



842ware for Lessees

User Manual

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by 842ware LLC

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Introduction

Thank you for your interest in 842ware for Lessees. This software is an inexpensive, easy-to-use solution for ASC 842-compliant financial reporting for companies who lease assets.

842ware for Lessees© (hereinafter referred to as “842ware”) is a software package designed specifically for compliance with the requirements of Accounting Standards Codification 842 “Leases” issued by the Financial Accounting Standards Board (“hereinafter referred to as “ASC 842”) in the United States, for lessees only. This software code, owned by 842Ware LLC, is copyrighted and provided to you under an end-user license agreement which is accessible in the software and in Exhibit A of this User Manual.

The software is implemented as an Excel macro and it therefore has a simple interface that is familiar to accounting and finance professionals. The lease accounting calculations, forms, and reports are run by several thousand lines of Visual Basic for Applications (“VBA”) code that runs more-or-less continuously in the application. This code is invisible to the user, but the output of the calculations is stored in the application in a way that is accessible through easy-to-use reports and Pivot Tables.

Many accounting and consulting firms are drawing attention to the large amount of effort companies will need to undertake to comply with the new standards. While this software necessarily cannot help with the identification and gathering all a particular company’s lease contracts, it will help the company’s finance and accounting group to do the math, build reports and disclosures, and document assumptions on the identified population of leases in order to successfully comply with the new standards.

This user manual assumes you have a basic working knowledge of ASC 842. If you are new to the standard, there are numerous sources of information widely available on the internet from accounting firms, consulting firms, other software companies, and others.

Thank you for considering 842ware.

Installation and Licensing

842ware is an affordable and easy-to-use program to help you comply with the new leasing standard. Use of the software is provided under an annual subscription model and the software license is tied to an individual PC.

842ware was designed to run on current versions of Microsoft Excel for Windows (currently Office365). It has not been tested for backwards compatibility.

See the separate document titled “842ware for Lessees – Installation Guide” for more information about installing and licensing this software.

Multiple Excel workbooks containing the 842ware code can be saved on a licensed PC so you can save multiple versions of your work. Additionally, lease record data can easily be exported and imported from one user to another in the event you have multiple people working on lease accounting.

Major Functions

- **Company details:** Record data about your company including your company name, fiscal year end, and asset classes.
- **Detailed Lease Records:** Input all the particular information about each individual lease, including payment streams, key dates, and qualitative ‘yes/no’ information that affects lease classification.
- **Automatic Lease Classifications:** the program evaluates the input data and arrives at a conclusion about the lease classification (Operating, Financing, or Short-term). The form, and certain reports, will provide the justification for arriving at a particular classification for each lease.
- **Present Value Calculations and Accounting Entries:** Based on the input data and the lease classification, the program will perform a number of calculations including:
 - Multiple present value of future lease payments (“PVFLP”) calculations which are the basis for recording lease liabilities
 - Right of use asset calculation
 - Lease expense (single lease expense for operating and short-term, and interest and amortization for finance leases)
 - Gain/loss on lease termination and modification
 - All of the accounting entries are presented in “debit/credit” format in Excel sheets and pivot tables. Using lease numbers, legal entities, cost centers and filtering, you can easily sort and filter the lease data to get usable information to input into their accounting system of record.
- **Lease Record Import and Export:** If you have a large number of similar leases, you can easily enter one of those leases, then export the lease record, copy, paste, and edit the new multiple rows for the remaining leases, and re-import. This prevents the need to navigate through the “Create/Edit” lease forms for each individual lease.
- **Reports and disclosure calculations:** The program includes easy-to-understand weighted average interest rate and lease term reports, as well as the 5-year lease disclosure schedule. These reports are output in Excel and are designed to comply with the specific disclosure rules in ASC 842. Additionally, there is a consolidated lease accounting **Pivot Table report**, and individual lease report that shows all data and accounting for an individual lease, and a “visualization” report that lets you see the income statement and balance sheet accounting effects, over time, in a graph format.

- **Lease Terminations, Modifications, Impairments, and Asset Purchases:** The software provides users a place to record lease modifications and reassessments, and the appropriate gains, losses, and other journal entries are calculated and presented.

A note about ASC 842 Compliance in general

There will be significant amount of professional judgement required in evaluating many lease arrangements. 842ware LLC encourages you to obtain a copy of one of the interpretation/implementation publications available from one of the large accounting firms (for example, the FRD from Ernst & Young). The 842Ware software includes a number of “notes and comments” fields that should give you a place to document various conclusions reached on these judgmental matters; however, the software necessarily will not be able to offer much in the way of guidance in many of these areas.

Learning the software

We recommend users start learning the software by entering a single simple example (e.g. a 60 month, \$1,000/month lease with a 0.01% discount rate) and then running the various reports to see how the lease accounting data is calculated and presented. Then change some of the lease data inputs and watch how the effect of the changes roll through the lease classification and the reports.

How many leases can the software handle?

This software was originally designed for small- and medium-sized businesses which might have somewhere between 1 and 50 leases. The calculations that run in the background take a little less than 1 second per each 10 leases. When you save your work or run reports, a database of 10 leases would need approximately 1 second to calculate the hundreds or thousands of lines of payment and accounting entries, while 50 leases might take 4 or 5 seconds. We have tested the software with 250 leases (3 year monthly leases with stepped up payments) and the software does take about 1 minute to calculate. **WORKAROUND:** If you find yourself with a lot of leases, it is easy to use the “Import/Export” functionality to break the workload down into manageable pieces. See the Import/Export section of this user manual for tips on this approach.

ASC 842 examples

We have available a lease-data import sheet that has the illustrations and examples from ASC 842 and various other publications. Generally, the examples in ASC 842 and the accounting firms’ implementation guides really oversimplify the accounting needed for a particular lease. For example, the present value calculations are not accurate to the day. Also, they only show you the annual accounting which does not help with monthly and quarterly financials. Finally, many of the examples contemplate lease payments due at the end of the period, which does not seem to happen too often in reality (most leases, such as apartment or office leases usually have payments due at beginning of the period).

Questions and feedback

If you have questions or feedback, please email support@842ware.com.

Glossary

Here are some terms that are used in the software and in this user guide.

EOM – End of month. The lease accounting schedule ‘trues-up’ the asset and liability account at the end of each month for financial close.

Lease Record – Each lease you have is tracked in the software by a discrete lease record. Each lease record has a unique lease number. You enter the lease records in the “Create/Edit Leases” form.

Lease Classification – Classification of lease under ASC 842. Each lease must be either an operating lease, a financing lease, or a short-term lease.

Lease Number – Each lease you have is tracked in the software by a discrete lease record, and each record has a unique lease number. The lease number is assigned by the system when the lease record is created. If you only use the Create/Edit Leases forms to enter lease data then the Lease Numbers are kept clean (i.e. unique and in order). If you use the import function, YOU must ensure the lease numbers are unique and sequential.

PVFMLP – Present Value of Future Minimum Lease Payments. This value represents the discounted amount of the future lease payments as of a particular date. 842ware calculates this value at lease commencement date, at each payment date, and at each month-end. This value excludes any variable lease payments that may be required by a particular lease.

Lease Payments – ASC 842 calculations are largely based on “fixed” payments as per the particular lease contract. If you have variable lease payments (e.g. based on a retail stores sales etc.), those payments are ignored in the calculation of PVFMLP. This software doesn’t take variable lease payments into account, at all. Make sure you consider that additional lease expense in your disclosures.

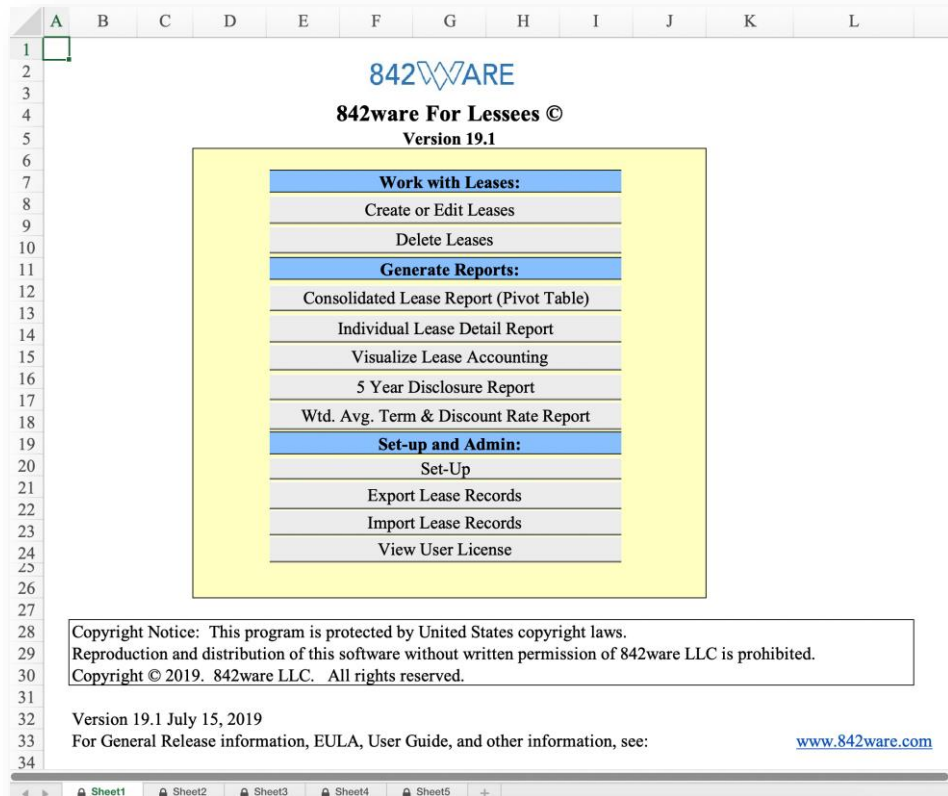
Lease Inception Date – In general, this is the date the lease contract is signed. See ASC 842-10-15-2. For accounting purposes, no journal entries are necessarily booked on this date.

Lease Commencement Date – In general, this is the date you take control of the underlying asset. For accounting purposes, the creation of the lease liability and right-of-use asset occur on this date, and it is the date that lease expense begins. See ASC 842-10-55-19 through 55-21.

Initial Payment Date – In general, this is the date of the first scheduled lease payment. Care should be taken to ensure you understand whether the lease payment is due at the beginning or end of each lease period (which may not coincide with your corresponding fiscal period). 842ware defaults to “beginning of period” and there is a checkbox you must check if the lease has payments due at the end of the period.

Main Screen

All functionality of 842ware is accessible from the main screen that appears when you open the program.



Sheet1 of the workbook is the only visible worksheet. It is a protected worksheet.

Click the **842ware Logo** at the top of the page to resize the Main Screen to fit the size of your Excel window.

All reports generated by this program are generated via the creation of new, separate Excel workbooks; the software then takes you back to this main screen after the new report is created. You will then need to navigate to the report to view the output.

If you don't already use "Alt-Tab" then you should become familiar with it as it is the easiest way to "flip" to your new reports after they are created.

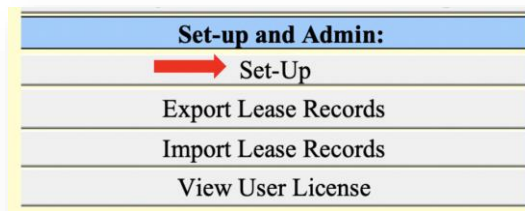
All reports are standard, unprotected Excel workbooks so you can easily save, compare, and share them with others.

Set-Up and Admin

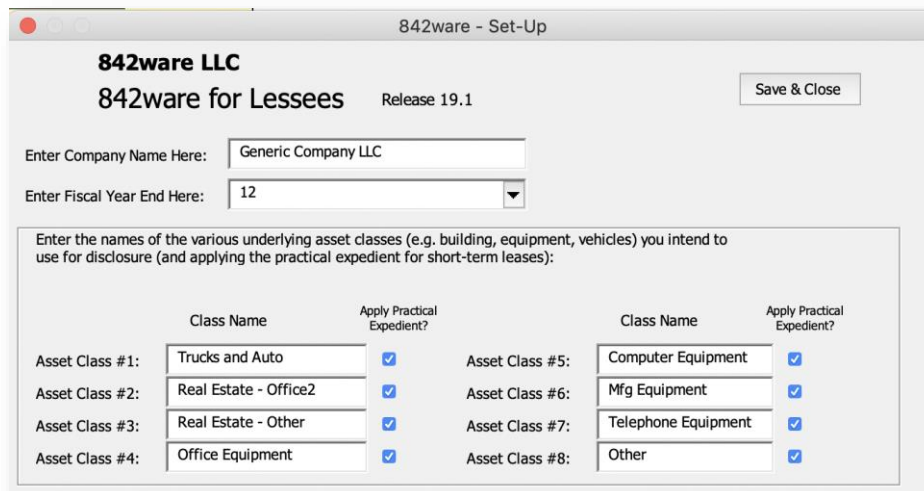
The 'Set-Up and Admin' menu contains the functions to manage your company information, export/import lease records and view the End User License Agreement.

Set-up

When you first start using the program - prior to entering any lease information - you must enter the details of your company relevant for leases. This can be done on the 'Set-up' menu.



This function opens up the below Set-Up form:




Class Name	Apply Practical Expedient?	Class Name	Apply Practical Expedient?
Asset Class #1: Trucks and Auto	<input checked="" type="checkbox"/>	Asset Class #5: Computer Equipment	<input checked="" type="checkbox"/>
Asset Class #2: Real Estate - Office2	<input checked="" type="checkbox"/>	Asset Class #6: Mfg Equipment	<input checked="" type="checkbox"/>
Asset Class #3: Real Estate - Other	<input checked="" type="checkbox"/>	Asset Class #7: Telephone Equipment	<input checked="" type="checkbox"/>
Asset Class #4: Office Equipment	<input checked="" type="checkbox"/>	Asset Class #8: Other	<input checked="" type="checkbox"/>

The below information must be filled out:

Company name: 842ware reports will show your company name entered here and user name of the user who ran the reports, as well as time and date stamps when the report was created.

Fiscal Year End: In this field you will need to enter your year-end. Most companies use calendar year-ends but if you use some other month, entering that month will allow 842ware to properly calculate the 5-year lease maturity schedule report and aggregate payment and accounting data by fiscal year in addition to calendar year.

Asset classes: ASC842 requires the disclosure of certain lease information by asset class. ASC842 also allows a practical expedient related to short-term leases, and the practical expedient must be applied to all leases that fall under a particular asset class. The class names are free-text, and you must check the boxes if you wish to apply the short-term practical expedient.

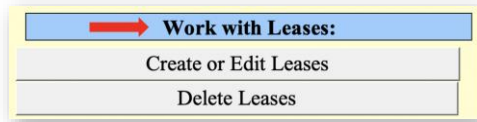
 **NOTE:** If you change an asset class name after you have already entered assets using that asset class, you'll need to go back into the lease records to change the old class name to the new class name.

Export and Import

For instructions on how to export and import lease records see the [‘Export and Import Lease Records’](#) chapter.

Creating and Editing Leases

Once the company information is filled out on the ‘Set-up’ menu you can start entering the information of your individual lease records from your underlying set of lease contracts. You can create, edit or delete lease records under the ‘*Work with Leases*’ menu.




In general, each individual leased asset will require a unique individual record. The lease record represents information about the lessor, the underlying asset, lease classification criteria, key dates, and payment information.

Clicking the ‘*Create or Edit Leases*’ function opens up a multi-tabbed form, that allows you to enter and edit the lease details, including

- Lessor info
- Asset info
- Lease dates and terms
- Lease Payment Schedule
- Lease Classification
- Subsequent Events

On each tab of this form the required fields are marked with ‘***’




 **NOTE:** The normal window controls (example the “x” in the upper right corner on Windows OS or the red button in the upper left corner on Macbooks) do not function on this form. You will need to use the Save, Exit, Close buttons as applicable.

Close/Exit Button: In order to leave this set of forms, you must click the “Close/Exit” button at the bottom of the main “Create or Edit Lease” form. If you haven’t created a new record, this will exit the form without changing the existing set of lease records.

Save and Close and **Close/Exit:** As you navigate through the sub-forms, you can click this button. to save your work and exit

Next Tab >>> button: This button also serves as a Save function for the record you are editing when you are creating a new lease or copied an existing lease.

Navigation through the tabs: After selecting (or creating) the lease record you want to work with, the 2nd form will open automatically. You will then proceed in order through the 2nd through the 5th forms to input key data about the lease. You navigate through the 2nd through 6th forms exclusively by clicking the **Next Tab** and **Previous Tab** buttons.

 **NOTE:** The 6th form (“Subsequent Events”) is only used if there has been a “subsequent event” related to the particular lease (subsequent events include lease modifications, the purchase of the underlying asset, or early terminations).

Select Existing Lease Tab

The *Select Existing Lease* is the starting tab to manage your lease data.

Lease #	Classification	Lessor	Date	Lease Description	Asset	Cost Center
1001	Operating	OfficeCo.	1/1/2011	E&Y Illustration 23	Office Space	
1002	Operating	Lessor Co.	1/1/2011	ASC 842 Example 5 - Before Impairment	Nonspecialized A	
1003	Operating	Lessor Co.	1/1/2011	ASC 842 Example 5 - Impairment of ROU	Nonspecialized A	
1004	Financing	Equipment Co.	1/1/2011	E&Y Illustration 24 - Finance lease	Equipment	
1005	Operating	Office Co	1/1/2011	ASC 842-10-55-162 Ex. 16 Case A - Pt 1	10,000 sq ft offic	
1006	Operating	Office Co	1/1/2016	ASC 842-10-55-162 Ex. 16 Case A - Pt 2	10,000 sq ft offic	
1007	Operating	Office Co	1/1/2011	ASC 842-10-55-162 Ex. 16 Case B - Pt 1	Piece of equipme	
1008	Financing	Office Co	1/1/2016	ASC 842-10-55-162 Ex. 16 Case A - Pt 2	Piece of equipme	
1009	Operating	Office Co	1/1/2011	ASC 842-10-55-168-176-Part 1	Office space	
1010	Operating	Office Co	1/1/2016	ASC 842-10-55-168-176-Part 2a	Office space	
1011	Operating	Office Co	1/1/2016	ASC 842-10-55-168-176-Part 2b	Office space	
1012	Operating	Office Co	1/1/2011	ASC 842-10-55-177 1st 5K sq ft	Office Space	
1013	Operating	Office Co	1/1/2011	ASC 842-10-55-177 2nd 5K sq ft	Office Space	
1014	Operating	Office Co	1/1/2016	ASC 842-10-55-177 2nd 5K sq ft MOD	Office Space	
1015	Operating	Office Co	1/1/2011	ASC 842-10-55-186 Example 19	10,000 sq ft offic	

This form shows the current list of lease records you have added previously and allows you to

- **Create a new lease** record using the ‘*Create New Lease*’ button, or
- **Edit an existing lease** record, by double-clicking that line item, or
- **Create a copy of an existing lease** by selecting an existing lease then clicking on the ‘*Create Copy of Selected Lease*’* button

**Create Copy of Selected Lease*: Making a copy of an existing record may be helpful if your multiple similar assets leased from the same lessor, for example). you can single-click the “source” lease and click “Create Copy of Selected Lease” to create a new separate lease record copy, which you can then edit as needed by proceeding through the remaining screens.

NOTE: For situations where one lease agreement covers multiple assets you should refer to ASC 842 842-10-55-22 which discusses “master lease agreements”. For situations where there are multiple contracts with the same counterparty, refer to ASC 842-10-25-19; in some situations it may be necessary to combine multiple leases into one record.

NOTE: Under normal circumstances, lease records are “permanent” in the sense that they would stay in the 842ware lease record data set even after a particular lease expires or is terminated. This is necessary in order to preserve correct historical information. In other words, in a normal going concern situation, you should not attempt to “cleanse” older lease records as the years go by. Ideally you would only delete a lease record if it is included in error, or if it is incorrect in such a way that you want to ‘start over’.

Selected Lease Num box:

This read-only box shows you the lease number of the lease you are currently editing, simply as a reminder. This is helpful to ensure you are changing the correct data as you navigate through the following sub-forms. There’s also a read-only box that shows the classification of the given lease.

Lease and Lessor Info Tab

The *Lease and Lessor Info* tab where you ‘name’ the lease and enter data about the Lessor.

842Ware - Create or Edit Lease

842Ware for Lessees *** Indicates required

Select Existing Lease | **Lease and Lessor Info** | Asset Info | Lease Dates and Terms | Lease Payment Schedule | Lease Classification Criteria | Subsequent Events

Lease Number: 1001

Lease Description ***: E&Y Illustration 23

Lease Comments

Lessor: OfficeCo.

Lessor Street Address

City: State:

Postal Code: E-Mail Address: Phone Number:

Parent Lease Number: If this lease is a modification of an existing lease, enter the number of lease being modified here. Otherwise this should be left blank. This must be lower (i.e. earlier) than the lease number above.

Ultimate parent Lease Number: 1001

Next Tab>>>

<< If you are creating a new lease or a new copy of an existing lease, pressing this will save the new record.

Lease Number: This field contains an autogenerated for every new or copied record, to ensure each lease has a unique ID.

Lease Description: This is a required field and it accepts text data. Enter the name you would casually refer to the lease as. This does not need to be a unique name (the lease number is the only unique identifier for each lease).

Lessor, Lessor contact information, and Lease Comments: All this information is optional but may be helpful for you to keep track of your leases.

Parent Lease Number: For “original” leases, this field should be left blank. This field is only used for lease modifications as a way to tie the “new” modified lease to the original lease record.

Ultimate Parent Lease Number: This is a “read-only” un-editable field. For “original” leases, the Ultimate Parent Lease Number will be exactly the same as the Lease Number. For any “new” records created as a result of a lease modification, the Ultimate Parent Lease Number will always tie back to the original lease. For example, if lease 1010 is modified in Year 2 (using “new” lease number 1014) and then is modified again in Year 3 using lease number 1018, the lease numbers for the original lease and the 2 modifications will look like the following:

	Lease Number	Parent Lease Number	Ultimate Parent Lease Number
Original Lease	1010	-	1010
Modification 1	1014	1010	1010
Modification 2	1018	1014	1010

This numbering scheme allows you to tie the different lease records together and see the income statement and balance sheet effects of the lease modifications over the life of the combined arrangement.

Asset Info form

The *Asset Info tab* is where you describe the underlying asset which is subject to the lease agreement.

The screenshot shows the '842Ware for Lessees' application window with the 'Asset Info' tab selected. The form contains several input fields and a large text area for comments. The 'Asset Name' field is marked with '***' indicating it is required. The 'Asset Class' field is a dropdown menu with 'Real Estate - Office2' selected. The 'Asset ID Number' field is empty. The 'Legal Entity' field has 'Parent' selected. The 'Cost Center / Department' field has 'G&A' selected. The 'Asset Address' field is empty. The 'Asset City', 'Asset State', and 'Asset Postal Code' fields are empty. The 'Asset Location 1' and 'Asset Location 2' fields are empty. The 'Asset Comments and Notes' field is a large text area. At the bottom of the form, there are buttons for '<<<Previous Tab' and 'Next Tab>>>'. Below the form, there are buttons for 'Save and Close' and 'Close / Exit'. The 'Selected Lease Num:' field shows '1001' and the 'Operating' status is indicated.

Asset Name: This is a required field, and it accepts text data. Enter the name you'd casually refer to the asset as. This does not need to be a unique name (the lease number is the only unique identifier for each lease).

Asset Class: This is also a required field. It has predefined list of values from the asset classes that you created when you entered the *Set-Up* screen described above.

Legal Entity: This is an optional text field. It can be used to help you segregate assets by legal entity (or other business organization). The Pivot Table reports will include this as a field in the Pivot Table so you can sort or list using this field.

Cost Center/Department: This is also an optional text field. It can be used to help you segregate assets (and importantly, lease expense) by cost center or other business organization. The Pivot Table reports will include this as a field in the Pivot Table so you can sort or list using this field.

ID Number, Address information, and Asset Comments: All this information is optional but may be helpful for you to keep track of your assets under lease.

Lease Dates and Terms form

The **Lease Dates and Terms tab** is where you enter the three important dates from the lease that are needed to calculate the lease accounting information. You also enter any of the financial information from the inception of the lease or from the end of the lease (i.e. other than the normal periodic lease payments).

NOTE: All these dates need to be entered in MM/DD/YYYY format.

NOTE: Please see ASC 842-10-55-19 and -20 and other documentation for interpretations regarding these dates, particularly the Lease Commencement Date. There may be, for example, a situation where the “handover” of the property or asset is a few months prior to the first lease payment is due, to allow the tenant/lessee to make improvements or other construction.

Lease Inception Date: This is typically the date the lease is signed. There are generally no accounting entries necessary on the lease inception date. The lease inception date cannot be after the Lease Commencement Date or the Initial Payment Date (although they can all be on the same day).

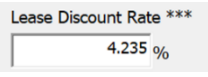
Lease Commencement Date: This is the date on which the lessor makes the underlying asset available for use by the lessee. See “NOTE” above and other interpretations. 842ware will calculate the lease liability and Right-of-Use assets, as well as the follow-on accounting, as of the Lease Commencement Date.

Initial Payment Date: Record the date of the first payment. If there are “free rent” periods, you can use the first actual payment date (i.e. after the free rent periods) and then (in the Lease Payment Schedule) enter only the number of actual payments due.


Alternatively, you could use the date on which the first payment would have been due absent the free rent clause, and then enter the number of free rent periods with a \$0.00 payment amount in the Lease Payment Schedule form (see below).

Payments Due at End of Period checkbox: 842ware's default assumes that your payments are due at the beginning of each period (month, quarter, or year), as this seems to be the predominant practice for most leases. If the lease payments are in fact due at the end of the period, check the box beneath the *Initial Payment Date* field.

Lease Discount Rate: See ASC 842 for much more information on how to arrive at this discount rate. Once you have determined this rate, enter it here. Enter it in 'percents' (e.g. a 4.235% discount

rate should be entered as  .)

Undiscounted and Discounted Lease Financial Information:

 **NOTE:** If you are building a new lease record, the "Future Minimum Lease Payments" box will be blank and will be subsequently calculated after you enter the lease payment data on the following tab ("Lease Payment Schedule" - see below). If you are editing a previously created record, you will see the undiscounted and discounted total future minimum fixed lease payments which are calculated by 842ware.

The remaining boxes in this area allows you to enter Initial Direct Costs, Lease Incentives, Purchase Option Amounts/Early Termination Penalty, and Guaranteed Residual Values. In this section you **ONLY** enter the undiscounted amount; 842ware will calculate the Discounted values based on the timing of the payment (i.e. on the Lease Commencement Date for Initial Direct Costs and Lease Incentives Received, or at the end of the lease payments period for the Option, Termination Penalty, or probable Residual Value).

Initial Direct Costs: Enter any initial direct costs ("IDC") incurred by you in connection with the lease; these should be entered as a positive dollar amount. The undiscounted amount of the IDC will be included as a reduction in the present value calculation for the operating vs financing classification test, and in the 842ware accounting schedules as a credit to cash and a debit to the lease's right-of-use asset on the lease commencement date.

Lease Incentives Received: If you received any incentives related to the lease, enter it here as a positive dollar amount. The undiscounted amount of the lease incentives received will be included as a addition to the present value calculation for the operating vs financing classification test, and shown in the 842ware accounting schedules as a debit to cash and a credit (reduction) to the lease's right-of-use asset on the lease commencement date (which will have the effect of reducing total lease expense (for operating leases) or amortization (for financing leases) over the term of the lease.

Purchase Option Exercise Amount (ONLY if likely or required to exercise): **ONLY** if it is likely, or if you are required, to exercise the purchase option for the underlying asset, enter the purchase option amount here (again, as a positive dollar amount). The discounted amount of the purchase option exercise amount will be included as an addition to the present value calculation for the operating vs financing classification test, and as an addition to the lease liability (and corresponding right-of-use asset). The undiscounted amount of the purchase option exercise amount will be shown in the 842ware accounting schedules as a credit to cash and a debit to lease liability on the end date of the lease.

Early Termination Penalty (ONLY if likely to terminate early): **ONLY** if it is likely that you will early terminate the lease, enter the early termination penalty amount here (again, as a positive

dollar amount). The discounted amount of the purchase option exercise amount will be included as an addition to the present value calculation for the operating vs financing classification test, and as an addition to the lease liability (and corresponding right-of-use asset). The undiscounted amount of the purchase option exercise amount will be shown in the 842ware accounting schedules as a credit to cash and a debit to lease liability on the end date of the lease.

Guaranteed Residual– Full/Maximum Amount:

Guaranteed Residual – Amount Probable of Payment: ONLY if it is probable that you will owe amounts under residual guarantees, enter the probable amount of the guaranteed residual amount (again, as a positive dollar amount). The discounted amount of the guaranteed residual payment amount will be included as an addition to the present value calculation for the operating vs financing classification test, and as an addition to the lease liability (and corresponding right-of-use asset). The undiscounted amount of the guaranteed residual payment amount will be shown in the 842ware accounting schedules as a credit to cash and a debit to lease liability on the end date of the lease.

Lease Payment Comments and Notes: Use this field to enter any user notes that help you or your auditors understand how this data was arrived at.

Lease Payment Schedule form

The **Lease Payment Schedule** tab is where you enter actual periodic minimum lease payments.

Note that ASC 842 requires that any “variable” lease payments be excluded from the minimum lease payments. If you have a lease that has CPI adjustments, you can calculate the estimated CPI-adjusted amounts outside of 842ware and then enter those amounts in this window.

842Ware - Create or Edit Lease

842Ware for Lessees *** Indicates required field

Select Existing Lease | Lease and Lessor Info | Asset Info | Lease Dates and Terms | **Lease Payment Schedule** | Lease Classification Criteria

Rent Schedule

Payment stream profile>>> Monthly Monthly 12/31/2015 <<<Calculated end-date.

Any payment groups that are left blank will be ignored. If there are "free" periods, enter the number of periods and a zero dollar amount

	# of periods	\$ amt. per pmt		# of periods	\$ amt. per pmt		# of periods	\$ amt. per pmt
1st payment	60	1,000.00	9th payment			17th payment		
2nd payment			10th payment			18th payment		
3rd payment			11th payment			19th payment		
4th payment			12th payment			20th payment		
5th payment			13th payment			21st payment		
6th payment			14th payment			22nd payment		
7th payment			15th payment			23rd payment		
8th payment			16th payment			24th payment		

Clear all pmt fields <<<Previous Tab Next Tab>>>

Save and Close Close / Exit Selected Lease Num: 1001 Financing

Payment Stream Profile: Input the periodicity of the lease payments. 842ware defaults to *monthly*, but you can change to either quarterly or annual.

Calculated End Date: As you add periods, the calculated end-date of the lease will be shown in this window.

of Periods: Enter the number of periods for which a particular payment stream is in effect.

of Periods: Enter the amount of the periodic lease payment amount for each particular payment stream.

Example:

Assume you have a lease that is a “step” lease, and requires payments of:

\$10,000 per month in Year 1,
\$12,000 per month in Year 2, and
\$14,000 per month in Year 3

This would be entered as follows in the Lease Payment Schedule form:

842Ware - Create or Edit Lease

842Ware for Lessees *** Indicates required field

Select Existing Lease | Lease and Lessor Info | Asset Info | Lease Dates and Terms | **Lease Payment Schedule** | Lease Classification Criteria

Rent Schedule

Payment stream profile>>> ☒ Monthly ☐ Quarterly ☐ Annual

Monthly 12/31/2013 <<Calculated end-date.

Any payment groups that are left blank will be ignored. If there are "free" periods, enter the number of periods and a zero dollar amount

	# of periods	\$ amt. per pmt		# of periods	\$ amt. per pmt		# of periods	\$ amt. per pmt
1st payment	12	10,000.00	9th payment			17th payment		
2nd payment	12	12,000.00	10th payment			18th payment		
3rd payment	12	14,000.00	11th payment			19th payment		
4th payment			12th payment			20th payment		
5th payment			13th payment			21st payment		
6th payment			14th payment			22nd payment		
7th payment			15th payment			23rd payment		
8th payment			16th payment			24th payment		

Clear all pmt fields <<<Previous Tab Next Tab>>>

Save and Close Close / Exit Selected Lease Num: 1001 Financing

Lease Classification Criteria form

The *Lease Classification Criteria* tab is where you enter information about the lease that determines whether the lease will be classified as Operating or Financing.

The screenshot shows the '842Ware for Lessees' application window with the 'Lease Classification Criteria' tab selected. The window title is '842Ware - Create or Edit Lease'. The tab bar includes 'Lease and Lessor Info', 'Asset Info', 'Lease Dates and Terms', 'Lease Payment Schedule', 'Lease Classification Criteria', and 'Subsequent Events'. The main content area is titled 'Classification Questions *** (go in order from 1-4)'. It contains a note: 'NOTE: while proceeding through the questions, if one box is checked, there is no need to answer additional questions (because checking any box results in Financing classification)'. There are five questions with checkboxes: 1. Check here if legal ownership of the asset transfers to you before, during, or after the lease term. 2. Check here if the asset is NOT expected to have an alternative use to the lessor at the end of the lease term. 3. Check here if you have the option to buy the asset, AND it is reasonably certain you will do so. 4. Check this if the lease term will cover a majority of the remaining economic life of the asset. 4a. If #4 is checked, check this if the lease commencement date is within the last 25% of the asset's economic life. Below these is a text box for '5. What is the fair value of the asset?? (Only necessary if other 4 questions result in Operating classification)' with the value '\$11,000.00'. At the bottom left, there is a 'Financing' button and a '<<Final Classification' button. On the right, there is a 'Lease Classification Comments and Notes' text area and a 'Reason for Classification' text box containing the text: 'This lease is classified as a Financing lease because the present value of future payments exceeds the asset's fair value.' At the bottom of the window, there are buttons for '<<<Previous Tab', 'Next Tab>>>', 'Save and Close', and 'Close / Exit'. A 'Selected Lease Num:' field shows '1001' and a 'Financing' status indicator is visible on the right.

Questions 1-4: These are all Yes/No questions. If the answer to any of the questions is “Yes” then click the checkbox. Clicking any of these questions as “Yes” means the lease is a Financing lease. For Question 4, if the answer is “Yes” then if Question 4A is also checked, then the lease would be classified as “Operating” (assuming no other criteria are met for Financing classification).

Question 5: If none of questions 1-4a cause the lease to be classified as “Financing” then it will be necessary to enter the fair value of the asset. If the amount shown on the last box of the *Lease Dates and Terms* form is greater than the fair value of the asset, then the asset will be classified as Financing.

Reason for Classification: 842ware will show a brief description for why the lease is classified as either Financing or Operating.

Lease Classification Comments and Notes: Enter any notes or comments regarding the classification criteria here.

Subsequent Events form

The Subsequent Events form is where you enter information about:

1. Purchase of Asset under lease
2. Early Lease Termination
3. Lease Modification
4. Lease Impairment

Generally speaking, for most leases, it won't be necessary to do anything with this form. Only if the lease is changed during its term will it be necessary to enter anything here.

The screenshot shows the '842Ware for Lessees' software interface. The 'Subsequent Events' tab is selected. The form contains several sections: 'Subleases' with instructions on handling subleases; 'Termination' with instructions on early termination and derecognition; 'Asset Purchase' with instructions on purchasing the asset and adding costs; 'Modifications' with instructions on modifying the lease; and 'Impairments' with instructions on recording impairment charges. A dropdown menu for 'Enter the status of the lease here' is set to '1. Unmodified'. At the bottom, there are buttons for 'Save and Close', 'Close / Exit', and a 'Selected Lease Num:' field with the value '1001'.

Lease Status dropdown:

1. If your lease continues to be subject to its original terms, then the lease status should be "Unmodified".
2. If you decide to purchase the asset under lease, select "2. Asset Purchase".
3. If you early terminate the lease, select "3. Termination"
4. If you modify the lease, select "4. Modification"

Asset Purchase Date: If you've selected "2. Asset Purchase" because the underlying asset is being purchased, enter the purchase date here. Lease assets and liabilities will be derecognized, and the net derecognized amount will be added to the asset's basis (or gain if the total amount is a credit). If you pay any additional amounts in connection with the purchase, those should be added to the purchased asset's cost..

Termination Date: If you've selected "3. Termination" because the lease is terminated early, enter the termination date here. All lease assets and liabilities will be derecognized and the remaining debit/credit will be charged to lease expense. If any additional amounts are paid along with the termination, those should also be charged to lease expense. You need to ensure ongoing relationships with the lessor are considered (guarantees, service contracts, etc).

Lease Modification: If you've selected "4. Modification" because the lease is being modified, enter the modification date here.

For lease modifications, you will need to create a new lease record (reflecting the terms of the modified lease) using the modified terms. You then "link" the new/modified lease record to "old" lease record by adding the "parent" lease number in the "Lease and Lessor Info" tab of the new lease (i.e. the "parent lease number" of the new lease is the "lease number" of the old lease). The modification date should be the same as the lease commencement date in the new lease. Any net balance remaining from the lease being modified will be charged to the right-of-use asset of the new lease. If there are any new costs associated with the modification, you will need to manually enter that amount in the "Initial Direct Costs" field in the new lease record.


You will be able to report on the "combined" lease by sorting reports based on the "Ultimate Parent Lease Number". (If there are a series of lease modifications (i.e. 2 or more) then they will all show the same Ultimate Parent Lease Number.

Mass Editing Leases

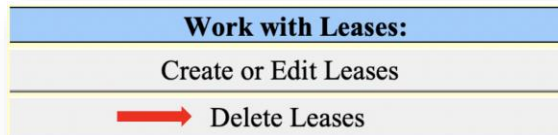
In order to mass edit lease records, it is possible to export your lease records from 842ware to a separate Excel sheet, then edit in that sheet (for example, by copying and pasting multiple entire rows), and then re-importing that sheet into the 842ware application (taking care to ensure unique lease record numbers and correct formatting, etc.). See "[Export and Import Lease Records](#)" in this user guide.

Deleting Leases

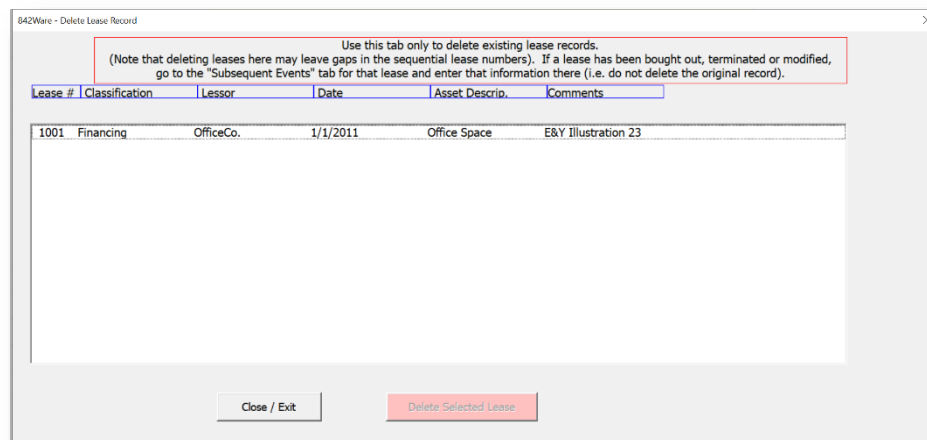
Occasionally it may be necessary to delete a specific lease record.


 **NOTE:** If you have a lease that has been in existence but has reached the end of its lease term (whether through passage of time or through termination or modification), it would generally NOT be appropriate to delete the lease record. Leaving the lease record in place allows 842ware to calculate accurate historical data.


Access the **Delete Lease** form by clicking the Delete Leases from the 842ware main screen.



This will open a screen that includes a list box showing all existing leases. Select the lease record you want to delete, then click the red **Delete Selected Lease** button. You will be asked to confirm the deletion and then 842ware will delete that record.

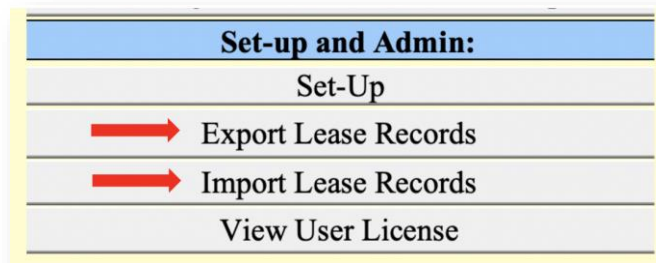


 **NOTE on Lease Numbers:** If you have multiple lease records and you delete a lease record other than the last one, 842ware will leave a gap in the lease numbers. Also, be careful about deleting a “Parent” lease record, in the case of lease modifications.

 **NOTE:** To manage large numbers of lease records, it is recommended to use the Import/Export feature. This allows you to copy, paste, and delete lease records off-line using traditional Excel and then import the new data set. See more details about importing and exporting data in the [Export and Import Lease Records](#) chapter.

Export and Import Lease Records

Access the Export Lease Records form and the Import Lease Records Form by clicking the buttons from the 842ware main screen.



842ware includes features to export the lease record data. This feature exists for two reasons:

1. This allows you another way to save or backup your work.
2. This allows you a way to mass edit or mass add (i.e. upload) lease records (by exporting, editing the exported file, and then re-importing the file).

See notes below on handling the export file and importing.

Export Lease Records

Clicking this button will export the lease records to a new, traditional Excel workbook file. Click “alt tab” to see the new workbook. If you are planning to edit then import this file, you must first save it (e.g. to your desktop) with a new file name (e.g. LREXPORT.xls).

Exporting data does not remove or delete the data in the main 842ware application workbook, it simply copies it, and the original data remains in place.

Example of Exported Lease records file:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R		
1	LeaseNum	entLeaseN	ParentLease	LeaseDescript	Lessor	essorAddre	LessorCity	LessorState	PostalCor	EmailAd	essorPhone	NaseComm	AssetName	assetID	Num	AssetClass	LegalEntity	CostCenter	assetAddress	Ass
2	1001		1001	E&Y Illust OfficeCo.									Office Space			Real Estat	Parent	G&A		
3																				
4																				
5																				

The export file is arranged in a single sheet, with the lease numbers in column A and all the corresponding information for that lease in the remaining columns.

Import Lease Records

Clicking this button will open the following form:

842ware - Import Lease Data

Use this form to Import lease data that was previously exported from 842ware for Lessees.

When you import, you can either:

- a) add the imported list of leases to the existing list in 842ware (i.e. append), or,
- b) delete the entire existing list in 842ware and replace with the imported list.

Before importing, you must ensure that the import data in each column is correctly formatted (i.e. dates are dates, text is text, and currency is currency.) The import does not check for errors. Also, if you are appending, any leases with lease numbers that repeat will be skipped.

☐ Append (add) imported data to existing lease data.

☐ Replace all existing data with imported data.

Run Import Close / Exit

You must select either the “Append” option or the “Replace” option.

1. If you select **Append**, 842ware will add the lease records in the export file to the lease records already in your 842ware application workbook.
2. If you select **Replace**, 842ware will delete all the lease records in the 842ware application workbook and then import the records in the import file.

After selecting **Append** or **Replace**, click the *Run Import* button. Then a Windows file selection window will open. Select your import file and then click “OK” and the import program will run.

Mass Add and Mass Edit of Lease Records:

After you export (but before you import the ‘export’ file), you can edit information in this export file and the import the edited sheet back into 842ware. In this way you can “mass edit” or “mass add” lease records.


IMPORTANT NOTES ON EDITING THE EXPORT FILE:

The import function does not have robust error checking. Therefore, it is necessary for you to ensure the “cleanliness” of the data in the export file before you import it back to 842ware. For example:

1. Date fields must stay as date fields, and are formatted as such.
2. Currency fields must stay as currency fields, and are formatted as such.
3. Boolean fields (“TRUE” or “FALSE”) must be either “TRUE” or “FALSE”.
4. DO NOT add any new columns to the export file.
5. DO NOT change the column headings.
6. DO NOT have any empty rows within the region of data (e.g. if you want to have 20 lease records, you would have the column headings in row 1, lease records in rows 2 through 21, and no data in any row past row 21).
7. DO NOT have repetitive lease record numbers.
 - a. If you “Append” the export file,:
 - i. 842ware will check the import file for duplicates within the export file. If any are found, the import will be cancelled.
 - ii. If any lease record numbers that exist in the export file also exist in the 842ware application workbook, they will be skipped in the import.

- b. If you “Replace” the existing 842ware lease records, 842ware will check the import file for duplicates within the export file. If any are found, the import will be cancelled.

When editing or adding to the export file, it is highly recommended that you copy entire rows, paste them within the region of cells that already have data, and then edit those rows (taking time to change lease record numbers), in order to ensure the formatting and content of the import file stays clean.

 **NOTE** on Lease Numbers: If you have multiple lease records and you delete a lease record other than the last one, 842ware will leave a gap in the lease numbers. Also, be careful about deleting a “Parent” lease record, in the case of lease modifications.

Consolidated Lease Report

The main report you should use to analyze and understand the lease accounting results generated by 842ware is the “Consolidated Lease Report (Pivot Table)”: This report summarizes all the accounting entries required by ASC842 based on the lease records you enter. In order to access the Consolidated Lease Report, simply select the button from the main screen:

Consolidated Lease Report (Pivot Table)

The Consolidated Lease Report will run, and will generate in a new Excel workbook, which you can access by “Alt – Tab”. You can save the new workbook the same as any other Excel file.

Generic Company LLC

842ware - Combined Lease Report - Run on: 6/11/2019 7:39:31 PM by Blaine Wright

		Values										
Years	Trx Category	Liab	ROUAsset	Cash AP	Prepaid	Expense	Amortization	Interest	DeferredRent	Gain/Loss	PP&E	
2011	Payments	131,563.42	-3,521.44	-132,000.00	0.00	3,958.02	0.00	0.00	0.00	0.00	0.00	
	LeaseCommencement	-391,874.54	389,874.54	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	LeaseInception	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	EOM	-13,771.35	-113,244.16	0.00	0.00	127,015.51	0.00	0.00	0.00	0.00	0.00	
2011 Total		-274,082.47	273,108.94	-130,000.00	0.00	130,973.53	0.00	0.00	0.00	0.00	0.00	
2012	Payments	131,686.22	-4,004.06	-132,000.00	0.00	4,317.84	0.00	0.00	0.00	0.00	0.00	
	EOM	-8,801.96	-118,573.37	0.00	0.00	127,375.33	0.00	0.00	0.00	0.00	0.00	
2012 Total		122,884.26	-122,577.43	-132,000.00	0.00	131,693.17	0.00	0.00	0.00	0.00	0.00	
2013	Payments	131,863.65	-4,181.49	-132,000.00	0.00	4,317.84	0.00	0.00	0.00	0.00	0.00	
	EOM	-3,551.49	-123,464.02	0.00	0.00	127,015.51	0.00	0.00	0.00	0.00	0.00	
	End Date	0.00	0.02	0.00	0.00	-0.02	0.00	0.00	0.00	0.00	0.00	
2013 Total		128,312.16	-127,645.49	-132,000.00	0.00	131,333.33	0.00	0.00	0.00	0.00	0.00	
2014	Payments	11,970.73	-365.29	-12,000.00	0.00	394.56	0.00	0.00	0.00	0.00	0.00	
	EOM	-813.70	-10,791.75	0.00	0.00	11,605.45	0.00	0.00	0.00	0.00	0.00	
2014 Total		11,157.03	-11,157.04	-12,000.00	0.00	12,000.01	0.00	0.00	0.00	0.00	0.00	
2015	Payments	11,989.47	-384.03	-12,000.00	0.00	394.56	0.00	0.00	0.00	0.00	0.00	
	EOM	-260.45	-11,345.00	0.00	0.00	11,605.45	0.00	0.00	0.00	0.00	0.00	
	End Date	0.00	0.05	0.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00	
2015 Total		11,729.02	-11,728.98	-12,000.00	0.00	11,999.96	0.00	0.00	0.00	0.00	0.00	
Grand Total		0.00	0.00	-418,000.00	0.00	418,000.00	0.00	0.00	0.00	0.00	0.00	

The Consolidated Lease Report gives you information about all the journal entries and accounting for payments over the life of each lease. (Note that “EOM” means “End of Month” and reflects any journal entries that are necessary to properly state the lease assets, liabilities, expenses, and other accounts.

NOTES about the Consolidated Lease Report:

1. The double entry accounting generated by 842ware results in all the debits and credits over the life of the leases to net out to zero.
2. The total cash paid out over the life of the lease will equal to the total amount of Lease Expense (for Operating leases) or to the total amount of Amortization and Interest (for Financing leases).
3. You can manipulate the layout of the Pivot Table to filter or sort by individual lease, lease classification, legal entity, or cost center.

Individual Lease Detail Report

The 842ware Individual Lease Detail Report is a snapshot of all the Lease Record information (which was input by you) and the Lease Accounting generated by 842ware. You can use this to audit the information in 842ware, to review the accounting entries associated with an individual lease, or to archive.

Individual Lease Detail Report

Clicking the ***Individual Lease Detail Report*** menu on the main screen will open a selection screen which allows you to select the lease for which you wish to run the report. The report will generate in a new Excel workbook, which you can access by “Alt – Tab”. You can save the new workbook the same as any other Excel file.

Note that the report has two tabs (worksheets) in the new workbook. The first tab shows all the Lease Record data and certain other information, and the second tab shows the lease accounting over the life of the lease.

Example of first tab (“Summary” tab):

A	B	C	D	E	F	G	H
Generic Company LLC							
842ware For Lessees - Individual Lease Report - Summary Page - Run on: 6/11/2019 7:56:15 PM by Blaine Wright							
Lease Number 1002 ParentLeaseNum UltimateParentLeaseNum 1002 Lease Description Example 2			Lease Inception Date 1/1/2011 Lease Commencement Date 1/1/2011 Initial Payment Date 1/1/2011 EndOfPeriodYN FALSE Payment Stream Profile Monthly Lease Discount Rate 5.0000%				
Lessor OfficeCo. Lessor Address Lessor City Lessor State Lessor Postal Code Lessor Email Address Lessor Phone Number			Does Legal Ownership Transfer? No Does Asset Have Alt. Use at end of lease? No Is Option To Buy Exist & Likely to be Exercised? No Does Lease Cover Majority of Remaining Economic Life? No Commence Date In Last 25% Of LifeYN FALSE Present Value for Payments Only \$53,199.27 Initial Direct Costs No Lease Incentives Received \$0.00 Purchase Option Amount \$0.00 Termination Penalty Amount \$0.00 Residual Value Guarantee Probable Amount \$0.00 Residual Value Guarantee Max Amount \$0.00 Present Value For Classification \$53,199.27 Fair Value Of Asset Amount \$200,000.00 Final Classification Operating Classification Reason This lease is classified as Operating because none of the criteria have been met for a Financing lease				
Asset Name Office Space AssetID Number1 AssetID Number2 Real Estate - Office2 Legal Entity Parent Cost Center / Department G&A Asset Address Asset City Asset State Asset Postal Code Asset Location 1 Asset Location 2			LeaseModificationDate LeaseModificationType 1. Unmodified ImpairmentDate ImpairmentAmount				
Lease Comments Asset Comments			Date/Payment Comments Lease Classification Comments				

Example of second tab (“Payments and transactions” tab):

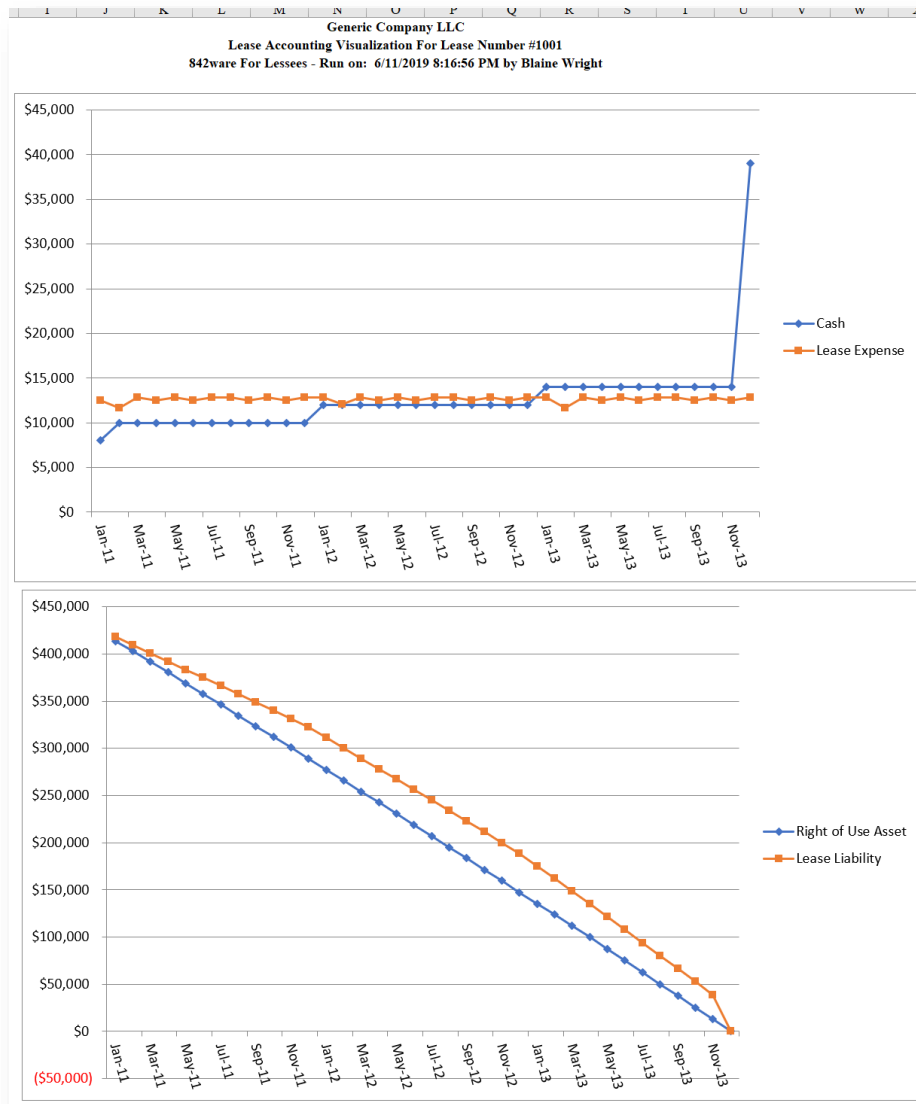
[illegible]

Visualize Lease Accounting Report

This report helps you visualize the balances in the lease-related balance sheet accounts and the amounts of expense and cash paid over the life of the lease.

Clicking the “Visualize Lease Accounting” button on the main screen will open a selection screen which allows you to select the lease for which you wish to run the report. The report will generate in a new Excel workbook, which you can access by “Alt – Tab”. You can save the new workbook the same as any other Excel file.

Note that cash payments are shown as positive so they can easily be compared to lease expense. Also, the ROU Asset and the Liability are both shown as positive values for comparison purposes.



5 Year Disclosure Report

ASC 842-20-50-6 requires a maturity analysis of its finance lease liabilities and its operating lease liabilities separately, showing the undiscounted cash flows on an annual basis for a minimum of each of the first five years and a total of the amounts for the remaining years.

5 Year Disclosure Report

The 5 Year Disclosure Report is also a Pivot Table which will generate in a new Excel workbook, which you can access by “Alt – Tab”. You can save the new workbook the same as any other Excel file.

A	B	C	D	E	F	G	H
Generic Company LLC							
842ware - 5 Year Disclosure Report - Run on: 6/11/2019 10:25:00 PM by Blaine Wright							
Drop Report Filter Fields Here							
Cash AP		Classification					
Trx Category	Years	Financing	Operating	Short-term	Grand Total		
Payments	2011	-120,000.00	-132,000.00	-110,000.00	-362,000.00		
	2012	-144,000.00	-156,000.00	0.00	-300,000.00		
	2013	-168,000.00	-180,000.00	0.00	-348,000.00		
	2014	0.00	-12,000.00	0.00	-12,000.00		
	2015	0.00	-12,000.00	0.00	-12,000.00		
Payments Total		-432,000.00	-492,000.00	-110,000.00	-1,034,000.00		
Grand Total		-432,000.00	-492,000.00	-110,000.00	-1,034,000.00		

IMPORTANT NOTE: This report may require some manipulation in order to meet the ASC requirement, as follows:

1. Add the “Lease Commencement Date” field to the “Filter” dimension of the Pivot Table in the Report. Then, filter out any leases with Lease Commencement Dates after the balance sheet date for your disclosure. This will remove any “future” leases that weren’t on the balance sheet at the balance sheet date.
2. Depending on your requirements, you may include or exclude Short Term leases from the disclosure.

Weighted Average Term and Discount Rate Report

ASC 842 requires disclosure of weighted average remaining term and weighted average discount rate, broken out by Operating and Financing Leases.

To access the Weighted Average Term & Discount Rate Report, click the button on the main screen.

Wtd. Avg. Term & Discount Rate Report

842ware will prompt you for the balance sheet “as-of” date for which you want to run the report. The report will then include all leases inside 842ware which have lease commencement dates prior to the balance sheet date and have end dates after the balance sheet date.

Generic Company LLC Weighted Average Term and Discount Rate Report as of 12/31/2012												
Lease #	Commencement	Pmt Interval	Classification	1st Pmt	# Pmts	End Date	Rem Days	PVFMPLP	Days x PV	Discount %	% x PV	
1001	1/1/2011 Monthly		Operating	1/1/2011	36	12/31/2013	365	\$188,742.33	\$68,890,952.00	4.24%	\$7,993.24	
1002	1/1/2011 Monthly		Operating	1/1/2011	60	12/31/2015	1095	\$33,498.98	\$36,681,383.00	5.00%	\$1,674.95	
1003	1/1/2011 Monthly		Financing	1/1/2011	36	12/31/2013	365	\$188,742.33	\$68,890,952.00	4.24%	\$7,993.24	
								Operating Leases	\$222,241.31	\$105,572,335.00	\$9,668.19	
								Financing Leases	\$188,742.33	\$68,890,952.00	\$7,993.24	
								Total	\$410,983.65	\$174,463,287.00	\$17,661.43	
Weighted Average Term Remaining												
										Days	Years	
Operating Leases										475	1.3	
Financing Leases										365	1	
Total										425	1.16	
Weighted Average Discount Rate												
Operating Leases										4.35%		
Financing Leases										4.24%		
Total										4.30%		

This report includes all leases where the requested balance sheet date is after lease commencement and before end of lease.

Exhibit A - End User License Agreement

END-USER LICENSE AGREEMENT

This End-User License Agreement ("Agreement") is a legal agreement between you ("Licensee", as defined below) and 842ware LLC ("842ware") for the software product that accompanies this Agreement, or that is subsequently provided to the Licensee pursuant to further order, including any associated media, printed materials and electronic documentation (collectively, the "Software", as defined below). By opening, installing, copying, downloading, accessing or otherwise using the Software, Licensee agrees to be bound by the terms of this Agreement. If Licensee does not accept and agree to the terms and conditions of this Agreement, 842ware is unwilling to license the Software contained herein to Licensee. In that case, do not install, access or use the Software; rather, delete all copies of the Software from your computer or network.

DEFINITIONS

When used in this Agreement, the following terms shall have the respective meanings indicated, applicable to both the singular and plural forms of the terms defined:

- "Licensor" means 842ware LLC.
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