality Agreement annexed hereto. I declare that I have read and fully understood the terms of this letter and the Confidential Agreement and further agree to abide by the terms set forth herein and therein, as well as, the policies and rules of the Company. I hereby accept this modified terms of employment by affixing my signature below.

Accepted and Agreed:

Name: DAVID SCOGLIO

_____
(Signature)

_____
Date

Anticipated Start Date: _____

925051

EXHIBIT 10.27

June 1, 2011

Mike Kinney
7201 RR2222
Austin, TX 78730

Dear Mike:

Re: Offer of Employment

On behalf of Asure Software, Inc. (the "Company"), I am pleased to offer you full-time employment with the Company in the position of Vice President of Sales & Marketing, subject to the conditions and contingencies set forth below. You are expected to work at the Company's offices in Austin, Texas, under the guidance and direction of Pat Goepel ("Supervisor"), or his/her designees. Employment commences on June 1, 2011 ("Start Date").

l. Duties and Responsibilities

Such other duties and responsibilities as communicated to you by your immediate supervisors or the Supervisor from time to time.

You understand that your duties and responsibilities may evolve over a period of time and may not be limited to the duties and responsibilities set forth above.

2. Compensation

a **Base Wage.** Your initial annualized salary for calendar years 2011 and 2012 will be One Hundred Fifty Thousand US dollars (US$150,000) ("Base Salary"). Your salary will be payable pursuant to the Company's regular payroll policy, as the same may be modified from time to time by the Company.

b. **Bonus Compensation.**

(i) Guaranteed Bonus. In lieu of a 2011 commission plan and in addition to your Base Salary, for the remainder of calendar year 2011, you are eligible for a guaranteed bonus of $29,167.00 (the "2011 Bonus). Provided you remain employed by the Company as of the dates payments are due, the 2011 Bonus shall be paid quarterly (ln'h in Q2, 3/7ths in Q3 and 317ths in Q4). .

Your 2011 Bonus will be paid upon the conclusion of each calendar quarter. The Company will be entitled to withhold payroll taxes and other amounts as required pursuant to law.

(ii) Commission. Commencing in the calendar year 2012, you will be eligible for an annual commission plan to be determined in the discretion of the Board of Directors (the "Commission"). The availability and amount of the Commission, if any, shall be at all times at the sole discretion of the Board. The Company will be entitled to withhold payroll taxes and other amounts as required pursuant to law.

c. **Stock Option.** In addition, subject to the approval of the Company's Board of Directors, the Company will grant you an option to purchase 60,000 shares of the Company's Common Stock at a price per share equal to the fair market value per share of the Common Stock on the date of grant, as detemlined by the Company's Board of Directors. Twenty-five percent (25%) of the shares subject to the option shall vest 12 months after the date your vesting begins, subject to your continuing employment with the Company, and no shares shall vest before such date. The remaining shares shall vest quarterly over the next 36 months in equal amounts, subject to your continuing employment with the Company. This option grant shall be subject to the terms and conditions of the Company's 2009 Equity Plan and Stock Option Agreement, including vesting requirements. No right to any stock is earned or accrued. until such time that vesting occurs, nor does the grant confer any right to continue vesting or employment.

d . **Reservation of Rights.** The Company reserves the right to change the existing compensation structure at any time, without prior notice thereof, however, subject to the provisions of this letter, the Company will not affect any material reduction in your Base Salary without first discussing such reduction with you.

e . **Business Expenses.** The Company shall reimburse the Executive for all necessary and reasonable business expenses, including expenses in connection with a rental car, hotel and/or other lodging, food and travel, incurred in business travel by the Executive, subject to any policies established by the Board of Directors or the Company.

3. Employee Benefits

a . **Standard Health/ Medical Insurance Plan.** The Company agrees to provide you with the same health insurance options for you and your immediate family as is offered to other employees of the Company.

b. **Paid Time Off.** You will be eligible for the number of paid vacation days during each year of your employment and other paid public holidays as is consistent with the number of paid vacation days and holidays granted to the other officers of the Company and in accordance with standard Company policy.

4. Pre-employment Conditions

a. **Confidentiality Agreement.** Your acceptance of this offer and commencement of employment with the Company is contingent upon the execution and delivery to an:•• '•. :• officer of the Company of the Company's Confidential Information and Invention Assignment Agreement ("Confidentiality Agreement"), a copy of which is being provided simultaneously herewith.

b . **Right to Work.** For purposes of immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States or in your country of work. Such documentation must be provided to us prior to, but not later than, your Start Date, or our employment relationship with you may be temi.inated without further notice.

c . **Verification of Information.** This offer of employment is also contingent upon you providing to the Company information requested by the Company, as well as any general background check which may be performed by the Company to confirm your suitability for employment. By accepting this offer of employment, you warrant that all information provided by you is true and correct to the 'best of your-knowledge, and you expressly release the Company from any claim or cause of - action arising out of the Company's verification of such information. Any inaccuracy in the information provided by you to the Company shall be grounds for termination of your employment.

5 . **No Conflicting Obligations.** You understand and agree that by accepting this offer of employment, you represent to the Company that your performance will not breach any other agreement to which you are a party, including any agreements with your prior employer or client(s), and that you have not, and will not during the term of your employment with the Company, enter into any oral or written agreement in conflict with any of the provisions of this letter or the Company's policies. You are not to bring with you to the Company, or use or disclose to any person associated with the Company, any confidential or proprietary information belonging to any former employer or client, or other person or entity with respect to which you owe an obligation of confidentiality under any agreement or otherwise. The Company does not need and will not use such information and we will assist you in any reasonable way possible to preserve and protect the confidentiality of proprietary information belonging to third parties. Also, we expect you to abide by any obligations to refrain from soliciting any person employed by or otherwise associated with any former employer and suggest that you refrain from having any contact with such persons until such time as any non-solicitation obligation expires.

6 . **General Obligations**. As an employee, you will be expected to adhere to the Company's standards of professionalism, loyalty, integrity, honesty, reliability and respect for all. You are expected to work with a high standard of initiative, efficiency, and economy. You will perform, observe, and confirm to such duties, directions, and instructions communicated to you by the Company, your immediate supervisors, the Supervisor and/or its designee. In addition, you are expected to abide by the equity ownership limitations set forth in the Company's Rights Plan.

7 . **Notice.** You agree to provide to the Company at all times your then current contact information, including home address and telephone number. Should your home address and/or telephone number change, you agree to provide the Company with updated information within seven (7) business days of such change.

8 . **At-Will Employment.** Your employment with the Company will be on an "at will" basis, meaning that either you or the Company may terminate your employment at any time for any reason or no reason, without further obligation or liability. However, the Company requests that you provide the Company with at least one month written notice if you desire to resign from the employment with the Company. If employment is terminated by either party you agree to return any property or material of the Company in your possession at the time of termination. This policy of at-will employment will remain in effect during the entire tenn of your employment and may only be modified in an express written agreement authorized and signed by the Company.

9 . **Severance.** Notwithstanding the fact that you will be an "At Will" employee, conditioned upon the receipt of a full release of all claims you may have against the Company, you will be entitled to receive severance equal to 13 weeks of Base Salary in the event that the Company terminates your employment without "cause". Such severance payments shall be made over the 13 week period following such termination in accordance with the Company's normal payroll procedures (including withholding). For the purposes hereof, the term "cause" shall mean: (i) your material breach of any written policy, procedure or agreement with the Company, (ii) your failure to follow the directives of your superiors or that of the board, provided that such failure continues after receiving ten (10) days to cure such failure, (iii) your conviction or plea of no contest inrelation to any felony or crime of moral turpitude, or (iv) any willful conduct with is materially injurious to the Company monetarily, reputationaly or otherwise. For the avoidance of doubt, no such severance payment shall be due in the event that your employment is terminated voluntarily by you or as a result of your death or disability.

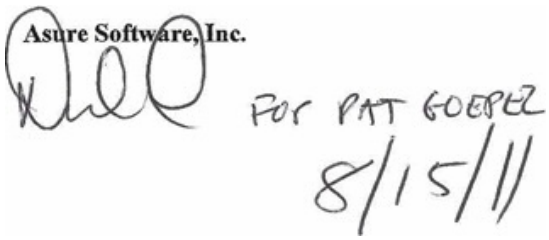
10 . **Insider Trading.** You hereby acknowledge that: (i) you are aware that "insider trading" and "tipping" of "inside infmmation" are criminal offenses and (ii) through your employment with the Company you may have access or otherwise be privy to material non public information relating the Company and/or the Company's affiliates, clients, customers or commercial counterparties (collectively, "Insider Information"). The Company has a compliance policy with respect to Insider Information (the "Insider Trading Policy"), and the Company expects each of its employees to act at all times in compliance with the Insider Trading Policy and all applicable rules, regulations and laws, including those relating to or pertaining to the use (including trading) and/or disclosure of material non public information (collectively, "Insider Trading Rules"). You hereby agree to at all times abide by the Insider Trading Policy and all Insider Trading Rules. In the event that in the course of your employment with the Company you learn (or suspect) any employee of the Company or other person or entity related to or connected with the Company is violating the Insider Trading Policy or Insider Trading Rules, you are directed to contact your Supervisor immediately. If you have any questions or concerns regarding your obligations relating to Insider Trading, please contact David Scoglio.

11 . **Governing Law.** This Agreeme11t ap.d all acts and transactions pursuant hereto and the rights and obligations of the parties- hereto shall be governed, construed and interpreted in accordance with the law of the State of Texas, without giving effect to the principles of conflicts of law. Any suit or action brought by the Company against you or by you against Company shall be brought in the state or federal courts situated in the State of Texas. Both parties hereby are waiving any claim or defense that such forum is not convenient or proper. Each party hereby agrees that any such court shall have in personam jurisdiction over it and consents to service of process by any means authorized by Texas law. Each party waives any right to trial by jur.y with respect to any dispute, suit, action or proceeding arising out of or relating to this letter or otherwise relating to Company's relationship with you, whether in contract, tort or otherwise.

12. Equal Opportunity. Please note that the Company is an equal opportunity employer. The Company does not pennit, and will not tolerate, the unlawful discrimination or harassment of any employees, consultants, or related third parties on the basis of sex, race, color, religion, age, national origin or ancestry, marital status, veteran status, mental or physical disability or medical condition, sexual orientation, pregnancy, childbirth or related medical condition, or any other status protected by applicable law. Any questions regarding this EEO statement should be directed to the Supervisor.

We are all delighted to be able to extend you this offer, wish you a long and rewarding career, and look forward to your contribution in making the Company a professional and successful organization. To indicate your acceptance of the Company's offer, please sign and date this letter in the space provided below and return it to me within seven (7) days of the date of this letter. This letter, together with the Confidentiality Agreement, sets forth the terms of your employment with the Company and supersedes any prior representations or agreements, whether written or oral, including any earlier consulting agreement executed between you and the Company. This letter may not be modified or amended except by a written agreement, signed by you and the Company.

Very truly yours,



PatGoepel
CEO

EXHIBIT 10.28

June 1, 2011

Steven Rodriguez
2222 Gunnison Trail
Frisco, TX 75034

Dear Steve:

Re: Offer of Employment

On behalf of Asure Software, Inc. (the "Company"), I am pleased to offer you full-time employment with the Company in the position of Chief Operating Office, subject to the conditions and contingencies set forth below. You are expected to work at the Company's offices at least four (4) days a week and one (1) day a week remotely, under the guidance and direction of Pat Goepel ("Supervisor"),. Employment commences on June 1, 2011 ("Start Date").

1. Duties and Responsibilities

Such other duties and responsibilities as communicated to you by your immediate supervisors or the Supervisor from time to time.

You understand that your duties and responsibilities may evolve over a period of time and may not be limited to the duties and responsibilities set forth above.

2. Compensation

a. **Base Wage.** Your initial annualized salary for calendar years 2011 and 2012 will be Two Hundred Thousand US dollars (US$200,000) ("Base Salary"). Your salary will be payable pursuant to the Company's regular payroll policy, as the same may be modified from time to time by the Company.

b. **Bonus Compensation.**

i) Guaranteed Bonus. In addition to your Base Salary, you are eligible to participate in the 2011 Company "Beat the Budget" bonus plan (your "Bonus"). For calendar year 2011, your Bonus shall be the greater of (a) the amount of the Bonus calculated pursuant to the terms of the "Beat the Budget" plan or (b) $20,000.00 ("Guaranteed Bonus"). Provided you remain employed by the Company as of the dates payments are due, the Bonus shall be paid quarterly (1/7th in Q2, 3/7ths in Q3 and 3/7ths in Q4) based on the Guaranteed Bonus with any additional amount paid with the last quarterly installment. To the extent that you receive any such Bonus, the Company will be entitled to withhold payroll taxes and other amounts as required pursuant to law.

ii) Discretionary Bonus. Commencing in 2012, in addition to your Base Salary, you may be eligible, from time to time, as determined in the sole discretion of the Board of Directors for an annual bonus (the "Annual Bonus"). The availability and amount of such Annual Bonus, if any, shall be at all times at the sole discretion of the Board. To the extent that you receive any such Annual Bonus, the Company will be entitled to withhold payroll taxes and other amounts as required pursuant to law.

c. **Stock Option.** In addition, subject to the approval of the Company's Board of Directors, the Company will grant you an option to purchase 90,000 shares of the Company's Common Stock at a price per share equal to the fair market value per share of the Common Stock on the date of grant, as determined by the Company's Board of Directors. Twenty-five percent (25%) of the shares subject to the option shall vest 12 months after the date your vesting begins, subject to your continuing employment with the Company, and no shares shall vest before such date. The remaining shares shall vest quarterly over the next 36 months in equal amounts, subject to your continuing employment with the Company. This option grant shall be subject to the terms and conditions of the Company's 2009 Equity Plan and Stock Option Agreement, including vesting requirements. No right to any stock is earned or accrued until such time that vesting occurs, nor does the grant confer any right to continue vesting or employment.

d. **Reservation of Rights.** The Company reserves the right to change the existing compensation structure at any time, without prior notice thereof, however, subject to the provisions of this letter, the Company will not affect any material reduction in your Base Salary without frrst discussing such reduction with you.

e. **Business Expenses.** The Company shall reimburse the Executive for all necessary and reasonable business expenses, including expenses in connection with a rental car, hotel and/or lodging, food and travel, incurred in business travel by the Executive, subject to any policies established by the Board of Directors or the Company. Business expenses include the expenses associated with travel between Mr. Rodriguez's residence and Company offices and expenses while in Company office location (Austin, TX/ Warwick, RII Vancouver, BC)

3. Employee Benefits

a. **Standard Health/ Medical Insurance Plan.** The Company agrees to provide you with the same health insurance options for you and your immediate family as is offered to other employees of the Company.

b. **Paid Time Off.** You will be eligible for the number of paid vacation days during each year of your employment and other paid public holidays as is consistent with the number of paid vacation days and holidays granted to the other officers of the Company and in accordance with standard Company policy.

4. Pre-employment Conditions

a . **Confidentiality Agreement.** Your acceptance of this offer and commencement of employment with the Company is contingent upon the execution and delivery to an officer of the Company of the Company's Confidential Information and Invention Assignment Agreement ("Confidentiality Agreement"), a copy of which is being provided simultaneously herewith.

b . **Right to Work.** For purposes of immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States or in your country of work. Such documentation must be provided to us prior to, but not later than, your Start Date, or our employment relationship with you may be terminated without further notice.

c . **Verification of Information.** This offer of employment is also contingent upon you providing to the Company information requested by the Company, as well as any general background check which may be performed by the Company to confirm your suitability for employment. By accepting this offer of employment, you warrant that all information provided by you is true and correct to the best of your knowledge, and you expressly release the Company from any claim or cause of action arising out of the Company's verification of such information. Any inaccuracy in the information provided by you to the Company shall be grounds for termination of your employment.

5 . No Conflicting Obligations. You understand and agree that by accepting this offer of employment, you represent to the Company that your performance will not breach any other agreement to which you are a party, including any agreements with your prior employer or client(s), and that you have not, and will not during the term of your employment with the Company, enter into any oral or written agreement in conflict with any of the provisions of this letter or the Company's policies. You are not to bring with you to the Company, or use or disclose to any person associated with the Company, any confidential or proprietary information belonging to any former employer or client, or other person or entity with respect to which you owe an obligation of confidentiality under any agreement or otherwise. The Company does not need and will not use such information and we will assist you in any reasonable way possible to preserve and protect the confidentiality of proprietary information belonging to third parties. Also, we expect you to abide by any obligations to refrain from soliciting any person employed by or otherwise associated with any former employer and suggest that you refrain from having any contact with such persons until such time as any non-solicitation obligation expires.

6 . General Obligations. As an employee, you will be expected to adhere to the Company's standards of professionalism, loyalty, integrity, honesty, reliability and respect for alL You are expected to work with a high standard of initiative, efficiency, and economy. You will perform, observe, and confirm to such duties, directions, and instructions communicated to you by the Company, your immediate supervisors, the Supervisor and/or its designee. In addition, you are expected to abide by the equity ownership limitations set forth in the Company's Rights Plan.

7 . **Notice.** You agree to provide to the Company at all times your then current contact information, including home address and telephone number. Should your home address and/or telephone number change, you agree to provide the Company with updated information within seven (7) business days of such change.

8 . **At-Will Employment.** Your employment with the Company will be on an "at will" basis, meaning that either you or the Company may terminate your employment at any time for any reason or no reason, without further obligation or liability. However, the Company requests that you provide the Company with at least one month written notice if you desire to resign from the employment with the Company. If employment is terminated by either party you agree to return any property or material of the Company in your possession at the time of termination. This policy of at-will employment will remain in effect during the entire term of your employment and may only be modified in an express written agreement authorized and signed by the Company.

9 . **Severance.** Notwithstanding the fact that you will be an "At Will" employee, conditioned upon the receipt of a full release of all claims you may have against the Company, you will be entitled to receive severance equal to 13 weeks of Base Salary in the event that the Company terminates your employment without "cause". Such severance payments shall be made over the 13 week period following such termination in accordance with the Company's normal payroll procedures (including withholding). For the purposes hereof, the term "cause" shall mean: (i) your material breach of any written policy, procedure or agreement with the Company, (ii) your failure to follow the directives of your superiors or that of the board, provided that such failure continues after receiving ten (10) days to cure such failure, (iii) your conviction or plea of no contest in relation to any felony or crime of moral turpitude, or (iv) any willful conduct with is materially injurious to the Company monetarily, reputationaly or otherwise. For the avoidance of doubt, no such severance payment shall be due in the event that your employment is terminated voluntarily by you or as a result of your death or disability.

10. **Insider Trading.** You hereby acknowledge that: (i) you are aware that "insider trading" and "tipping" of "inside information" are criminal offenses and (ii) through your employment with the Company you may have access or otherwise be privy to material non public information relating the Company and/or the Company's affiliates, clients, customers or commercial counterparties (collectively, "Insider Information"). The Company has a compliance policy with respect to Insider Information (the "Insider Trading Policy"), and the Company expects each of its employees to act at all times in compliance with the Insider Trading Policy and all applicable rules, regulations and laws, including those relating to or pertaining to the use (including trading) and/or disclosure of material non public information (collectively, "Insider Trading Rules"). You hereby agree to at all times abide by the Insider Trading Policy and all Insider Trading Rules. In the event that in the course of your employment with the Company you learn (or suspect) any employee of the Company or other person or entity related to or connected with the Company is violating the Insider Trading Policy or Insider Trading Rules, you are directed to contact your Supervisor immediately. If you have any questions or concerns regarding your obligations relating to Insider Trading, please contact David Scoglio.

11. Governing Law. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the law of the State of Texas, without giving effect to the principles of conflicts of law. Any suit or action brought by the Company against you or by you against Company shall be brought in the state or federal courts situated in the State of Texas. Both parties hereby are waiving any claim or defense that such forum is not convenient or proper. Each party hereby agrees that any such court shall have in personam jurisdiction over it and consents to service of process by any means authorized by Texas law. Each party waives any right to trial by jury with respect to any dispute, suit, action or proceeding arising out of or relating to this letter or otherwise relating to Company's relationship with you, whether in contract, tort or otherwise.

12. Equal Opportunity. Please note that the Company is an equal opportunity employer. The Company does not permit, and will not tolerate, the unlawful discrimination or harassment of any employees, consultants, or related third parties on the basis of sex, race, color, religion, age, national origin or ancestry, marital status, veteran status, mental or physical disability or medical condition, sexual orientation, pregnancy, childbirth or related medical condition, or any other status protected by applicable law. Any questions regarding this EEO statement should be directed to the Supervisor.

We are all delighted to be able to extend you this offer, wish you a long and rewarding career, and look forward to your contribution in making the Company a professional and successful organization. To indicate your acceptance of the Company's offer, please sign and date this letter in the space provided below and return it to me within seven (7) days of the date of this letter. This letter, together with the Confidentiality Agreement, sets forth the terms of your employment with the Company and supersedes any prior representations or agreements, whether written or oral, including any earlier consulting agreement executed between you and the Company. This letter may not be modified or amended except by a written agreement, signed by you and the Company.

Very truly yours,

Asure Software, Inc.

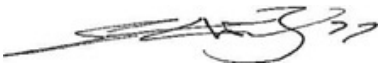
Pat Goepel
CEO

FOR PAT GOEPEL
DAVID SCOGLIO
CFO
8/15/11

I am in receipt of this offer letter of employment of the Company along with the Confidentiality Agreement annexed hereto. I declare that I have read and fully understood the terms of this letter and the Confidential Agreement and further agree to abide by the terms set forth herein and therein, as well as, the policies and rules of the Company. I hereby accept this offer of employment by affixing my signature below.

Accepted and Agreed:

Name: STEVE RODRIGUEZ



(Signature)

08/15/2011
Date

Anticipated Start Date: _____

EXHIBIT 10.31

LEASE AGREEMENT

DATED

AUGUST_____, 2010

FROM

South Office at the Crossings LLC

TO

ADI Time LLC

FOR PREMISES LOCATED AT

Suite 250

Land Unit 2 of the

Crossings Park Land Condominium

200 Crossings Boulevard, Warwick, Rhode Island

Exhibits

The exhibits listed below in this Section are incorporated in this Lease by reference and are to be construed as a part of this Lease.

LEASE AGREEMENT

This Lease (the "Lease") is made as of ___ day _____ , 2010 (the "Execution Date") by and between **South Office at the Crossings LLC**, a Rhode Island limited liability company (the "Landlord"), and **ADI Time LLC**, a Rhode Island Limited Liability Company (the "Tenant").

ARTICLE I
Reference Data, Definitions and Exhibits

1.1 **Data and Definitions.**

"Building":	As defined in Section 2.1(b)
"Land" or "Unit":	Land Unit 2 of the Crossings Park Land Condominium
"Landlord":	South Office at the Crossings LLC
Address of Landlord:	c/o Carpionato Properties, Inc. 1414 Atwood Avenue Johnston, RI 02919 With a copy to: Angelo R. Marocco, Esquire 1200 Reservoir Avenue Cranston, RI 02920
"Tenant":	ADI Time LLC
Address of Tenant	ADI Time LLC 855 Waterman Avenue East Providence, RI 02914 After the Commencement Date Tenant's Address will be: ADI Time LLC 200 Crossings Boulevard Suite 250 Warwick, RI 02888 With a copy to:

"Premises":	As defined in Section 2.1
"Initial Term":	Five (5) years
"Renewal Term" or "Renewal Terms"	One (1) Five (5) year term commencing upon the expiration of the Initial Term
"Term"	the Initial Term and any Renewal Term, collectively

"Fixed Rent":

A	B		C	D
Lease Year	**Monthly Rent**	**(= C / 12)**	**Annual Rent (= Square Footage of Premises X D)**	**Per Square Foot**
Original Term				
Months 1 - 3		$0.00	$0.00	$0.00
Months 4 - 12		$9,333.24	$111,998.91	$21.50
2		$9,441.77	$113,301.22	$21.75
3		$9,550.29	$114,603.53	$22.00
4		$9,658.82	$115,905.85	$22.25
5		$9,767.35	$117,208.16	$22.50
		Option Period - rent shall be not less than		
6		$9,767.35	$117,208.16	$22.50
7		$9,767.35	$117,208.16	$22.50
8		$9,767.35	$117,208.16	$22.50
9		$9,767.35	$117,208.16	$22.50
10		$9,767.35	$117,208.16	$22.50

This Fixed Rent Chart is based upon an assumed rentable square footage for the Premises being 5,209.25square feet which is an estimate only until the plans are prepared by Landlord's Architect with Tenant's requirements and have been approved by Tenant and Landlord as. At such time as the final square footage is determined in accordance with the provisions of Section 2., the parties agree to enter into an amendment to substitute this chart with a new Fixed Rent Chart calculated based on the actual rentable square footage.

"Additional Rent"	Any and all other changes, fees and expenses payable by Tenant to Landlord hereunder, including, but not limited to, those fees set forth in Sections 5.1 and 6.3
"Rent Commencement Date"	The Ninetieth (90th) Day following the Commencement Date
"Delivery Date":	December 15, 2010.
"Security Deposit":	None.
"Tenant's Proportionate Share":	A. As to costs associated with the Building shall be 8.48% which is obtained by dividing the rentable area of the product Premises by the rentable area of the Building B. as to costs associated with the Second floor of the Building is 24.88% . which is the product obtained by dividing the rentable area of the Premises by the rentable area of all premises in the second (2nd) floor of the Building. 2nd floor rentable area totals 20,940 square feet.
"Permitted Use":	Tenant shall use and occupy the Premises for general office use. Landlord represents that the Tenant's intended use of the Premises is not in violation of current zoning or the building's Certificate of Occupancy, any covenant, condition or restriction on the Building as existing or pending at the time of this proposal.

"Parking Spaces"	5 unreserved spaces per thousand square feet of rentable square footage of the Premises.
Public Liability Insurance Limits:	$2,000,000 per occurrence /$5,000,000 aggregate (Landlord) $500,000 per occurrence/$1,000,000 aggregate (Tenant)

1.2 **Effect of Reference to Data**. Each reference in this Lease to any of the titles and definitions contained in Section 1.1 shall be construed to incorporate the data stated under that title.

ARTICLE II

Premises and Term

2.1 **Premises**

Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, subject to and with the benefit of the terms, covenants, conditions and provisions of this Lease, Suite 250 of the Building containing *5,209.25* square feet of rentable space and 4,685 square feet of usable space(based upon a common area factor of 11.19%) as more particularly identified on Exhibit A, Part I and II together with the right to use certain improvements owned by Landlord, situated within the Complex as shown on Exhibit A (Part 2) and labeled "The Premises" together further with the appurtenances specifically granted in this Lease, but reserving and excepting to Landlord the underground use of the Premises located under the building the right to install, maintain, use, repair and replace pipes, ducts, conduits, wires and appurtenant underground utilities below the floor slab or above the ceiling grid of the Premises in locations which will not materially interfere with Tenant's use thereof or access thereto and serving other parts of the Complex (the "Premises"). The term "Complex" wherever used herein, shall be deemed to mean the entire area shown on Exhibit A (Part 1) and all contiguous land hereafter leased or acquired by Landlord and added to the Complex, and the entire development on said area including any and all structures, parking facilities and common facilities now or hereafter built thereon, or as they may, from time to time, be reduced by eminent domain takings or dedications to public authorities or disposition or demolition by Landlord of any part thereof.

Notwithstanding the foregoing, during the sixty (60) day period following the Commencement Date (as hereinafter defined), Tenant shall be entitled to have its licensed architect remeasure the rentable area of the Premises in accordance with BOMA standards, and in the event that Tenant's Architect's measurements reflect that the actual rentable area of the Premises is less than the amount set forth above, then the Annual Fixed Rent, Tenant's Proportionate Share and other applicable provisions of this Lease shall be proportionately adjusted effective as of the Commencement Date and Landlord and Tenant shall execute an amendment to this Lease for the purpose of confirming such adjustments. "BOMA standards" shall mean the "Standard Method for Measuring Floor Area in Office Buildings" published by the Building Owners and Managers Association International as publication ANSI/BOMA Z65-1996, approved on June 7, 1996 by the American National Standards Institute, Inc. (provided, however, that the new shared hallway on the second floor shall not be counted as common area in making such calculation but shall be deemed landlord's leased area).

(a) Appurtenances. The Premises is leased to Tenant subject to and with the benefit of the easements, rights, restrictions, agreements and encumbrances of record hereto and with the benefit of all the rights contained in this Lease and all the rights appurtenant to this Lease and to the Premises by operation of law.

(b) The Building. The term "Building" as used herein shall mean the three (3) story building located upon the Land as set forth on Exhibit B attached hereto, which Building contains approximately 61,436 square feet of gross floor area (usable) located at 200 Crossings Boulevard, Warwick, Rhode Island.

2.2 **Term.** The Initial Term of this Lease shall commence upon the earlier of fifteen (15) days after the Delivery of Possession as defined in Section 2.3 of the Lease (the "Commencement Date") or Tenant's opening for business to the public in the Premises and shall end Five (5) years thereafter. Notwithstanding the foregoing, in the event that Landlord has not completed the improvements specified in Article III of this Lease so as to allow Tenant to assume occupancy of the Premises by the Commencement Date then, in that event, the Commencement Date shall be postponed to the date that Landlord has substantially completed the Premises but no later than December 31, 2010 subject to force majeure matters.

2.3 **Delivery of Possession** .

(a) Landlord shall be deemed to have delivered possession of the Premises to Tenant (the "Delivery of Possession") on the date on which the latest of all of the following shall have occurred:

(i) Actual possession of, and unrestricted access to, the Premises shall have been delivered to Tenant free of all leases (other than this Lease) and occupants.

(ii) Landlord shall have completed Landlord's Work (as hereinafter defined), Tenant's Work (as defined in Exhibit D hereto) and all material elements of the Common Areas (as hereinafter defined) of the Building as is depicted in the Specifications (as hereinafter defined), and caused all building systems servicing the Premises to be fully operational and functioning.

(iii) Landlord shall have obtained all inspections, approvals and certificates of occupancy required from all applicable governmental authorities with respect to the completion of Landlord's Work, the Building and Tenant's occupancy of the Premises; provided, however, that a temporary certificate of occupancy shall meet the requirements of this Section 2.3(a)(iii) provided a final certificate of occupancy is eventually obtained and Tenant's occupancy is not disturbed.

(b) Tenant shall be entitled to enter the Premises ten (10) days prior to the Delivery Date for the purpose of installing furniture, fixtures and equipment and preparing the Premises for move in.

ARTICLE III

Improvements

3.1 **Performance of Work and Approval of Landlord's Work** . Landlord shall cause the work required by Exhibit B to be performed, at Landlord's sole cost and expense, including without limitation, the completion of construction of the Building and the completion of the Premises as provided therein (the "Landlord's Work"). Landlord may not make any material changes in such work without approval of Tenant, which Tenant agrees will not unreasonably be withheld, conditioned or delayed. Landlord will commence the Landlord's Work soon as practical after execution hereof. Landlord shall construct Landlord's Work in a good and workmanlike manner, in compliance with the requirements of Exhibits B and F and the Specifications (as hereinafter defined), and in compliance with all applicable laws, ordinances, and governmental regulations, including without limitation, the Americans with Disabilities Act.

3.2 **Tenant's Submission Requirements**. No later than forty-five (45) days after the Execution Date, Landlord, at Landlord's sole cost and expense, shall provide to Tenant complete working drawings and specifications of the Premises ("Specifications"), which shall detail and specify the design and construction standards which are to be employed by Landlord in the build-out of the Premises. The Specifications shall conform to the criteria specified on Exhibits B, D and F. Within fifteen (15) business days of its receipt of Specifications, Tenant shall be obligated to notify Landlord of its approval or disapproval of all or any portion of the Specifications. In the event that Tenant disapproves of the Specifications within the aforesaid time periods, Tenant shall notify the Landlord in writing of its disapproval and provide to Landlord a detailed list of the items and matters of the Specification for which it disapproves. Landlord shall within ten (10) business days of Landlord's receipt of Tenant's notice of disapproval, make such changes and modifications to the Specifications as are necessary to have same meet with the approval of Tenant. Promptly upon the commencement of the Landlord's Work, Landlord shall furnish Tenant with a construction schedule setting forth the projected completion dates therefor and showing the deadlines for any actions required to be taken by Tenant during such construction, and Landlord may from time to time during construction of the Landlord's Work modify or amend such schedule. Landlord shall make diligent efforts to meet such schedule, as the same may be modified or amended.

3 . 3 **Punchlist.** Within ten (10) days after Delivery of Possession, Tenant and Landlord shall conduct a walk-through inspection of the Premises with Landlord's Contractor and generate a written punch-list specifying those decoration and other punch-list items which require repair and/or completion, which items Landlord shall thereafter diligently complete within thirty (30) business days of Landlord's receipt of the punch-list or as soon thereafter as commercially feasible. Landlord shall also remedy latent defects of which Tenant gives notice to Landlord with reasonable promptness.

3.4 **Building Maintenance**. Landlord shall, at Landlord's sole cost and expense (except as otherwise provided in Article IX, Section 8.1.4 and in the case of damage caused by any negligence of Tenant that is not covered by insurance maintained or required to be maintained by Landlord), maintain the Building in good condition and repair, reasonable wear and tear excepted. Tenant acknowledges that Landlord will still be constructing the improvements in the Building for other tenants during the Term, and Landlord agrees that it shall not unreasonably interfere with Tenant's use and occupancy of the Premises during its performance of such improvements. Should the construction and maintenance of the Building require that the electrical service to the Premises be interrupted, Landlord shall provide to the Tenant with at least forty-five (45) days prior notice. To the extent commercially reasonable, all such construction and maintenance that would require an interruption in the electrical service to the Premises shall be performed on weekends and off-hours.

ARTICLE IV

Rent

4.l **Annual Fixed Rent**. Tenant covenants and agrees to pay as rent ("Rent") to Landlord at the address of Landlord set forth above (or such other place as Landlord may by notice in writing to Tenant from time to time direct) equal monthly installments of one-twelfth (l/l2th) of the Annual Fixed Rent in advance commencing on the Rent Commencement Date; and thereafter on or before the first (1st) day of each calendar month of the Initial Term. Rent due for any partial month shall be prorated accordingly

4.2 **Definition of Lease Year.** "Lease Year" shall mean, in the case of the first Lease Year, the twelve (l2) full calendar months plus the partial month, if any, following sixty (60) days after the Commencement Date of the Term. Thereafter, "Lease Year" shall mean each successive twelve (l2) calendar month period following the expiration of the first Lease Year, except that in the event of the termination of this Lease on any day other than the last day of a Lease Year, then the last Lease Year shall be the period from the end of the preceding Lease Year to such date of termination.

4.3 **Late Payments of Rent**. If any installment of Rent is paid more than ten (l0) days after the date the same was due and from Tenant's receipt of written notice from Landlord, the unpaid Rent shall bear interest at a rate of two percent (2%) over the then prime rate as set forth in the money rates of the *Wall Street Journal* (unless such rate be usurious as applied to Tenant, in which case the highest permitted legal rate shall apply) which shall begin to accrue upon notice by the Landlord to Tenant. Notwithstanding the foregoing, Landlord agrees to waive the first (1st) late fee in a Lease Year during the Term.

ARTICLE V

Real Estate Taxes

5.1 **Tenant Taxes.** For the purposes hereof, the "Base Year" shall be the year 2011; provided, that such Base Year real estate taxes, as well as the real estate taxes for each Lease Year, shall be adjusted to reflect a ninety-five percent (95%) occupied assessed building at its leased value if said Building is not fully assessed as a completed structure, or not fully occupied, during that time. During the Term, Landlord shall be responsible to annually pay real estate taxes betterments, assessments or other municipal, state or federal charges relating to the Land and the Building ("RE Taxes") in an amount not to exceed the RE Taxes assessed to the Land and the Building as of the Base Year. Each year after the Base Year, Landlord shall provide to Tenant a photocopy of the bill for RE Taxes for such applicable tax year. Tenant shall pay as Additional Rent Tenant's Proportionate Share of any increases in RE Taxes above the RE Taxes assessed during the Base Year. In no event shall Tenant be obligated to pay any interest or penalties imposed upon Landlord for late payment or otherwise, except as provided in this Article V (unless incurred at or due to Tenant's request). Any increase in RE Taxes above the Base Year, as adjusted, for any calendar year thereafter occurring during the Term shall be apportioned so that Tenant shall pay Tenant's Proportionate Share of only that portion of the increase of RE Taxes for such tax year as it falls within the Term. Notwithstanding anything contained in this paragraph to the contrary, if the RE Taxes in any calendar year after the Base Year shall be lower than the RE Taxes for the Base Year, Tenant shall be entitled to a credit, based on Tenant's Proportionate Share of such decrease, which credit shall be applied to the following year's billing for increased RE Taxes. In the event such reduction to RE Taxes occurs during the last year of the Term, such credit amount shall be refunded to Tenant. In the event that any credit amount due hereunder to Tenant results from Landlord prosecuting a successful legal proceeding with regard to the RE Taxes, Landlord shall be entitled to retain twenty-five percent (25%) of any such credit amount due Tenant. Notwithstanding the foregoing provisions of this Article V to the contrary, RE Taxes shall not include (i) Landlord's federal or state or local income, franchise, inheritance or estate taxes, (ii) profit, privilege, capital levy, excise, succession, gift, deed, conveyance or transfer taxes, (iii) any penalties or interest for the late payment of RE Taxes; or (iv) any portion thereof that is allocable to any building capital improvements made after the Building was fully assessed as a completed and occupied unit and this Lease was signed, except to the extent the additional improvements directly benefit all tenants or at least directly benefits the Tenant.

ARTICLE VI

Common Areas

6.1 **Common Areas**. Landlord shall make available to Tenant at all times during the Term within the Complex all parking areas, driveways, truckways, delivery passages, common truck loading areas, access and egress roads, walkways, sidewalks, malls, landscaped and planted areas (collectively, the "Common Areas"). Landlord shall operate, manage, equip, light, repair and maintain the Common Areas for their intended purposes and provide for the removal of snow and ice therefrom, in good and clean condition and repair (reasonable wear and tear excepted), and in a manner consistent with Class A office complexes in the Providence, Rhode Island metropolitan area, it being understood and agreed that Landlord shall not be liable for any inconvenience or interruption of business or other consequences resulting from the making of repairs, replacements, improvements, alterations or additions or from the doing of any other work, by or at the direction of Landlord, to or upon any of such Common Areas. Landlord may from time to time change the size, location and nature of any Common Area and temporarily close any Common Area to make changes or repairs therein and do such other acts in and to the Common Areas as in its judgment may be necessary or desirable to improve the convenience thereof. For the avoidance of doubt, the term "Common Areas" shall also include the common entry drive with associated landscaping extending from Route 5 through the Complex and labeled "Entry Drive" on Exhibit A (Part 1), all parking and landscape areas, all lobbies, stairwells, elevators, all loading areas, utility closet areas, areas open to the public and to all employees, invitees and agents of all tenants within the Building.

6.2 Use of Common Area. During the Term, Tenant and its concessionaires, officers, employees, agents, customers and invitees shall have the right, in common with Landlord and all others to whom Landlord may from time to time grant rights, to use the Common Areas for their intended purposes subject to such reasonable rules and regulations as Landlord may from time to time reasonably impose, including the designation of specific areas in which cars owned by Tenant, its concessionaires, officers, employees, customers and agents must be parked. Tenant agrees after notice thereof to abide by such reasonable rules and Tenant shall not solicit business in the parking or other Common Areas; nor shall Tenant distribute any handbills or other advertising matter in automobiles parked in the parking area or in other Common Areas.

6.3 Common Area Maintenance Costs. During the Term, Landlord shall be responsible to annually pay Common Area Maintenance Expenses in an amount not to exceed the Common Area Maintenance Expenses payable as of the Base Year, which for purposes of this section shall be the year 2011. Commencing in the first year following the Base Year, Tenant shall pay to Landlord, as Additional Rent, Tenant's Proportionate Share of any and all increases in current year Common Area Maintenance Expenses over the Common Area Maintenance Expenses for the Base Year. The term "Common Area Maintenance Expenses" shall mean the total cost and expense incurred in operating and maintaining the Building and the Common Areas in and adjoining the Building for use by Tenant and the other tenants of the Building and Complex and the concessionaires, officers, employees, agents, customers and invitees of Tenant. Common Area Maintenance Expenses shall specifically include, without limitation, all the maintenance, repair and operating duties required of Landlord in Section 6.1, including gardening and landscaping; the cost of public liability and property damage insurance; repairs; the cost of fire and extended coverage insurance on the Building; rental or business interruption insurance; pumping, cleaning, repairing, and rebuilding of all drainage systems and leaching fields; sanitary control; removal of snow, trash, rubbish and other refuse; the costs of security, seal coating, line painting, and heating and cooling of internal Common Areas; all water and sewer charges for the Building whether consumed in any tenant space or the Common Areas; lighting of the parking areas; and lighting of the Building. The Additional Rent to be paid shall be paid as part of Rent, on a monthly basis, and at the times and in the fashion herein provided for the payment of Annual Fixed Rent. In addition to the foregoing, Common Area Maintenance Expenses will include janitorial services for the Premises, which Landlord shall cause to be provided in accordance with Exhibit G. Notwithstanding the foregoing, all annual Common Area Maintenance Expenses shall not increase by more than three (4%) percent per year on a non-cumulative, non-compounded basis, excluding snow removal, utilities and insurance. In addition, Common Area Maintenance Expenses shall not include (a) repairs and general maintenance paid from proceeds of insurance or by a tenant or other third parties, (b) alterations attributable to tenants in, or other occupants of the Complex or vacant rentable space in the Complex, (c) the cost of capital improvements, replacements or expenses, and such other costs that, under generally accepted accounting principals ("GAAP"), consistently applied would be considered capital or are otherwise outside normal costs and expenses in connection with the operation, cleaning, management, security, maintenance and repair of similar buildings, (d) depreciation, (e) principal or interest payments or ground lease payments relating to the Complex, (f) lease commissions or marketing costs, (g) costs, repairs or other work occasioned by fire, windstorm or other casualty or condemnation, (h) rental concessions granted to tenants or costs associated with the negotiation, execution or enforcement of this Lease or leases with other tenants, (i) costs incurred in connection with the sale, financing, refinancing or mortgaging of all or any portion of the Complex, (i) any penalties or liquidated damages Landlord pays under this Lease or to any other tenants or occupants of the Complex, (l) costs associated with correcting any violation of law, or to comply with laws enacted after the Execution of the Lease, (l) political or charitable contributions, (m) reserves of any kind, including, without limitation, replacement reserves and reserves for bad debts or lost rent or any similar charge not involving the payment of money to third parties; (n) wages or salaries of employees over the rank of building superintendent; (o) expenses resulting from any violation by Landlord of the terms of any lease of space in the Building or Complex or of any ground or underlying lease or mortgage to which this Lease is subordinate; (p) costs of compliance with the Americans with Disabilities Act, as from time to time amended, and the rules and regulations thereunder; and (q) any cost and expense incurred by or on behalf of Landlord in removing and disposing or causing to be removed or disposed hazardous or toxic substances or materials, or any cooling or chiller system and the chemicals used in such system from any part of the Building.

Landlord shall deliver an annual statement Tenant by May 15th of each year during the Term setting forth in detail the Common Area Maintenance Expenses.

Tenant shall be entitled to inspect Landlord's books and records related to the costs and expenses and Additional Rent at any time within one hundred and eighty (180) days following Tenant's receipt of Landlord's annual statements for such Common Area Maintenance Expenses. If the parties mutually agree as to any discrepancy, Landlord shall credit any overpayment toward the next Additional Rent payment falling due or pay such overpayment to Tenant within thirty (30) days of such determination. If the variance is ten percent (10%) or more in the aggregate, Landlord shall pay the reasonable costs of said inspection. Tenant's right of inspection shall expire on the one hundred and eightieth (180th) day from Tenant's receipt thereof.

If the parties fail to agree on any such discrepancy, then such dispute will be resolved by an accounting firm mutually acceptable to both parties or, in the absence of agreement, by a regionally recognized accounting firm selected by lot after eliminating Landlord's auditors, Tenant's auditor and one additional firm designated as objectionable by each of Tenant and Landlord. The determination of any accounting firm so selected of the Common Area Maintenance Expenses shall be conclusive and binding upon the parties. Each party shall be responsible for its own fees and costs, including attorneys' fees, incurred in any such arbitration.

ARTICLE VII

Utilities, Services and Repairs

7.1 **Utilities and Charges Therefore**. Tenant agrees to pay directly to the authority charged with the collection thereof, all charges for directly metered gas, electricity and telephone utilities used or consumed in the Premises. Landlord shall be responsible for payment of all charges for water and sewer utilities to the Building (which are included in the Common Area Maintenance Expenses).

It is currently anticipated that all gas & electricity utilities are not separately metered but are sub-metered. Tenant shall pay to Landlord as Additional Rent, on demand, Tenant's direct sub-metered share of such charges for such utilities and/or services at the rate charged by the respective utility company plus the fee charged by the company selected to read such meters and provide the billing with respect to the foregoing.

All of the electricity to operate the lights and plugs within the Premises shall be connected to a submeter which measures the electrical consumption ("Tenant;'s Submeter"). The current HVAC system includes a VAV System within the Premises. The VAV system within the Premises shall be connected to Tenant's Submeter.

In addition, the HVAC system on the rooftop of the Building serves not only the Premises but also serves also the common areas on the second (2 nd) floor of the Building (the "Rooftop HVAC Unit"). All of the gas and electricity consumed by the Rooftop HVAC Unit shall be separately submetered. Tenant shall pay to Landlord as Additional Rent, on demand, Tenant's Proportionate share of the submetered gas and electricity charges therefore. Tenant's proportionate share shall be based upon the usable square footage of the Premises versus the total square footage of the second (2nd) floor.

"With respect to all of the charges for which Tenant is responsible for under this section of the Lease, Tenant agrees to make its payment to Landlord no later than ten (10) days after receiving a billing with respect thereto from Landlord. Any failure by Tenant to pay the Additional Rent and/or charges under this section of the lease shall constitute a default by Tenant of its obligations under this Lease."

Landlord shall be under no obligation to furnish any utilities to the Premises and shall not be liable for any interruption or failure in the supply of any such utilities to the Premises, nor shall any interruption or failure entitle Tenant to an abatement of Rent.

Tenant agrees it will at all times keep sufficient heat in the Premises to prevent the pipes therein from freezing.

Landlord shall have the right to install a wireless intranet, Internet and communications network ("Landlord's Wi-Fi") within the Building or Complex for the use of itself or tenants and their respective employees and agents. The cost of installation, maintenance, repair and any other cost associated with the operation of Landlord's Wi-Fi network shall not be chargeable to Tenant as a Common Area Maintenance Expense or utility expense unless Tenant, at its sole discretion, subscribes to the Landlord's Wi-Fi network, which shall be at rates not to exceed the rates charged to other tenants of the Complex. Tenant shall have the right to install a wireless intranet, Internet and communications network ("Tenant's Wi-Fi Network") within the Premises for the use of Tenant and its employees, subject to this subsection and all other terms and conditions of this Lease. Provided, however, that Tenant shall not solicit, suffer or permit other tenants or occupants of the Building or Complex to use Tenant's Wi-Fi Network or any other communications service, including, without limitation, any wired or wireless Internet service that passes through, is transmitted through or emanates from the Premises

7.2 **Provisions of Access and Utilities.** Access for separately metered or accessed utilities, shall be provided upon Notice. Landlord shall further provide 24/7 card key access to the Building during off hours. Landlord shall make available for Tenant's nonexclusive use, the non-attended passenger elevator facilities of the Building, seven days per week, twenty-four (24) hours per day. Subject to the other terms and provisions of this Lease and reasonable Building access restrictions from equipment and other measures that may be established by Landlord (for example, card key access), Tenant shall have access to the Premises seven (7) days per week, twenty-four (24) hours per day). Landlord shall furnish during "Business Hours" heating, ventilation and air conditioning ("**HVAC**") for the Common Areas as required for the comfortable and normal occupancy of the Premises based upon class A suburban office buildings. For purposes of this Lease, the "**Business Hours**" shall mean 8:00 a.m. to 6:00 p.m. on Monday through Friday and 9:00 a.m. to 1:00 p.m. on Saturday (except holidays). The cost of maintenance and service calls to adjust and regulate the HVAC system shall be charged to Tenant if the need for maintenance work results from either Tenant's unreasonable adjustment of room thermostats or Tenant's failure to comply with its obligations under the Lease. Such work shall be charged at hourly rates equal to then-current journeyman's wages for HVAC mechanics

7.3 **Repairs.** Landlord shall, as part of the Operating Expenses, repair and maintain in a reasonably good condition (a) the Building's shell and other structural portions of the Building and Complex (including the roof and foundations, floor slabs and exterior walls), (b) the basic plumbing, heating, ventilating, air conditioning, sprinkler and electrical systems within the Building's core and (c) the Common Areas; provided, however, to the extent such maintenance or repairs are required as a result of any negligence of Tenant or any of Tenant's agents, employees, contractors, licensees or invitees, Tenant shall pay to Landlord, as additional rent, the costs of such maintenance and repairs.

7 . 4 **Interruption of Services or Repairs.** Anything in this Lease to the contrary notwithstanding, if the stoppage of services or a required repair, which Landlord is obligated to provide for Tenant, causes any portion of the Premises to become unusable by Tenant for more than twenty (20) consecutive days, then and in that event Tenant, as its sole remedy, shall be entitled to a pro-rata abatement of Fixed Rent as to such unusable portion of the Premises, commencing with the 2nd day that the same are unusable.

ARTICLE VIII

Tenant's Additional Covenants

8.1 **Affirmative Covenants**. Tenant covenants at its expense at all times during the Term and such further time as Tenant occupies the Premises or any part thereof:

8.1.1 **Conduct of Business.** To not occupy or use the Premises, or permit the same or any part thereof to be occupied, or used, for any purpose other than the Permitted Use except such other uses with the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed, and shall not permit or suffer anything to be done or kept in the office area which will constitute a nuisance or increase the rate of fire insurance on the Building or the contents thereof, or which will obstruct the public halls or stairways of the Building. Tenant will comply with all requirements of all governmental authorities and with all laws, ordinances, rules, and regulations with respect to Tenant's particular manner of occupancy or use of the Premises; provided, however, it being understood that Tenant shall not be, and Landlord shall be, responsible for complying with Laws or insurance requirements imposed on the Building generally and which would have to be complied with whether Tenant or any other tenants were then in occupancy of the Premises. Nothing herein contained, however, shall be deemed to impose any obligation upon Tenant to make any structural changes or repairs unless necessitated by reason of a particular use by Tenant of the Premises. Landlord shall use reasonable efforts to cause other tenants in the Building to comply with Laws. Landlord shall be responsible for complying with all Laws affecting the design, construction and operation of the Building (including the Premises to the extent Tenant is not required to comply therewith as provided for above) and Project or relating to the performance by Landlord of any duties or obligations to be performed by it hereunder. However, if by reason of the occupancy or use of the Premises by Tenant the rate of fire insurance on the building, its contents or the individual offices shall be increased, then in such event, Tenant shall be liable for and agrees to pay upon demand to Landlord the additional insurance premiums or payments caused by its occupancy or use of the Premises.

8.1.2 **Rules and Regulations**. To store all trash and refuse within the Premises (it being acknowledged that Landlord shall be responsible for removing trash from the Premises as part of the janitorial services to be provided by Landlord pursuant to Exhibit G); to keep all drains inside the Premises clean; and to conform to all uniform and reasonable rules and regulations which Landlord may make in the management and use of the Complex, and to require such conformance by Tenant's employees, and that, subject to Section 12.24 of this Lease, Tenant, its concessionaires, officers, employees, agents, customers and invitees shall only park their vehicles in the areas designated by Landlord and, except for the reserved spaces, Landlord shall have the right to reasonably change the size and location of such designated parking areas throughout the term of this Lease so long as such parking areas are reasonably adequate for Tenant's reasonable needs and Tenant's parking ratio remains the same. See Exhibit H attached hereto.

8.1.3 **Maintenance.** Damage by fire or other casualty, reasonable wear and tear and repairs which are the responsibility of Landlord excepted, at Tenant's expense, to keep the interior, non-structural portions of the Premises, clean, neat and in good order, repair and condition.

8.l.4 **Compliance with Law.** To keep the Premises equipped with all safety appliances required under applicable laws, ordinances, orders or regulations of any public authority because of Tenant's use of the Premises (excluding equipment required to be installed, maintained, repairs and replaced by Landlord pursuant to the terms of this Lease); to procure any licenses and permits required for any such use (except that Landlord shall be required to obtain and provide Tenant with a certificate of occupancy for the Premises); to pay all municipal, county or state taxes assessed against the leasehold interest hereunder, or personal property of any kind owned by or placed in, upon or about the Premises by Tenant; and to comply with the orders and regulations of all governmental authorities, except that Tenant may defer compliance so that the validity of any such law, ordinance, order or regulation may be contested by Tenant in good faith and by appropriate legal proceedings, if Tenant first gives Landlord assurance, satisfactory to Landlord, against any loss, cost or expense on account thereof. Notwithstanding the foregoing, Tenant will not be required to make any alterations or additions to the Building or the Premises in connection with any such governmental requirements and to the extent that any such alterations or additions are required, same shall be completed by Landlord at its sole cost and expense unless such governmental requirements relate to Tenant's unique line of business and are not related to general office use.

8.1.5 **Payment for Tenant's Work**. To pay promptly when due the entire cost of any work to the Premises undertaken by Tenant and to bond against or discharge any liens for labor or materials within twenty (20) business days after Tenant's receipt of any written request by Landlord; to procure all necessary permits before undertaking such work; and to do all of such work in a good and workmanlike manner, employing materials of good quality and complying with all governmental requirements.

8.l.6 **Indemnity and Liability Insurance**. Subject to Section 12.7 below, to defend, save harmless and indemnify Landlord (and such other persons as are in privity of estate with Landlord as may be set out in a written notice to Tenant from time to time) from all claims or damage to or of any person or property while on the Premises to the extent caused by the neglect, or other willful misconduct of Tenant, unless arising from the negligence, intentional acts or breach of this Lease by Landlord or other misconduct of Landlord, and from all claims or damage to or of any person or property in or about the Building or Complex occasioned by any neglect, or other willful misconduct of Tenant, unless arising from negligence, intentional acts or breach of this Lease by Landlord or other misconduct of Landlord; to maintain coverage with insurance companies having a rating of not less than "A" by Best's Insurance Reports, or a comparable rating agency, qualified to do business in the state in which the Complex is located (which may include Tenant or its affiliates or subsidiaries) and in good standing therein public liability insurance covering the Premises insuring Landlord (and such other persons as are in privity of estate with Landlord as may be set out in a written notice to Tenant from time to time) as an additional insured as well as Tenant with limits which shall, at the commencement of the Lease Term, be at least equal to Public Liability Insurance Limits with a $1,000,000 per accident limit, and Workers' Compensation Insurance with statutory limits covering all of Tenant's employees working in the Premises, and to deposit promptly with Landlord certificates for such insurance, and all renewals thereof, bearing a provision that the insuring company will endeavor to give Landlord thirty (30) days written notice in advance of any cancellation or lapse of the policy. Landlord acknowledges and agrees that Tenant may satisfy the Public Liability Insurance Limits through a combination of public liability insurance and umbrella insurance coverages which, in total, equal or exceed such limits. Notwithstanding any other provision of this Lease, Tenant shall have the right to include the Premises within a blanket policy of insurance including the Premises and other locations.

Subject to Section 12.7, Landlord shall defend, save harmless and indemnify Tenant (and such other persons as are in privity of estate with Tenant as may be set out in a written notice to Landlord from time to time) from all claims or damage to or of any person or property in or about the Complex or while on the Premises to the extent caused by the neglect, or other willful misconduct of Landlord, unless arising from the negligence, intentional acts or breach of this Lease by Tenant or other misconduct of Tenant.

8.l.7 **Landlord's Right to Enter**. To permit Landlord and its agents to examine the Premises upon twenty four (24) hours prior written notice, for any permissible reason hereunder, except in cases of emergency; to show the Premises to prospective purchasers and lenders; to show the Premises to prospective tenant's two hundred seventy (270) days prior to the expiration of the term of this Lease; and to enter the Premises to make such repairs and replacements as Landlord is required, or may elect, to make, so long as work does not unreasonably interfere with Tenant's use of or access to the Premises.

8.l.8 **Personal Property at Tenant's Risk**. That all of the furnishings, fixtures, equipment, effects and property of every kind, nature and description of Tenant and of all persons claiming by, through or under Tenant which, during the continuance of this Lease or any occupancy of the Premises by Tenant or anyone claiming under Tenant may be on the Premises or elsewhere in the Complex, shall be at the sole risk and hazard of Tenant, and if the whole or any part thereof shall be destroyed or damaged by fire, water or otherwise, or by the leakage or bursting of water pipes, steam pipes, or other pipes, by theft or from any other cause, no part of said loss or damage is to be charged to or to be borne by Landlord, unless such loss or damage is a result of the negligence, willful misconduct or intentional acts of or breach of this Lease by Landlord, but only to the extent that Tenant is not insured.

8.1.9 **Payment of Enforcement Costs.** To pay on demand Landlord's expenses, including reasonable attorney's fees incurred in curing any default by Tenant under this Lease as provided in Section 10.6. If either Landlord or Tenant commences or engages in, or threatens to commence or engage in, any action or litigation against the other party arising out of or in connection with the Lease, the Premises, the Building, or the Complex, including but not limited to, any action for recovery of any payment owed by either party under the Lease, or to recover possession of the Premises, or for damages for breach of the Lease, the prevailing party shall be entitled to have and recover from the losing party reasonable attorneys' fees and other costs incurred in connection with the action and in preparation for said action. This provision shall survive the termination of the Lease.

8.1.10 **Yield Up.** At the expiration of the Term or earlier termination of this Lease, to remove all trade fixtures and personal property and all interior partitions installed by Tenant and such other installations made by Tenant as Landlord may request in writing at the time of such installation or Tenant may elect, to repair any damage caused by such removal, and to remove all Tenant's signs however located, except any improvements to the Premises undertaken pursuant to Exhibits B, C and E, and Building directory and monument signs, and to surrender all keys to the Premises and yield up the Premises (except for such interior partitions installed by Tenant and such other installations made by Tenant as Landlord shall request Tenant at the time of its approval of same, or Tenant shall elect, to remove), to broom clean and leave the Premises in substantially the same good order and repair in which Tenant is obligated to keep and maintain the Premises by the provisions of this Lease. Any property not so removed within ten (10) days after written notice thereof from Landlord to Tenant shall be deemed abandoned and may be removed and disposed of by Landlord in such manner as Landlord shall determine and Tenant shall pay Landlord the entire cost and expense incurred by Landlord in effecting such removal and disposition and in making any incidental repairs and replacements to the Premises.

8.2 **Negative Covenants**. Tenant covenants at all times during the Term and such further time as Tenant occupies the Premises or any part thereof:

8.2.1 **Assignment, Subletting, Etc**. Except in connection with a Permitted Transfer (as hereinafter defined), not, without on each occasion first obtaining the written approval of Landlord (which shall not be unreasonably withheld, delayed or conditioned), to assign, transfer, mortgage or pledge this Lease or sublease (which term shall be deemed to include the granting of concessions and licenses and the like) all or any part of the Premises or suffer or permit this Lease or the leasehold estate hereby created or any rights arising under this Lease to be assigned, transferred or encumbered, in whole or in part, whether voluntarily, involuntarily or by operation of law, or permit the occupancy of the Premises by anyone other than Tenant. Any attempted assignment, transfer, mortgage, pledge, sublease or other encumbrance, without such written consent shall be void, which written consent Landlord shall not unreasonably delay. If approved by Landlord, written evidence of approval of such assignment, transfer, mortgage or pledge shall be delivered to Tenant within Ten (10) days of a request. No assignment, transfer, mortgage, sublease or other encumbrance, whether or not approved, and no indulgence granted by Landlord to any assignee or sublessee, shall in any way impair the continuing primary liability (which after an assignment shall be joint and several with the assignee) of Tenant hereunder, and no approval in a particular instance shall be deemed to be a waiver of the obligation to obtain Landlord's approval in the case of any other assignment or subletting. Notwithstanding the foregoing, Landlord hereby grants the Tenant the right to assign the Lease or sublease any portion or all of the Premises without the consent of Landlord to: (i) a subsidiary or affiliated company or to any corporate successor (upon merger, consolidation or reorganization); (ii) any entity that controls, is controlled by, or is under common control with Tenant (the “Permitted Transfers”). Notwithstanding anything to the contrary herein contained, Tenant hereby agrees that Tenant shall remain primarily liable for all obligations under this Lease notwithstanding any assignment or subletting whether or not Landlord’s consent is required.

8.2.2 **Overloading, Nuisance, Etc.** Not to injure, overload, deface or otherwise harm the Premises; nor commit any nuisance; nor permit the emission of any objectionable noise or odor; nor burn any trash or refuse within the Complex; nor make any use of the Premises which is improper, offensive or contrary to any law or ordinance or which will invalidate or increase the cost of any of Landlord's insurance; nor use any advertising medium that may constitute a nuisance, such as loud-speakers, sound amplifiers, phonographs or radio or television broadcasts in a manner to be heard outside the Premises; nor do any act tending to injure the reputation of the Complex; store or dispose of trash or refuse on, or otherwise obstruct, the driveways, walks, malls, parking areas and other Common Areas in the Complex; nor park trucks or delivery vehicles outside the Premises so as to interfere unreasonably with the use of any driveways, walks or parking areas; nor permit Tenant's officers or employees to use any parking areas other than those designated by Landlord for such use or as permitted hereunder; nor use the walks for any purpose other than pedestrian traffic; nor permit or suffer any utility facility to be overloaded. Notwithstanding anything contained herein, any installations, alterations or additions installed pursuant to Section 8.2.3 shall not be construed to be in breach this Section 8.2.2.

8.2.3 **Installation, Alteration or Additions**. Not to make any installations, alterations or additions (except that Tenant shall be permitted to make immaterial nonstructural alterations of the Premises without the prior approval of the Landlord), to the Premises that can be considered material and/or structural in nature, nor permit the painting or placing of any exterior signs, placards or other advertising media, awnings, aerials, antennas or flagpoles, or the like, without on each occasion obtaining prior written consent of Landlord, and then only pursuant to plans and specifications approved by Landlord in advance in each instance, it being understood that exterior signs will not be permitted and that all other signs will be required to be consistent with the sign criteria set forth in Exhibit E. Tenant agrees to employ for such work described in this Section 8.2.3 one or more responsible contractors whose labor will not interfere with other labor working in the Complex and to cause such contractors employed by Tenant to carry Workers' Compensation Insurance in accordance with statutory requirements and Comprehensive Public Liability Insurance covering such contractors on or about the Premises in amounts at least equal to the limits set forth in Section l.l and to submit certificates evidencing such coverage to Landlord prior to the commencement of such work. Notwithstanding the foregoing, Landlord's consent shall not be required for any cosmetic changes or nonstructural alterations which cost less than $30,000 to complete. Landlord shall inform Tenant at the time of its approval of proposed alterations whether such alterations require removal at the end of the Lease Term.

8.2.4 **Trade Fixtures and Landlord's Lien**. All trade fixtures, appliances and equipment owned by Tenant and installed in the Premises shall remain the property of Tenant and, provided same may be removed without causing any damage to the Premises, shall be removable from time to time and also at the expiration of the Term, or any extended period or other termination thereof. Notwithstanding anything contained in this Lease to the contrary or which might be construed to the contrary, the Tenant may not remove any floor coverings, ceilings or ceiling material, walls or wall coverings or any plumbing, electrical, lighting, heating, or ventilation, air conditioning or any other mechanical or utility systems. Notwithstanding any provision in the Lease to the contrary, Landlord shall not have and hereby expressly waives any and all constitutional, statutory and contractual liens against the assets or property of Tenant, and Tenant may remove such items at any time and from time to time. Landlord agrees to execute and deliver to Tenant within ten (10) days following receipt of a written request therefore, such documents as may be reasonably requested by Tenant to evidence and confirm such waiver.

ARTICLE IX
Casualty or Taking; Landlord's Insurance

9.l Landlord to Repair or Rebuild. In case the Premises or any part thereof shall be damaged or destroyed by fire or other casualty, or ordered to be demolished by the action of any public authority in consequence of a fire or other casualty, this Lease shall, unless it is terminated as provided below and in Section 9.2 or Section 9.3, remain in full force and effect and Landlord shall, at the earlier of one hundred eighty days (180) days after the date of the casualty or promptly after the receipt of the insurance proceeds for such damage or as soon as practicable, in the event that insurance proceeds shall not be available, proceed with the restoration of the Premises in substantially the condition in which the same existed prior to the damage with such changes as Landlord may desire to make, except for Tenant's stock and trade fixtures, furniture, furnishings, removable floor coverings, equipment, signs and other property, and Tenant shall promptly proceed with the restoration or replacement of Tenant's stock and trade, trade fixtures, furniture, furnishings, removable floor coverings, equipment, signs and all other property of Tenant and decorations in or around the Premises. Notwithstanding the foregoing, in the event such repair is not completed within two hundred ten (210) days following the date of the casualty subject to force majeure considerations, Tenant shall have the right to terminate this Lease by written notice to Landlord at any time prior to Landlord's completion of such repairs, in which event, Tenant shall have a reasonable period of time thereafter to move out of the Premises. Within forty-five (45) days of a fire or other casualty, Landlord shall notify Tenant whether or not Landlord intends to restore the Premises within the said two hundred ten (210) day period following said fire or other casualty.

9.2 **Right to Terminate in Event of Casualty.** In the event (a) the Premises shall be damaged by fire or other casualty to the extent of more than Twenty-five (25%) Percent of the cost of replacement thereof, or (b) the Building in which the Premises is located shall be damaged by fire or other casualty to the extent or more than Twenty-five (25%) Percent of the aggregate cost of replacement of the Building, or (c) the Premises or the Building in which the Premises is located shall be damaged by fire or other casualty and either the loss shall not be covered by Landlord's insurance or the net insurance proceeds (after deducting all expenses in connection with obtaining same) shall by reasonable anticipation be insufficient to pay for the repair or restoration work to be done by Landlord, then, in any such event Landlord may terminate this Lease by notice given within ninety (90) days after such event, and upon the date specified in such notice, which shall be not less than thirty (30) days nor more than sixty (60) days after the giving of said notice, this Lease shall terminate. If restoration of the Premises shall be reasonably estimated to require more than 210 days to complete from the date of the casualty then, Tenant shall have the right, exercisable by notice to Landlord ("Tenant's Notice") within thirty (30) days after receipt by Tenant of the Landlord's Notice or after the expiration of the 210 day period for completion of restorations as the case may be, to terminate this Lease effective not less than thirty (30) days after the date of Tenant's Notice or the expiration of such 210 day period. In the event the Premises shall be damaged by fire or other casualty to the extent of less than Ten (10%) Percent of the cost of the replacement thereof during the last two (2) years of the Term, then in any such event, Tenant may terminate this Lease by notice given within ninety (90) days after such event, and upon the date specified in such notice, which shall be not less than thirty (30) days nor more than sixty (60) days after the giving of said notice, this Lease shall terminate. If the Premises shall be damaged by fire or other casualty to the extent of more than Ten (10%) Percent of the cost of replacement thereof during the last two (2) years of the Term, Tenant may terminate this Lease by notice given before Landlord commences any repair or restoration work and in any event within thirty (30) days after such damage and this Lease shall terminate upon the giving of such notice.

9.2.1 Substitute Office Space. Notwithstanding the provisions of Sections 9.1 and 9.2, Landlord shall provide suitable substitute office space to Tenant at Tenant's request in the event, and only in the event, that a casualty loss in the Building or Complex occurs that materially interferes with Tenant's use of the Premises and it's ability to conduct it business.

9.3 **Termination in Event of Taking**. If all the Premises are taken by eminent domain, this Lease shall terminate when Tenant is required to vacate the Premises. If by a taking the floor area of the Premises is reduced by more than Five (5%) Percent thereof, or if said taking materially interferes with Tenant's use of the Premises, this Lease may, at the option of either party, be terminated, as of the date when Tenant is required to vacate the portion of the Premises so taken, by written notice given to the other not more than thirty (30) days after the date on which the party desiring to terminate receives notice of the taking. If any portion of the parking lot is taken by eminent domain such that Landlord's obligation to provide parking under Section 12.23 is impaired, Landlord shall provide such parking in the parking lot in the Complex as close as reasonably possible to the Building or shall reimburse Tenant for any costs incurred in acquiring such parking. Notwithstanding the foregoing, in the event neither party elects to terminate this Lease, Landlord shall restore the Premises to an architectural whole within ninety (90) days after the date of such taking.

9.4 **Landlord Reserves Award**. Landlord reserves and excepts all rights to awards for damages to the Premises and the leasehold hereby created now accrued or hereafter accruing (not including a separate award for Tenant's moving expenses, if any, or awards for damages to Tenant's trade fixtures, interior partitions installed by Tenant and other installations made by Tenant which Tenant is entitled to remove upon termination of this Lease) by reason of anything lawfully done in pursuance of any public or other authority; and by way of confirmation Tenant grants to Landlord all Tenant's rights to such awards and covenants to execute and deliver such further instruments of assignment thereof as Landlord may from time to time request.

9.5 **Abatement of Rent.** In the event of any casualty or taking or in the event that any repairs, replacements, improvements, alterations, additions or any other work materially interferes with Tenant's parking rights or use of or access to the Premises, a just proportion of the Rent payable hereunder, according to the nature and extent of the injury, shall be abated until completion of repairs or rebuilding or termination of this Lease, as the case may be; and in the case of a taking which permanently reduces the area of the Premises, or if following a casualty the restored Premises are smaller in area than the original area of the Premises, a just proportion of the rent shall be abated and Tenant's Proportionate Share shall be reduced for the remainder of the Term.

9.6 **Landlord's Insurance.** Landlord shall, at all times during the Lease Term maintain commercial general liability insurance relating to Landlord's operation of the Complex, including coverage for personal and bodily injury and death, and damage to others' property, with limits which shall at all times during the term of this Lease be at least equal to those stated in Section 1.1 or for such higher limits as are customarily carried with respect to similar properties in the area where the Complex is located, insuring against injury or death to any person or persons and damage to property. Landlord shall, at all times during the Term maintain a policy or policies of insurance with the premiums thereon fully paid in advance, insuring the Building, Complex and Leasehold Improvements against loss or damage by fire, explosion, or other hazards and contingencies for the full replacement value thereof. Landlord shall, at all times during the Lease Term maintain (a)loss of rental income insurance or loss of insurable gross profits commonly insured against by prudent landlords, and (b) such other insurance (including boiler and machinery insurance) as Landlord reasonably elects to obtain or any **Complex** or Building mortgagee requires. Landlord shall provide Tenant with certificates evidencing such coverage upon request.

ARTICLE X
Defaults

l0.l **Events of Default - Tenant**. An "Event of Default" hereunder shall have occurred: (a) if Tenant shall default in the performance of any of its obligations to pay Rent, Annual Fixed Rent or Additional Rent, hereunder and if such default shall continue for ten (l0) days after Tenant's receipt of written notice from Landlord designating such default, or if within thirty (30) days after Tenant's receipt of written notice from Landlord to Tenant specifying any other non-monetary default or defaults Tenant has not commenced diligently to correct the default or defaults non-monetary so specified or has not thereafter diligently pursued such correction to completion, or (b) if any assignment shall be made by Tenant or any guarantor of Tenant for the benefit of creditors, or (c) if Tenant's leasehold interest shall be taken on execution, or (d) if a petition is filed by Tenant or any guarantor of Tenant for adjudication as a bankrupt, or for reorganization or an arrangement under any provision of the Bankruptcy Act as then in force and effect, or (e) if any involuntary petition under any of the provisions of said Bankruptcy Act is filed against Tenant or any guarantor of Tenant and such involuntary petition is not dismissed within thirty (30) days thereafter, then, and in any of such cases, Tenant shall be in default under this Lease. Upon the occurrence and during the existence of an Event of Default, Landlord lawfully may, in addition to and not in derogation of any remedies for any preceding breach of covenant, immediately or at any time thereafter and with demand or notice and with process of law (forcibly, if necessary) enter into and upon the Premises or any part thereof in the name of the whole and repossess the same as of Landlord's former estate and expel Tenant and those claiming through or under Tenant and remove its and their effects (forcibly, if necessary) without being deemed guilty of any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant, and upon such entry or mailing as aforesaid, this Lease shall terminate, and Landlord, without notice to Tenant, may store Tenant's effects, and those of any person claiming through or under Tenant at the expense and risk of Tenant, and, if Landlord so elects, may sell such effects at public auction and apply the net proceeds to the payment of all sums due to Landlord from Tenant, if any, and pay over the balance, if any, to Tenant. Notwithstanding anything to the contrary set forth above in this Section l0.l, if Tenant shall default in the performance of any of its obligations which Tenant has defaulted in more than twice previously in the same Lease Year (although Tenant shall have cured any such previous default after notice from Landlord and within the notice period) then Landlord lawfully may, but shall not be obligated to, immediately, or at any time thereafter during the existence of such default, and without demand or further notice, avail itself of and exercise any remedies permitted in this Section l0.l or by law, including but not limited to termination of this Lease.

l0.2 **Landlord's Remedies.** In the event that this Lease is terminated under any of the provisions contained in Section l0.l or shall be otherwise terminated for breach of any obligation of Tenant under this Lease, Tenant covenants to pay forthwith to Landlord, as compensation, the excess of the total Rent reserved for the remainder of the Term over the rental value of the Premises for the balance of the Term. In calculating the Rent reserved there shall be included, in addition to the Annual Fixed and all additional rent, the value of all other considerations agreed to be paid or performed by Tenant for the remainder, such amounts being discounted to present value at eight percent (8%) per annum. Tenant further covenants as an additional and cumulative obligation after such ending to pay punctually to Landlord all the sums and perform in the same manner and to the same extent and at the same time as if this Lease had not been terminated. In calculating the amounts to be paid by Tenant under the first sentence of this Section 10.2. Tenant shall be credited with any amount paid to Landlord as compensation as in this Section l0.2 provided and also with the net proceeds of any rent obtained by Landlord by reletting the Premises, after deducting all Landlord's expenses in connection with such reletting, including, without limitation, all repossession cost, brokerage commissions, fees for legal services and expenses of preparing the Premises for such reletting, it being agreed by Tenant that Landlord may (i) relet the Premises or any part or parts thereof for a term or terms which may, at Landlord's option, be equal to or less than or exceed the period which would otherwise have constituted the balance of the Lease Term and may grant such concessions and free rent as Landlord in its sole judgment considers advisable or necessary to relet the same, and (ii) make such alterations, repairs and decorations in the Premises as Landlord in its sole judgment considers advisable or necessary to relet the same, and no action of Landlord in accordance with the foregoing or failure to relet or to collect rent under reletting shall operate or be construed to release or reduce Tenant's liability as aforesaid.

Nothing contained in this Lease shall, however, limit or prejudice the right of Landlord to prove for and obtain in proceedings for bankruptcy or insolvency by reason of the termination of this Lease, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, the damages are to be proved, whether or not the amount be greater, equal to, or less than the amount of the loss or damages referred to above.

10.3. **Events of Default – Landlord.** The following events shall be deemed to be events of default by Landlord under this Lease:

(a) Landlord within thirty (30) days after receiving written notice, fails to comply with a material term, provision or covenant of this Lease which failure materially and adversely affects Tenant's use of Premises as an office use; or

(b) Landlord makes a representation or warranty in this Lease, or in any certificate, demand or request made under this Lease that proves at any time to be incorrect in any material respect and the same materially and adversely affects Tenant's use or its intended use of the Premises.

10.4 **Tenant's Remedies**. Upon the occurrence of any of the events of default described in 10.3 above, or elsewhere in this Lease, Tenant shall have the right of self help as well as all other rights and remedies at law and equity provided that if the default is of such a nature that Tenant is completely prevented from operating in the Premises for the Permitted Use for a period of one-hundred twenty (120) consecutive days, then, in that event, Tenant shall have the sole right to terminate this Lease, which right to terminate shall only exist after Landlord shall have been given an opportunity to cure such default within one-hundred twenty (120) days; further provided however that nothing contained herein shall obligate or subject the Landlord to consequential and/or indirect damages as a result of any occurrence or event of default by the Landlord under the terms of this Lease Agreement.

l0.5 **Remedies Cumulative.** Any and all rights and remedies which Landlord may have under this Lease, and at law and equity, shall be cumulative and shall not be deemed inconsistent with each other, and any two or more of all such rights and remedies may be exercised at the same time insofar as permitted by law. Notwithstanding any provision in this Lease to the contrary, except for Tenant being liable to Landlord for consequential damages upon a violation by Tenant of the provisions of Section 12.20 of this Lease, (1) Neither Landlord nor Tenant shall be liable to the other for any consequential, exemplary or punitive damages or lost profits, (2) Landlord shall not be entitled to lock Tenant out of the Premises absent a court order, (3) Landlord and Tenant shall use good faith, commercially reasonable efforts to mitigate the party's respective damages, (4) Tenant shall be entitled to vacate the Premises for all or part of the Term of this Lease without penalty provided Tenant continues to pay rent and all other changes under the Lease in accordance with the terms of the Lease.

l0.6 **Right to Cure Defaults**. Landlord may, but shall not be obligated to, cure, at any time, following ten (l0) days' prior written notice to Tenant, except in cases of emergency when no notice shall be required, any default by Tenant under this Lease; and whenever Landlord so elects, all costs and expenses incurred by Landlord, including reasonable attorney's fees, in curing a default shall be paid by Tenant to Landlord as additional rent on demand.

10.7 **Effect of Waivers of Default**. No consent or waiver, express or implied, by Landlord to or of any breach of any covenant, condition or duty of Tenant shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty.

10.8 **Payment of Cost of Enforcement.** If either party hereto institute any action or proceeding to enforce any provision hereof by reason of any alleged breach of any provision of this Lease, the prevailing party shall be entitled to receive from the losing party all reasonable attorneys' fees and all court costs in connection with such proceeding.

ARTICLE XI

Security Deposit

11.1 There shall be no Security Deposit due and payable hereunder.

ARTICLE XII

Miscellaneous Provisions

12.1 **Notice from One Party to the Other**. Any notice from Landlord to Tenant or from Tenant to Landlord shall be deemed duly served if mailed by certified mail/return receipt requested, Federal Express, UPS or some other similar receipted overnight delivery courier services addressed, if to Tenant, at the Address of Tenant or such other address as Tenant shall have last designated by notice in writing to Landlord and, if to Landlord, at the Address of Landlord or such other address as Landlord shall have last designated by notice in writing to Tenant.

12.2 **Quiet Enjoyment**. Landlord agrees that upon Tenant's paying the Rent and performing and observing the agreements, conditions and other provisions on its part to be performed and observed, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises during the Term without any manner of hindrance or molestation from Landlord or anyone claiming under Landlord, subject, however, to the terms of this Lease and to any mortgage or other instrument which may be superior to this Lease.

12.3 **Brokerage.** Landlord shall pay to Tenant's exclusive broker, CB Richard Ellis ("Broker"), a commission in accordance with a separate agreement between Landlord and Broker. Landlord and Tenant mutually acknowledge that there are no other procuring brokers involved in this transaction other than CB Richard Ellis whom Landlord shall pay in full Tenant shall indemnify Landlord from any claims by any third party.

12.4 **Lease Not to be Recorded.** Tenant agrees that it will not record this Lease. Both parties shall, upon the request of either, execute and deliver a notice or short form of this Lease in such form, if any, as may be permitted by applicable statute. If this Lease is terminated before the Term expires, the parties shall execute, deliver and record an instrument acknowledging such fact and the actual date of termination of this Lease, and Tenant hereby appoints Landlord its attorney-in-fact in its name and behalf to execute such instrument.

12.5 **Bind and Inure: Limitation of Landlord's Liability**. The obligations of this Lease shall run with the land, and this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns except that only the original Landlord named herein shall be liable for obligations accruing before the beginning of the Term, and thereafter the original Landlord named herein and each successive owner of the Premises shall be liable only for obligations accruing during the period of its ownership. The obligations of Landlord shall be binding upon the assets of Landlord which comprise only the Building (and the rents, income sales proceeds and insurance proceeds therefrom) but not upon other assets of Landlord nor any other land owned by Landlord near or adjacent to the Building. Without limiting the next preceding sentence, it is expressly agreed that if Landlord is a trust, Landlord's obligations hereunder shall not be binding upon the trustees of said trust individually nor upon the shareholders or beneficiaries of said trust, but only upon the trustees as trustees and upon their trust estate.

12.6 **Acts of God**. In any case where either party hereto is required to do any act (other than Tenant's obligation to pay rent), delays caused by or resulting from Acts of God, war, civil commotion, acts of terrorism, fire or other casualty, labor difficulties, shortages of labor, materials or equipment, government regulations, permitting difficulties, failure to obtain building permit or other causes beyond such party's reasonable control shall not be counted in determining the time during which such act shall be completed, whether such time be designated by a fixed date, a fixed time or "a reasonable time".

12.7 **Waiver of Subrogation**. Landlord and Tenant waive all rights to recover against each other or against any other tenant or occupant of the building or against the officers, directors, shareholders, partners, joint ventures, employees, agents, customers, invitees, or business visitors of each other or of any other tenant or occupant of the Building for any property loss or damage arising from any cause covered by any insurance required to be carried by each of them pursuant to this Lease or any other insurance actually carried by each of them, including negligence of the other party hereto. Landlord and Tenant will cause their respective insurers to issue appropriate waiver of subrogation rights endorsements to all policies of insurance carried in connection with the Building or the Premises or the contents of either of them.

12.8 **Status Certificate.** Tenant agrees from time to time, upon not less than twenty (20) days' prior written request by Landlord, to execute, acknowledge and deliver to Landlord a statement in writing in form reasonably acceptable to Tenant certifying that this Lease is unmodified and in full force and effect and that Tenant has no defenses, offsets or counterclaims against its obligations to pay the Annual Fixed Rent and any Additional Rent and other charges and to perform its other covenants under this Lease (or, if there have been any modifications that the same is in full force and effect as modified and stating the modifications and, if there are any defenses, offsets, or counterclaims, setting them forth in reasonable detail), and the dates to which the Annual Fixed Rent and any additional rent and other charges have been paid. Any such statement delivered pursuant to this Section 12.8 may be relied upon by any prospective purchaser or mortgagee of the Premises, Building or the Complex or any prospective assignee of any such mortgage.

l2.9 **Rights of Mortgagee, Subordination, Estoppel Certifcate**.

l2.9.l It is agreed that the rights and interest of Tenant under this Lease shall be (i) subject and subordinate to any present or future mortgage or mortgages and to any and all advances to be made thereunder, and to the interest thereon upon the Premises or any property of which the Premises are a part, if the holder of such mortgage or mortgages shall elect, by notice to Tenant, to subject and subordinate the rights and interest of Tenant under this Lease to its mortgage, or (ii) prior to present or future mortgage or mortgages, if the holder of such mortgage shall elect, by notice to Tenant, to give the rights and interest of Tenant under this Lease priority to its mortgage. In the event of either of such elections, and upon notification by the holder of such mortgage or mortgages to that effect, the rights and interest of Tenant under this Lease shall be deemed to be subordinate to, or to have priority over, as the case may be, said mortgage or mortgages, irrespective of the time of execution or time of recording of any such mortgage or mortgages. Tenant agrees that it will, within twenty (20) days of Tenant's receipt of a request of Landlord, execute, acknowledge and deliver any and all instruments in form reasonably acceptable to Tenant deemed by Landlord necessary or desirable to give effect to or notice of such subordination or priority. Any mortgage to which this Lease shall be subordinated may contain such terms, provisions and conditions as the mortgagee deems usual or customary. No holder of a mortgage shall be liable either as mortgagee or as assignee to perform, or be liable in damages for failure to perform, any of the obligations of Landlord unless and until such holder shall have acquired indefeasible title to the Premises and then only subject to and with the benefit of the provisions of Section l2.5. The word "mortgage" as used herein includes mortgages and modifications, consolidations, extensions, renewals, replacements and substitutes thereof.

12.9.2 Within twenty (20) days following the execution of this Lease, Landlord and Tenant shall execute and deliver a subordination, non-disturbance and attornment agreement ("SNDA") in the form required by Citizens Bank and Landlord shall procure such Citizens Bank execution.

l2.9.3 Notwithstanding the foregoing, Landlord shall provide for the execution and delivery by Tenant a SNDA from any mortgagee holding a mortgage and this Lease shall not be subordinate to any such mortgage until such time as the SNDA has been executed and delivered by the holder of such mortgage to Tenant. Such agreement shall be delivered contemporaneously with the execution of the Lease. In the event that the holder of any mortgage or prospective mortgage on the property of which the Premises are a part, shall request any modification of any of the provisions of this Lease not substantially affecting Tenant's rights, Tenant agrees to enter into a written agreement in recordable form with such holder or prospective holder, which shall effect such modification and shall provide that such modification shall become effective and binding upon Tenant and shall have the same force as an amendment to this Lease in the event of a foreclosure or other similar action taken by such holder or prospective holder. A provision directly relating to the rents payable hereunder, the duration of Lease Term hereof, or the size, use or location of the Premises shall be deemed a provision substantially affecting Tenant's rights, as well as a material change in the terms of the Lease in the reasonable judgment of the Tenant.

l2.9.3a No assignment or sublease by Tenant of this Lease and no agreement to make or accept any surrender, termination or cancellation of this Lease and no agreement to modify so as to reduce the Rent, change the Term, or otherwise materially change the rights of Landlord under this Lease, or to relieve Tenant of any obligations or liability under this Lease, shall be valid unless consented to by Landlord's mortgagees of record, if any; provided, that Landlord shall be responsible for obtaining such consent and by executing any such document, shall be deemed to have represented to Tenant that such consent has been obtained. No act or failure to act on the part of Landlord which would entitle Tenant under the terms of this Lease, or by law, to be relieved of Tenant's obligations hereunder or to terminate this Lease, shall result in a release or termination of such obligations or a termination of this Lease unless (i) Tenant shall have first given written notice of Landlord's act or failure to act to Landlord's mortgagees of record, if any, specifying the act or failure to act on the part of Landlord which could or would give basis to Tenant's rights; and (ii) such mortgagees, after receipt of such notice, have failed or refused to correct or cure the condition complained of within a Reasonable Time thereafter; but nothing contained in this Section l2.9.3 shall be deemed to impose any obligation on any such mortgagees to correct or cure any such condition. “Reasonable Time" as used above means and includes a reasonable time to obtain possession of the mortgaged premises if the mortgagee elects to do so and a reasonable time to correct or cure the condition if such condition is determined to exist. Tenant agrees on request of Landlord to execute and deliver from time to time any agreement which may reasonably be deemed necessary to implement the provisions of this Section l2.9.

The covenants and agreements contained in this Lease with respect to the rights, powers and benefits of a mortgagee (particularly, without limitation thereby, the covenants and agreements contained in this Section l2.9) constitute a continuing offer to any person, corporation or other entity becoming the mortgagee of the mortgaged premises, and such mortgagee is hereby constituted an obligee of Tenant to the same extent as though its name were written hereon as such; and such mortgagee shall be entitled to enforce such provisions in its own name.

12.9.4 Landlord and Tenant agree to execute, acknowledge and deliver to the other party, and to any assignee, mortgagee, lender or any other third party which either may designate, a statement in writing (an “Estoppel Certificate”) certifying that, if true, (i) to the best of that party's knowledge, this Lease is unmodified and in full force and effect, (ii) that said party has no known defenses, offsets or counterclaims against its obligations to pay the Rent or any other charges and to perform its other covenants under this Lease (or, if there have been any modifications that the same is in full force and effect as modified and stating the modifications and, if there are any known defenses, offsets or counterclaims, setting them forth in reasonable detail), and (iii) a statement that, to the best of that party's knowledge, the other party is not in default hereunder (or if in default, the general nature of such default). The Estoppel Certificate shall be delivered by Tenant within thirty (30) days of request thereof by Landlord.

12.10 **No Accord and Satisfaction**. No acceptance by Landlord of a lesser sum than the Annual Fixed Rent, additional rent or any other charge then due shall be deemed to be other than on account of the earliest installment of such rent or charge due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent or other charge be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such installment or pursue any other remedy in this Lease provided.

12.11 **Applicable Law and Construction**. This Lease shall be governed by and construed in accordance with the laws of the state in which the Complex is located. If any term of this Lease, or the application thereof to any person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Lease shall be valid and enforceable to the fullest extent permitted by law. There are no oral or written agreements between Landlord and Tenant affecting this Lease. This Lease may be amended only by instruments in writing executed by Landlord and Tenant. The titles of the several Articles and Sections contained herein are for convenience only and shall not be considered in construing this Lease. If there be more than one tenant of the Premises, the obligations imposed by this Lease upon Tenant shall be joint and several.

12.12 **Warranties.** It is agreed that no warranties or representations, either express or implied in law or in fact, have been made by Landlord.

12.13 **Submission not an Option.** The submission of this Lease or a summary of some or all of its provisions for examination does not constitute a reservation of or option for the Premises, or an offer to Lease, it being understood and agreed that this Lease shall not bind Landlord nor Tenant in any manner whatsoever until it has been approved and executed by Landlord and Tenant.

12.14 **Holdover by Tenant; Tenant at Will**. If the Tenant remains in possession of the premises after the expiration of the terms of this Lease and continues to pay rent without any express agreement as to holding over, the Landlord's acceptance of rent will be deemed an acknowledgment of the Tenant's holding over upon a month-to-month tenancy, subject, however, to all of the terms and conditions of this Lease except as to the term hereof and any option to renew the term.

12.15 **Tenancy at Sufferance**. If the Tenant remains in possession of the Premises after the expiration of the term of this Lease, whether as a month-to-month tenant pursuant to Section 12.14 or otherwise, and the Landlord at any time declines to accept the rent at the rate specified herein, then the Tenant's holding over thereafter will be deemed to be as a tenant at sufferance. The Tenant will nevertheless be subject to all of the terms and conditions of this Lease except as to the term hereof and any option to renew the term and except that the Tenant will pay monthly rent at 125% of the amount otherwise due hereunder and, if Tenant remains in occupancy for in excess of sixty (60) days after the expiration of the term of this Lease, Tenant will pay all reasonable and actual losses, costs or damages (including reasonable attorneys' fees) sustained by the Landlord on account of such holding over.

12.16 **Not a Partnership**. Landlord shall not be deemed, in any way or for any purpose, to have become, by the execution of this Lease or any action taken thereunder, a partner of Tenant in its business or otherwise a joint venturer, or a member of any enterprise with Tenant.

12.17 **Joint and Several Liability**. If two or more individuals, corporations, partnerships or other business associations, or any combination of two or more thereof, shall sign this Lease as Tenant, the liability of each such individual, corporation, partnership or other business association to pay rent and perform all other obligations hereunder shall be deemed to be joint and several.

12.18 **Items Included in Rent.** Notwithstanding anything in this Lease to the contrary, all amounts payable by Tenant to or on behalf of Landlord under this Lease, whether or not expressly denominated as Rent, including, without limitation, the Annual Fixed Rent and any Additional Rent, shall constitute rent for the purpose of Section 502(b)(7) of the Bankruptcy Code.

12.19 **Signs.** Tenant shall not place or install, or permit or suffer to be placed, installed or maintained, any sign upon or outside of the Premises or in any part of the entire Premises unless approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Landlord consents to the installation of Tenant's signage described herein and as described on Exhibit D attached hereto. Tenant shall not place, install or maintain on the exterior of the Premises, any awning, canopy, banner, flag, pennant, aerial, tent or the like; nor shall Tenant place or maintain on the glass of any window or door of the Premises, or inside the Premises, any sign, decoration, lettering, advertising matter, shade or blind or other thing of any kind other than signage which has been approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Notwithstanding anything to the contrary herein contained, Tenant shall be granted significant identity on the Building visible from Interstate 95 and monument signage directly in front of the Building, visible from entry streets. Landlord shall pay for the planning, fabrication, installation and maintenance of such Building and Monument signage. Tenant shall also be listed on the Building directory and shall be entitled to place signs bearing Tenant's name inside the Premises which are visible from outside the Premises.

12.20 **Environmental Indemnity**. Tenant shall defend, indemnify and save harmless Landlord and its agents and employees against all loss, liability or expense relating to personal property or economic injury (including any costs incurred by Landlord in connection with the correction of any violation of environmental laws if Landlord is required by law to perform such correction) arising from the presence of hazardous materials located within the Premises or Complex if introduced by Tenant in violation of law. For purposes of this Lease the term "environmental laws" shall be defined to include all present or future laws or regulations regarding the use, storage, removal or abatement of hazardous, toxic and/or environmentally controlled materials.

Landlord hereby represents to Tenant that, there is no hazardous materials or EHM's located on the Premises and accordingly hereby agrees to remediate any such hazardous material condition that materially affects Tenant's use of the Premises. If Landlord fails to remediate within a period of one hundred eighty (180) days, Tenant's sole remedy shall be to terminate if the existence of such hazardous materials materially affects Tenant's use of the Premises. Landlord shall provide confirmation that the premises are free of any environmentally hazardous material. Landlord agrees to comply, and to cause other tenants at the Building to comply, with all Environmental Laws concerning the proper storage, handling and disposal of any toxic or hazardous materials or substances. Anything contained in this Lease to the contrary notwithstanding, Tenant shall have the right to store and use at the Premises reasonable quantities of office supplies and materials.

12.21 **Compliance with Laws; Handicap Access** The Building and Common Area ancillary to the Building to be constructed by Landlord on the Complex shall be in compliance with all laws, rules and regulations of any governmental authority applicable thereto, including without limitation, the Americans with Disabilities Act (ADA).

12.22 **Parking.** The building has a five (5) per thousand (1,000) square feet of rentable area parking ratio with building front visitor parking and handicapped parking designated per code. Tenant shall be granted five (5) parking spaces per thousand (1,000) square feet of rentable area for its use during the Lease Term and any extensions. All parking is included in Base Rent.

12.23 **Security.** Landlord shall provide limited security for the Building in the form of 24 hour per day guard service and a card key access system. Tenant shall have the right to install any additional security systems within the Premises, including, but not limited to, a controlled access system for the Premises.

12.24 **Crossings Park Land Condominium.** Tenant hereby acknowledges that the Premises and the Building of which it is located is constructed on a land condominium and is therefore subject to the encumbrances, restrictions, bylaws and rules and regulations of the Crossing Park Land Condominium. The Tenant acknowledges that it has received a copy, read and understands the so-called "condominium documents" that affect the Premises.

12.25 **Relationship Disclosure.** Landlord represents and warrants that to its best knowledge, if Landlord is an individual, he/she is not, and, if Landlord is an entity other than an individual, no trustee, shareholder, general partner, member, officer, director or employee of Landlord is, an officer, director or employee of Tenant or its affiliates nor a "Family Member" of such officer, director or employee. "Family Member" shall include the son, daughter, stepson, stepdaughter, father, mother, stepfather, stepmother, sibling or spouse of such officer, director or employee.

12.26 **Renewal Option**. Provided that Tenant is not in default of any of the terms of the Lease, Tenant shall be granted one (1), five (5) year renewal option under the same conditions except that the Fixed Rent shall be ninety-five percent (95%) of the then current market rental rate but not less than the Fixed Rates shown in Section 1.1. Tenant shall provide six (6) months notice of its intention to exercise any option. In calculating "current market rental" the parties shall base such rate on Tenant's then financial status, the size of the Premises, the comparative value of the building and the term of the Lease. The parties agree to negotiate such term in good faith.

12.27 **Moving Allowance**. Provided Tenant opens for business in the Premises and is not in default of this Lease, Tenant shall be granted a moving allowance in the amount of $2.00 per square foot in the form of a credit against the first rental due under the Lease.

12.28 **Expansion Options**. Provided Tenant opens for business in the Premises and is not in default of this Lease, Landlord will continually consult with Tenant on all of Landlord's leasing activities and shall afford tenant continuous expansion opportunities during the Lease Term. Landlord, on notice from Tenant will make available an architect/space planner and will prepare test fits and will deliver any expansion space on the same terms as contained herein, provided that the term must be adjusted to reflect a new five (5) year term.

12.29 **Right of First Refusal**. Provided Tenant is open for business in the Premises and provided Tenant is not in default of any of its obligations under this Lease, Tenant shall have the right of First Refusal for a period of five (5) days after being notified by Landlord that the Premises or any other comparable space that is completed by Landlord within the term of this Lease is available for lease. With respect to the aforesaid Right of First Refusal, in the event that a signed letter of intent is not executed by both parties, for whatever reason, within such five (5) day period, then, in that event, Tenant's Right of First Refusal shall be deemed null and void for all purposes.

12.30 **Access**. Tenant will have access to their premises 24 hours a day, 7 days a week, 365 days a year. Non-regular hour access is provided via a programmable FOB system, or key access system.

12.31 **Signage**. Landlord, at Landlord's cost, shall provide directory signage and suite entry signage. Directory signage shall include the Lessee's name and the portion of the signage reserved for Lessee shall be consistent with Lessee's pro rata share of the Building.

Signatures on following page

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[1] *This percentage is based upon an assumed rentable square footage for the Premises being 5,209.25 square feet which is an estimate only until the plans are prepared by Landlord's Architect with Tenant's requirements and have been approved by Tenant and Landlord as. At such time as the final square footage is determined in accordance with the provisions of Section 2.1 paragraph 2, the parties agree to enter into an amendment to substitute this percentage with a percentage calculated based on the actual rentable square footage.*

[2] *See Footnote #1*

IN **WITNESS** the execution hereof in three or more counterparts and under seal on the day and year first above written.

WITNESS:

_____

LANDLORD:
SOUTH OFFICE AT THE CROSSINGS LLC

By: _____
Alfred Carpionato, Member

WITNESS:

_____

TENANT:
ADI TIME LLC

By: _____
Name: _____
Title: _____

STATE OF RHODE ISLAND
PROVIDENCE, SC.

In Johnston, Rhode Island, on this 30th day of August 2010, before me personally appeared Alfred Carpionato, Member of **South Office at the Crossings LLC**, to me known and known by me to be the party executing the foregoing instrument, and he acknowledged said instrument, by him executed, to be his free act and deed and the free act and deed of **South Office at the Crossings LLC**

Notary Public

Print Name:_____

My Commission Expires___/____/_____

STATE OF _____)
)ss
COUNTY OF _____)

In _____, _____, this _____ day of _____, 2010, before me personally appeared _____, of **ADI Time LLC**, to me known and known by me to be the party executing the foregoing instrument, and he acknowledged said instrument, by him executed, to be his free act and deed and the free act and deed of **ADI Time LLC.**

Notary Public

Print Name:_____

My Commission Expires___/____/_____

EXHIBIT 10.32

SIXTH AMENDMENT TO LEASE

12 THIS SIXTH AMENDMENT TO LEASE (this "Amendment") is entered into as of the _ day of January, 2012, by and between WILD BASIN I & II INVESTORS, LP, a Texas limited partnership ("Landlord") and ASURE SOFfWARE, INC., a Delaware corporation ("Tenant") f7k/a Forgent Networks, Inc.

WHEREAS, Landlord, as a successor-in-interest to 2800 Industrial, Inc., a Texas corporation, and Tenant, as a successor-in-interest to VTEL Corporation, a Delaware corporation, are parties to that certain Lease Agreement dated January 6, 1998 (the "Lease Agreement") covering certain space in the buildings located at 110 and 108 Wild Basin Road, Austin, Texas, as more particularly described therein;

WHEREAS, the Lease Agreement has been amended pursuant to that certain First Amendment to Lease Agreement dated as of March 11, 1998, that certain Second Amendment to Lease Agreement dated as of July 28, 1998, that certain Third Amendment to Lease Agreement dated as of November 2, 1998, that certain Fourth Amendment to Lease (the "Fourth Amendment") dated as of April 28, 201 0, and that certain Fifth Amendment to Lease (the "Fifth Amendment") dated as of August 30, 2010 (the Lease Agreement, as amended, the "Lease"), whereby Tenant currently leases from Landlord approximately 6,977 rentable square feet of space (the "Current Premises") known as Suite 100 of the building known as Wild Basin I located at 110 Wild Basin Road, Austin, Texas ("Building I");

WHEREAS, Tenant desires to lease additional space in Building I currently known as
Suite 150 and containing approximately 4,129 rentable square feet of space as identified as the
"Expansion Space" on Exhibit A attached hereto (the "Expansion Space");

WHEREAS, as more particularly described in that certain Consent to Assignment of Lease dated December 29, 2011 by and among Landlord, as landlord, Tenant, as assignee, and WG Ross Corp., dba Legiant, a Texas corporation, as assignor, Tenant is also currently leasing from Landlord under a separate lease approximately 3,856 rentable square feet of space (the "Building IT Premises") known as Suite 120 of the building known as Wild Basin II located at
108 Wild Basin Road, Austin, Texas (such lease, the "Building II Lease"), and Tenant desires to terminate the Building II Lease upon the commencement of the Lease for Expansion Space;

WHEREAS, the term ofthe Lease is currently scheduled to expire on March 31, 2013, and Tenant desires to ext nd the term for a period of thirty-three (33) months to expire on December 31, 2015;

WHEREAS, subject to the terms and conditions set forth below, Landlord has agreed to lease the Expansion Space to Tenant, to terminate the Building II Lease and to extend the term of the Lease as set forth herein; and

WHEREAS, Landlord and Tenant desire to amend the Lease to reflect their agreements as to the terms and conditions governing Tenant's lease of the Expansion Space, the termination of the Building II Lease and the extension of the term.

NOW, THEREFORE, in consideration of the premises and the mutual covenants between the parties herein contained, Landlord and Tenant hereby agree as follows:

1. Term. The term of the Lease is hereby extended for a period of thirty-three (33) months to expire on December 31, 2015, unless sooner terminated in accordance with the terms of the Lease.

2 . Premises. Effective as of the earlier to occur of (i) February 1, 2012, or (ii) the date Tenant takes possession of the Expansion Space, or any portion thereof (the earlier to occur of such dates, the "Expansion Date"), Landlord shall lease the Expansion Space to Tenant and Tenant shall lease the Expansion Space from Landlord, and the Premises, as defmed in the Lease, shall mean, collectively, the Current Premises and the Expansion Space, containing a total of approximately 11,106 rentable square feet of space and shall thereafter be referred to as the "Premises" as that term is used in the Lease. The Expansion Space shall be subject to all the terms and conditions of the Lease except as expressly modified herein and except that Tenant shall not be entitled to receive any allowances, abatements or other concessions that were granted with respect to the Current Premises unless such concessions are expressly provided for herein with respect to the Expansion Space. Effective as of the Expansion Date, Exhibit A attached to the Lease shall be deleted in its entirety and Ex hibit A attached hereto shall be substituted in lieu thereof. Notwithstanding anything contained in the Lease to the contrary, the Premises (i.e. the Current Premises and Expansion Space) shall be used solely for general office use, light assembly and lawful uses incidental thereto, and no other use or purpose.

3. Base Rent. Commencing on the Expansion Date and continuing through the remainder of the term of the Lease, as extended hereby, in addition to the base rent payable for the Current Premises, Tenant shall pay Base Rent with respect to the Expansion Space in the amount of $4,817.17 per month. From and after the date hereof and continuing through and including March 31, 2013, Tenant shall continue to pay base rent for the Current Premises in the amount of $20,000.00 per month. Commencing on April I, 2013 and continuing through the remainder of the term of the Lease, as extended hereby, Tenant shall pay base rent for the Current Premises in the amount of $8,139.83 per month. All such base rent shall be payable in accordance with the terms of the Lease, as amended hereby.

4. Additional Rent.

(a) Landlord and Tenant acknowledge that the Lease with respect to the Current Premises is currently a "gross lease" and that Tenant is not required to pay additional Operating Costs, Taxes and certain other costs as more particularly described in Section 3 of the Fourth Amendment. However, commencing on April 1, 2013 and continuing through the remainder of the term of the Lease, as extended hereby, the Lease with respect to the Current Premises shall revert to a "net lease" and Tenant shall again pay Tenant's Percentage of Taxes and Operating Costs and all other amounts with respect to the Current Premises in accordance with the terms of the Lease, as amended hereby.

(b) Commencing on the Expansion Date and continuing through the remainder of the term of the Lease, as amended hereby, the Lease with respect to the Expansion Space shall convert to a "net lease" and Tenant shall pay Tenant's Percentage ofTaxes and Operating Costs and all other amounts with respect to the Expansion Space in accordance with the terms of the Lease, as amended hereby.

(c) From the Expansion Date through and including March 31, 2013, Tenant's Percentage shall be calculated separately with respect to the Expansion Space and Current Premises. Notwithstanding anything to the contrary contained in the Lease, "Taxes" shall include all sales, use, franchise taxes, or other taxes now or hereafter imposed by any governmental authority upon rent received by Landlord or upon revenue from the Building, excluding, however, federal and state income taxes.

5 . Acceptance of Premises. TENANT ACKNOWLEDGES THAT TENANT CURRENTLY OCCUPIES THE CURRENT PREMISES AND, SUBJECT TO LANDLORD'S OBLIGATIONS UNDER THE WORK LETTER ATTACHED HERETO AS EXHIBIT B, TENANT HEREBY ACCEPTS THE CURRENT PREMISES, THE EXPANSION SPACE IN "AS IS" CONDITION AND WimOUT RELYING UPON ANY REPRESENTATION OR WARRANTY (EXPRESS OR IMPLIED) OF LANDLORD OR ANY REPRESENTATIVE OF LANDLORD. EXCEPT AS EXPRESSLY SET FORTH IN THE LEASE, LANDLORD HAS NOT MADE AND DOES NOT HEREBY MAKE AND HEREBY SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE BUU..DING (INCLUDING THE CURRENT PREMISES AND EXPANSION SPACE) AND ITS CONDITION (INCLUDING WITHOUT LIMITATION ANY REPRESENTATION OR WARRANTY REGARDING QUALITY OF CONSTRUCTION, STATE OF REPAIR, WORKMANSHIP (EXCEPT AS SET FORTH IN EXHIBIT B ATTACHED HERETO), MERCHANTABILITY, HABITABILITY, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE) AND TENANT HAS NOT RELIED ON ANY SUCH REPRESENTATIONS OR WARRANTIES. Except as set forth in Exhibit B attached hereto, Landlord shall have no obligations to perform any leasehold improvements or provide any improvement allowance in connection with this Amendment.

6. Landlord's Addresses. Landlord's addresses under the Lease are hereby amended in their entireties to the following:

c/o HPI Real Estate, Inc.
3600 N. Capital of Texas Highway
Building B - Suite 250
Austin, Texas 78746
Attention: Debbie Layton, Property Manager

Payments of rent only shall be sent to Landlord at: Wild Basin I & II Investors, LP
P. 0. Box 650020
Dept41017
Dallas, TX 75265

or such other place as Landlord may designate from time to time.

7. **Parking.** Effective as of the Expansion Date, in addition to the twenty (20) non-garage, non-reserved parking spaces provided in connection with the Current Premises, as set forth in Section 18 of the Fourth Amendment, Tenant shall be entitled to twelve (12) additional non garage, non-reserved parking spaces in connection with Tenant's lease of the Expansion Space, for a total of thirty-two (32) parking spaces, at no additional rental charge during the remainder of the term of the Lease, as extended hereby.

8. **Termination of Building II Lease.** The Building II Lease shall automatically terminate effective as of the Expansion Date with the same effect as if the Expansion Date were the scheduled date for expiration of the Building II Lease. Tenant shall vacate the Building II Premises on or before the date that is three (3) business days after the Expansion Date (such date, the "Vacancy Date") and return the same to Landlord in the condition required under the terms of the Building II Lease. Upon satisfaction of the conditions for return of the security deposit under the Building II Lease, Landlord shall refund to Tenant the $4,870.25 security deposit held by Landlord under the Building II Lease. The period commencing on the Expansion Date and ending on the Vacancy Date is referred to herein as the "Vacation Period." Tenant's use and occupancy of the Building ll Premises during the Vacation Period shall be subject to all the terms and conditions of the Building II Lease, except that Tenant shall not be required to pay base rent or additional rent for the Building II Premises during the Vacation Period; provided however, Tenant shall remain liable for the costs of any third party services (including utilities) provided to the Building II Premises during the Vacation Period.

9 . **Storage Space.** During the term of the Lease, as extended hereby, Tenant may continue to use the approximately 1,900 square feet of storage space located in the garage storage area as more particularly described in Section 1 of the Fifth Amendment, at no additional rental charge. Tenant has no rights to any other storage space under the Lease.

1 0 . **Express Negligence.** Landlord and Tenant hereby agree that the waivers set forth in Section 8.4 of the Lease Agreement will apply notwithstanding any other provision of the Lease to the contrary and EVEN IF THE LOSS OR DAMAGE DESCRIBED THEREIN IS CAUSED BY NEGLIGENCE OR OTHER ACTS OR OMISSIONS OR STRICT LIABR.ITY OF LANDLORD OR TENANT OR THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONTRACTORS, LICENSEES OR INVITEES.

11. **Miscellaneous.** Notwithstanding anything contained in the Lease to the contrary, Landlord shall not be required to name Tenant as an additional insured under any insurance policy carried by Landlord. Tenant agrees that as a result of the waiver of the Net Proceeds Interest as set forth in Section 8 of the Fourth Amendment, Landlord is no longer required to provide any accounting or reports in connection with or related thereto.

12. **Calculation of Charges.** Landlord and Tenant agree that each provision of the Lease, as amended hereby, for determining charges, amounts and additional rental payments by Tenant is commercially reasonable, and as to each such charge or amount, constitutes a "method by which the charge is to be computed" for purposes of Section 93.012 (Assessment of Charges) of the Texas Property Code, as such section now exists or as it may be hereafter amended or succeeded.

13. Tax Protest Waiver. NOTWITHSTANDING ANYTHING CONTAINED IN THE LEASE TO THE CONTRARY, TENANT HEREBY WAIVES ALL RIGHTS TO PROTEST THE APPRAISED VALUE OF THE BUILDING OR THE LAND OR TO APPEAL THE SAME AND ALL RIGHTS TO RECEIVE NOTICES OF REAPPRAISALS AS SET FORTH IN SECTIONS 41.413 AND 42.015 OF THE TEXAS TAX CODE.

14. WAIVER OF CONSUMER RIGHTS. TENANT HEREBY WAIVES ALL ITS RIGHTS UNDER THE TEXAS DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT, SECTION 17.41 ET. SEQ. OF THE TEXAS BUSINESS AND COMMERCE CODE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS. AFTER CONSULTATION WITH AN ATTORNEY OF TENANT'S OWN SELECTION, TENANT VOLUNTARILY CONSENTS TO TillS WAIVER.

15. Brokers. Tenant warrants that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Amendment other than HPI Real Estate, Inc. ("Landlord's Broker") and that it knows of no other real estate brokers or agents who are or might be entitled to a commission in connection with this Amendment. Landlord agrees to pay a commission to Landlord's Broker pursuant to a separate written agreement entered into between Landlord and such broker. Tenant agrees to indemnify and hold Landlord harmless from and against any liability or claim arising with respect to any brokers or agents other than Landlord's Broker claiming a commission by, through or under Tenant in connection with this Amendment.

16. Authority. Tenant represents to Landlord as follows: (i) Tenant is duly formed and validly existing under the laws of the State of Delaware, (ii) Tenant has and is qualified to do business in Texas, (iii) Tenant has the full right and authority to enter into this Amendment, and (iv) each person signing on behalf of Tenant was and continues to be authorized to do so. Landlord represents to Tenant as follows: (i) Landlord is duly formed and validly existing under the laws of the State of Texas, (ii) Landlord has the full right and authority to enter into this Amendment, and (iii) each person signing on behalf of Landlord was and continues to be authorized to do so.

17. Defined Terms. All defmed terms used but not otherwise defined herein shall have the same meaning assigned to them in the Lease.

18. Exhibits. Each exhibit ttached hereto is hereby incorporated herein and made a part hereof.

19. Ratification of Lease. Except as amended hereby, the Lease shall remain in full force and effect in accordance with its terms and is hereby ratified. In the event of a conflict between the Lease and this Amendment, this Amendment shall control. In no event shall Landlord be liable for any consequential, special or punitive damages as a result of any breach of or default under the Lease, as amended hereby, by Landlord.

20. No Representations. Landlord and Landlord's agents have made no representations or promises, express or implied, in connection with this Amendment except as expressly set forth herein and Tenant has not relied on any representations except as expressly set forth herein.

Likewise, Tenant and Tenant's agents have made no representations or promises, express or implied, in connection with this Amendment except as expressly set forth herein and Landlord has not relied on any representations except as expressly set forth herein.

21. Entire Agreement. This Amendment, together with the Lease, contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Amendment or the Lease, and no prior agreement, understanding or representation pertaining to any such matter shall be effective for any purpose.

22. Section Headings. The section headings contained in this Amendment are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several sections hereof.

23. Successors and Assigns. The terms and provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

24. Severability. A determination that any provision of this Amendment is unenforceable or invalid shall not affect the enforceability or validity of any other provision hereof and any determination that the application of any provision of this Amendment to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to any other persons or circumstances.

25. Governing Law. This Amendment shall be governed by the laws of the State of Texas.

26. Submission of Amendment Not Offer. The submission by Landlord to Tenant of this Amendment for Tenant's consideration shall have no binding force or effect, and shall not confer any rights upon Tenant or impose any obligations upon Landlord irrespective of any reliance thereon, change of position or partial performance. This Amendment is effective and binding on Landlord only upon the execution and delivery of this Amendment by Landlord and Tenant.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

TENANT:

ASURE SOFIWARE, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

LANDLORD:

WILD BASIN I & ll INVESTORS, LP,
a Texas limited partnership

By:

Wild Basin I & II GP, Inc., a Texas corporation, its sole general partner

Landlord Witness:

By: _____
Name: Atberd E. Anderson
Title: President

EXHIBIT A

OUTLINE AND LOCATION OF PREMISES

Suite 150
4,129 rsf
Expansion Space

Suite 100
6,977 rsf
Asure
Current Premises

WILD BASIN 1,1st FLOOR

EXHIBITB

WORK LETTER

1. This Work Letter shall set forth the obligations of Landlord and Tenant with respect to certain improvements to be performed by Landlord in the Expansion Space, it being agreed that Landlord shall have no obligation to perform any improvements in the Current Premises. All improvements described in this Work Letter to be constructed in and upon the Expansion Space by Landlord are hereinafter referred to as the "Landlord's Work."Landlord and Tenant acknowledge that Plans (hereinafter defined) for the Landlord's Work have not yet been prepared and, therefore, it is impossible to determine the exact cost of the Landlord's Work at this time. Accordingly, Landlord and Tenant agree that Landlord's obligation to pay for the cost of Landlord's Work shall be limited to
$37,500.00 (the "Construction Allowance") and that Tenant shall be responsible for the cost of Landlord's Work to the extent that it exceeds the Construction Allowance ("Excess Costs"). The Construction Allowance may only be used for the cost of preparing the Plans and for hard costs in connection with the Landlord's Work, and in no event shall the Construction Allowance be used for the purchase of cabling, equipment, furniture or other items of personal property of Tenant. Any portion of the Construction Allowance remaining on the date that is six (6) months after the Expansion Date shall be the sole property of Landlord and Tenant shall not be entitled to any credit, payment or abatement on account thereof. Landlord shall enter into a direct contract for Landlord's Work with a general contractor selected by Landlord. In addition, Landlord shall have the right to select and/or approve of any subcontractors used in connection with the Landlord's Work. Tenant shall pay Landlord, within ten (10) days after Landlord's written demand, a construction fee equal to 4% of the cost of Landlord's Work to compensate for its construction management services in connection with Landlord's Work. Landlord reserves the right to deduct such fee from the Construction Allowance. Notwithstanding anything to the contrary set forth herein, in no event shall Landlord be required to perform any of the Landlord's Work during any period an uncured default by Tenant exists under the Lease, as amended hereby. Provided Tenant has paid Landlord any Excess Costs, in the event Landlord fails to pay any contractor in connection with the Landlord's Work and such non-payment results in a lien on the Premises, then such lien shall not be deemed a default by Tenant and Tenant shall have no obligations to release or bond over such lien.

2. Space planning, architectural and engineering (mechanical, electrical and plumbing) drawings for the Landlord's Work shall be prepared at Tenant's sole cost and expense, subject to funding through the Construction Allowance. The space planning, architectural and engineering drawings are collectively referred to herein as the "Plans".

3. Tenant shall deliver to Landlord any information reasonably requested by Landlord and shall deliver to Landlord Tenant's approval or disapproval of any preliminary or final layout, drawings, or plans within five (5) business days after written request. Any disapproval shall be in writing and shall set forth in reasonable detail the reasons for such disapproval. Tenant shall devote such time in consultation with Landlord and Landlord's architect and engineer as may be required to provide all information Landlord deems necessary in order to enable Landlord's architect and engineer to complete, and obtain Tenant's written approval of the Plans for Landlord's Work. Neither the approval ofthe Plans nor the supervision of Landlord's Work by Landlord shall constitute a representation or warranty by Landlord as to the accuracy, adequacy, sufficiency and propriety of the Plans or the quality of workmanship or compliance of Landlord's Work with applicable law.

4. Prior to commencing any construction of Landlord's Work, Landlord shall submit to Tenant a written estimate setting forth the anticipated cost of the Landlord's Work, including but not limited to labor and materials, architect's fees, contractor's fees and permit fees. Within five (5} business days thereafter, Tenant shall either notify Landlord in writing of its approval of the cost estimate, or specify its objections thereto in reasonable detail and any desired changes to the proposed Landlord's Work. In the event Tenant notifies Landlord of such objections and desired changes, Tenant shall work with Landlord in good fuith to alter the scope of Landlord's Work in order to reach a mutually acceptable alternative cost estimate.

5. If Landlord's estimate and/or the actual cost of Landlord's Work shall exceed the maximum Construction Allowance, Tenant shall pay to Landlord fifty percent (50%} of such Excess Costs within two (2} business days after Landlord's written demand. Landlord shall not be required to proceed with Landlord's Work until Tenant pays such portion of the Excess Costs and any delay in the completion of Landlord's Work due to a delay by Tenant in making such payment shall be deemed a Delay. Upon substantial completion of Landlord's Work, Tenant shall pay the remaining portion of the Excess Costs within ten (I0} business days after receipt of an invoice therefor from Landlord. The statements of costs submitted to Landlord by Landlord's contractors shall be conclusive for purposes of detennining the actual cost of the items described therein. Excess Costs constitute rent payable pursuant to the Lease, and the fuilure to timely pay same constitutes a default under the Lease.

6. If Tenant shall request any changes to Landlord's Work that are approved in writing by Landlord ("Change Orders"}, Landlord shall have any necessary revisions to the Plans prepared, and Tenant shall reimburse Landlord on demand for the cost of preparing such revisions. Landlord shall notify Tenant in writing of the estimated increased cost, if any, which will be chargeable to Tenant by reason of such Change Orders and Tenant shall notify Landlord in writing whether it desires to proceed with such Change Order within two (2} business days after receiving Landlord's estimate of the cost ofthe Change Order. If Tenant approves the Change Order in writing, the increased cost shall be deemed Excess Costs hereunder and shall be subject to the provisions of Paragraph 5 above. If Tenant fails to timely notify Landlord of its approval or disapproval of the requested Change Order, Landlord shall have the option to continue work on the Expansion Space disregarding the requested Change Order, or Landlord may elect to discontinue work on the Expansion Space until it receives notice of Tenant's decision, in which event Tenant shall be responsible for any delay in completion of Landlord's Work resulting therefrom.

7. Following approval of the Plans and the payment by Tenant of the required portion of the Excess Costs, if any, Landlord shall cause Landlord's Work to be constructed substantially in accordance with the approved Plans, so long as no default shall occur under the Lease, as amended hereby. Landlord's Work shall be perfonned in a good and workmanlike manner and in compliance with all applicable laws. Landlord shall notify Tenant upon substantial completion o fLandlord's Work.

8. Tenant acknowledges that the Landlord's Work may be performed by Landlord in the Expansion Space during normal business hours subsequent to the Expansion Date. Landlord and Tenant agree to cooperate with each other in order to enable the Landlord's Work to be performed in a timely manner and with as little inconvenience to the operation of Tenant's business as is reasonably possible. Notwithstanding anything herein to the contrary, any delay in the completion of the Landlord's Work or inconvenience suffered by Tenant during the performance of the Landlord's Work shall not delay the Expansion Date nor shall it subject Landlord to any liability for any loss or damage resulting therefrom or entitle Tenant to any credit, abatement or adjustment of rent or other swns payable under the Lease, as amended hereby.

9. Landlord's and Tenant's representatives for coordination of construction and approval of any revisions to the Plans will be as follows, provided that either party may change its representative upon written notice to the other:

Landlord's Representative:	Tenant's Representative:
Curt Whitlatch HPJ Real Estate, Inc. 3600 North Capital ofTexas Highway Building B, Suite 250 Austin, TX 78746 (512) 835-4455	Asure Software 110 Wild Basin Rd. #100 Austin TX, 78746 214-704810

10. This Work Letter shall not be applicable to any additional space added to the Expansion Space at any time or from time to time, whether by any options under the Lease or otherwise, or to any portion of the Expansion Space or any additions to the Expansion Space in the event of a renewal or extension of the Lease tenn, as amended hereby, whether by any options under the Lease or otherwise, unless expressly so provided in the Lease or any amendment or supplement to the Lease. All capitalized terms used in this Work Letter but not defined herein shall have the same meanings ascribed to such terms in the Lease, as amended hereby.

EXHIBIT 14.01

ASURE SOFTWARE

CODE OF BUSINESS CONDUCT AND ETHICS

Introduction

Our Company's reputation for honesty and integrity is the sum of the personal reputations of our directors, officers and employees. To protect this reputation and to promote compliance with laws, rules and regulations, this Code of Business Conduct and Ethics has been adopted by our Board of Directors. This Code is only one aspect of our commitment. You must also be familiar with and comply with all other policies contained in our employee policy manual.

This Code sets out the basic standards of ethics and conduct to which all of our directors, officers and employees are held. These standards are designed to deter wrongdoing and to promote honest and ethical conduct, but will not cover all situations. If a law conflicts with a policy in this Code, you must comply with the law; however, if a local custom or policy conflicts with this Code, you must comply with the Code.

If you have any doubts whatsoever as to the propriety of a particular situation, you should submit it in writing to our Company's Director of Human Resources, who will review the situation and take appropriate action in keeping with this Code, our other corporate policies and the applicable law. If your concern relates to that individual, you should submit your concern, in writing, to the President of the Company. The mailing address of each of those individuals is included at the end of this Code.

Those who violate the standards set out in this Code will be subject to disciplinary action.

1. Scope

If you are a director, officer or employee of the Company or any of its subsidiaries, you are subject to this Code.

2. Honest and Ethical Conduct

We, as a Company, require honest and ethical conduct from everyone subject to this Code. Each of you has a responsibility to all other directors, officers and employees of our Company, and to our Company itself, to act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing your independent judgment to be subordinated and otherwise to conduct yourself in a manner that meets with our ethical and legal standards.

3. Compliance with Laws, Rules and Regulations

You are required to comply with all applicable governmental laws, rules and regulations, both in letter and in spirit. Although you are not expected to know the details of all the applicable laws, rules and regulations, we expect you to seek advice from our Company's Director of Human Resources if you have any questions about whether the requirement applies to the situation or what conduct may be required to comply with any law, rule or regulation.

4. Conflicts of Interest

You must handle in an ethical manner any actual or apparent conflict of interest between your personal and business relationships. Conflicts of interest are prohibited as a matter of policy. A "conflict of interest" exists when a person's private interest interferes in any way with the interests of our Company. For example, a conflict situation arises if you take actions or have interests that interfere with your ability to perform your work for our Company objectively and effectively. Conflicts of interest also may arise if you, or a member of your family, receive an improper personal benefit as a result of your position with our Company.

If you become aware of any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest, you should report it promptly to our Company's Director of Human Resources or President.

Conflicts of interest are prohibited as a matter of Company policy, except under guidelines approved by the Board of Directors. The following standards apply to certain common situations where potential conflicts of interest may arise:

A. Gifts and Entertainment

Personal gifts and entertainment offered by persons doing business with our Company may be accepted when offered in the ordinary and normal course of the business relationship. However, the frequency and cost of any such gifts or entertainment may not be so excessive that your ability to exercise independent judgment on behalf of our Company is or may appear to be compromised.

B. Financial Interests In Other Organizations

The determination whether any outside investment, financial arrangement or other interest in another organization is improper depends on the facts and circumstances of each case. Your ownership of an interest in another organization may be inappropriate if the other organization has a material business relationship with, or is a direct competitor of, our Company and your financial interest is of such a size that your ability to exercise independent judgment on behalf of our Company is or may appear to be compromised. As a general rule, a passive investment would not likely be considered improper if it: (1) is in publicly traded shares; (2) represents less than 1% of the outstanding equity of the organization in question; and (3) represents less than 5% of your net worth. Other interests also may not be improper, depending on the circumstances.

C. Outside Business Activities

The determination of whether any outside position an employee may hold is improper will depend on the facts and circumstances of each case. Your involvement in trade associations, professional societies, and charitable and similar organizations will not normally be viewed as improper. However, if those activities are likely to take substantial time from or otherwise conflict with your responsibilities to our Company, you should obtain prior approval from your supervisor. Other outside associations or activities in which you may be involved are likely to be viewed as improper only if they would interfere with your ability to devote proper time and attention to your responsibilities to our Company or if your involvement is with another Company with which our Company does business or competes. For a director, employment or affiliation with a Company with which our Company does business or competes must be fully disclosed to our Company's Board of Directors and must satisfy any other standards established by applicable law, rule (including rule of any applicable stock exchange) or regulation and any other corporate governance guidelines that our Company may establish.

D. Indirect Violations

You should not indirectly, through a spouse, family member, affiliate, friend, partner, or associate, have any interest or engage in any activity that would violate this Code if you directly had the interest or engaged in the activity. Any such relationship should be fully disclosed to our Company's Director of Human Resources or President (or the Board of Directors if you are a director), who will make a determination whether the relationship is inappropriate, based upon the standards set forth in this Code.

5. Corporate Opportunities

You are prohibited from taking for yourself, personally, opportunities that are discovered through the use of corporate property, information or position, unless the Board of Directors has declined to pursue the opportunity. You may not use corporate property, information, or position for personal gain, or to compete with our Company directly. You owe a duty to our Company to advance its legitimate interests whenever the opportunity to do so arises.

6. Fair Dealing

You should endeavor to deal fairly with our Company's suppliers, competitors and employees and with other persons with whom our Company does business. You should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

7. Public Disclosures

It is our Company's policy to provide full, fair, accurate, timely, and understandable disclosure in all reports and documents that we file with, or submit to, the Securities and Exchange Commission and in all other public communications made by our Company.

8. Confidentiality

You should maintain the confidentiality of all confidential information entrusted to you by our Company or by persons with whom our Company does business, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors of, or harmful to, our Company or persons with whom our Company does business, if disclosed.

9. Insider Trading

If you have access to material, non-public information concerning our Company, you are not permitted to use or share that information for stock trading purposes, or for any other purpose except the conduct of our Company's business. All non-public information about our Company should be considered confidential information. Insider trading, which is the use of material, non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information, is not only unethical but also illegal. The prohibition on insider trading applies not only to our Company's securities, but also to securities of other companies if you learn of material non-public information about these companies in the course of your duties to the Company. Violations of this prohibition against "insider trading" may subject you to criminal or civil liability, in addition to disciplinary action by our Company.

10. Protection and Proper Use of Company Assets

You should protect our Company's assets and promote their efficient use. Theft, carelessness, and waste have a direct impact on our Company's profitability. All corporate assets should be used for legitimate business purposes. The obligation of employees to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company policy. It could also be illegal and result in civil or even criminal penalties.

11. Interpretations and Waivers of the Code of Business Conduct and Ethics

If you are uncertain whether a particular activity or relationship is improper under this Code or requires a waiver of this Code, you should disclose it to our Company's Director of Human Resources or President (or the Board of Directors if you are a director), who will make a determination first, whether a waiver of this Code is required and second, if required, whether a waiver will be granted. You may be required to agree to conditions before a waiver or a continuing waiver is granted. However, any waiver of this Code for an executive officer or director may be made only by the Company's Board of Directors and will be promptly disclosed to the extent required by applicable law, rule (including any rule of any applicable stock exchange) or regulation.

12. Reporting any Illegal or Unethical Behavior

Our Company desires to promote ethical behavior. Employees are encouraged to talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation. Additionally, employees should promptly report violations of laws, rules, regulations or this Code to our Company's Director of Human Resources or President. Any report or allegation of a violation of applicable laws, rules, regulations or this Code need not be signed and may be sent anonymously. All reports of violations of this Code, including reports sent anonymously, will be promptly investigated and, if found to be accurate, acted upon in a timely manner. If any report of wrongdoing relates to accounting or financial reporting matters, or relates to persons involved in the development or implementation of our Company's system of internal controls, a copy of the report will be promptly provided to the chairman of the Audit Committee of the Board of Directors, which may participate in the investigation and resolution of the matter. It is the policy of our Company not to allow actual or threatened retaliation, harassment or discrimination due to reports of misconduct by others made in good faith by employees. Employees are expected to cooperate in internal investigations of misconduct.

13. Compliance Standards and Procedures

This Code is intended as a statement of basic principles and standards and does not include specific rules that apply to every situation. Its contents have to be viewed within the framework of our Company's other policies, practices, instructions and the requirements of the law. This Code is in addition to other policies, practices or instructions of our Company that must be observed. Moreover, the absence of a specific corporate policy, practice or instruction covering a particular situation does not relieve you of the responsibility for exercising the highest ethical standards applicable to the circumstances.

In some situations, it is difficult to know right from wrong. Because this Code does not anticipate every situation that will arise, it is important that each of you approach a new question or problem in a deliberate fashion:

(a) Determine if you know all the facts.

(b) Identify exactly what it is that concerns you.

(c) Discuss the problem with a supervisor or, if you are a director, the Company's Director of Human Resources.

(d) Seek help from other resources such as other management personnel or our Company's Director of Human Resources.

(e) Seek guidance before taking any action that you believe may be unethical or dishonest.

You will be governed by the following compliance standards:

- You are personally responsible for your own conduct and for complying with all provisions of this Code and for properly reporting known or suspected violations;

- If you are a supervisor, manager, director or officer, you must use your best efforts to ensure that employees understand and comply with this Code; for your violation of this Code;

- No one has the authority or right to order, request or even influence you to violate this Code or the law; a request or order from another person will not be an excuse for your violation of this Code;

- Any attempt by you to induce another director, officer or employee of our Company to violate this Code, whether successful or not, is itself a violation of this Code and may be a violation of law;

- Any retaliation or threat of retaliation against any director, officer or employee of our Company for refusing to violate this Code, or for reporting in good faith the violation or suspected violation of this Code, is itself a violation of this may be a violation of law; and

- Our Company expects that every reported violation of this Code will be investigated.

Violation of any of the standards contained in this Code, or in any other policy, practice or instruction of our Company, can result in disciplinary actions, including dismissal and civil or criminal action against the violator. This Code should not be construed as a contract of employment and does not change any person's status as an at-will employee.

This Code is for the benefit of our Company, and no other person is entitled to enforce this Code. This Code does not, and should not be construed to, create any private cause of action or remedy in any other person for a violation of the Code.

Adopted by Resolution of the Board of Directors
June 10, 2004

EXHIBIT 21

LIST OF SUBSIDIARIES

Subsidiary	Location
Compression Labs, Inc.	Delaware
Forgent Networks Canada, Inc.	Canada
iSarla Software Solutions Private Limited	India
VTEL Australia, PTY LTD	Australia
VTEL Germany, GmbH	Germany
ADI Software, LLC	Delaware
Asure Legiant, LLC	Delaware

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements pertaining to various employee benefit plans of Asure Software, Inc. (Form S-8 Nos. 333-77733, 333-44533, 333-48885, 333-28499, 333-64212, and 333-110239) of our report dated March 30, 2012, with respect to the consolidated financial statements of Asure Software, Inc. included in this Annual Report (Form 10-K) for the year ended December 31, 2011.

/s/ Ernst & Young LLP

Austin, Texas
March 30, 2012

EXHIBIT 31.1

CERTIFICATION OF PERIODIC REPORT
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Patrick Goepel, certify that:

1. I have reviewed the Annual Report on Form 10-K of the Company for the calendar year ended December 31, 2011 (the "Report");

2. Based on my knowledge, the Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in the Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in the Report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and we have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within these entities, particularly during the period in which the Report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principals;

   (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in the Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the Report based on such evaluation; and

   (d) Disclosed in the Report any change in the Company's internal control over financial reporting that occurred during the Company's most recent calendar year ended December 31, 2011 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and to the Audit Committee of the Board of Directors:

   (a) All significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

/s/ PATRICK GOEPEL
Patrick Goepel
Chief Executive Officer
March 30, 2012

EXHIBIT 31.2

CERTIFICATION OF PERIODIC REPORT
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David Scoglio, certify that:

1. I have reviewed the Annual Report on Form 10-K of the Company for the calendar year ended December 31, 2011 (the "Report");

2. Based on my knowledge, the Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in the Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in the Report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and we have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within these entities, particularly during the period in which the Report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principals;

   (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in the Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the Report based on such evaluation; and

   (d) Disclosed in the Report any change in the Company's internal control over financial reporting that occurred during the Company's most recent calendar year ended December 31, 2011 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and to the Audit Committee of the Board of Directors:

   (a) All significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

/s/ DAVID SCOGLIO
David Scoglio
Chief Financial Officer
March 30, 2012

EXHIBIT 32.1

CERTIFICATION OF PERIODIC REPORT
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Patrick Goepel, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Annual Report on Form 10-K of the Company for the calendar year ended December 31, 2011 (the "Report") fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended, and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ PATRICK GOEPEL
Patrick Goepel
Chief Executive Officer
March 30, 2012

A signed original of this written statement required by Section 906 has been provided to Asure Software, Inc. and will be retained by Asure Software, Inc. and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

EXHIBIT 32.2

CERTIFICATION OF PERIODIC REPORT
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, David Scoglio, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2011 (the "Report") fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended, and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ DAVID SCOGLIO
David Scoglio
Chief Financial Officer
March 30, 2012

A signed original of this written statement required by Section 906 has been provided to Asure Software, Inc. and will be retained by Asure Software, Inc. and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.