*This Agreement is a Model Agreement, and cannot and should not be used without substantial revisions to adapt it to the actual agreement between two parties. The Agreement can be used as a starting document when a small firm is seeking to leverage the resources of a large firm for development of a technology into a product. This Model Agreement as drafted, does not contemplate funding by the Government. Where the parties seek Government funds, through competition or otherwise, other agreements may be necessary, such as a Teaming Agreement or Government Subcontract. As with all form documents, parties seeking to use this Model form Agreement should seek professional legal assistance. Provisions in brackets or Alternatives introduced by italicized "Alternate" designations relate to options and alternatives to which the parties may or may not agree. The italics in brackets below represent alternatives that potential users of the Model Agreement may contemplate. Most of the italicized alternatives relate to the option of the small business working jointly with the large firm to co-develop the commercialized product or system, rather than simply licensing development of the product to a large firm.*

**AGREEMENT FOR JOINT TECHNOLOGY DEVELOPMENT,  
LICENSING AND MARKETING**

This agreement for the joint technology development, licensing and marketing ("Agreement"), is by and between Small Business Concern, [Address] ("SBC") and Large Business Concern, [Address] ("LBC") (individually "party" and collectively the "Parties").WHEREAS, SBC has developed technology under the Small Business Innovation Research ("SBIR") Program that [describe or name] (hereinafter the "SBC Technology"), which SBC believes will be suitable for application such as [describe chief application or use];WHEREAS, LBC has skills, personnel, resources, and/or experience that would be valuable in advancing and commercializing the SBC Technology;[WHEREAS, LBC has [developed a technology] that [describe the technology, its functionality, or features that make it desirable to integrate with the SBC Technology] for has the capability(ies) to further advance or develop the SBC Technology] and for [the LBC Technology is compatible with and could be integrated with the SBC Technology;]] andWHEREAS, the Parties wish to work together in the further development of the SBC Technology, [and possible integration of the SBC and LBC Technologies into a System], and production, marketing and sale of Product(s) or System(s) derived from the SBC Technology and/or LBC Technology.NOW THEREFORE, for the promises stated herein and other good and valuable consideration, the receipt and sufficiency of which the Parties acknowledge, the Parties state and agree as follows:

1. DEFINITIONS

*"Confidential Information"* means information deemed confidential and proprietary by SBC and LBC which they protect in confidence from unauthorized disclosure to Third Parties and which includes, by way of example, but is not limited to all information transmitted to the other Party under this Agreement and marked "Proprietary and Confidential," corporate and  
financial information such as actual and prospective revenues or profitability, trade secrets,   
Product(s), System(s), Licensed Product(s) or Licensed System(s), software, user and/or operations manuals, technical information, technical data, commercial and/or marketing plans, know-how, formulae, techniques, methods, procedures, processes, computer programs, programming interfaces, designs, sketches, plans, drawings, specifications, reports, customer lists, actual and prospective investors and/or corporate partners, and other information relating to SBC's or LBC's businesses, their distribution networks and those of SubLBCs, as defined below, customers and suppliers, pricing information, and information not generally known to the public or within the industry or trade in which SBC or LBC compete, and information pertaining to inventions, ideas, or configuration and operation of the Product(s), Service(s), and Deliverable(s) developed herein. Written Confidential Information shall be disclosed to the other Party to this Agreement in documentary or tangible form marked "Proprietary" or "Confidential." Confidential Information may be disclosed orally and/or visually.*"Deliverable(s)"* means the work, documentation, software, hardware, materials, First Article, Product(s) and all other tangible information and materials that the Development Plan set forth in Exhibit B requires LBC to deliver to SBC.*"Delivery Schedule"* means the schedule of times and milestones described in the Development Plan set forth in Exhibit B and which govern time of delivery of Deliverables to SBC by LBC.*"Derivative Work(s)"* means: (i) for material subject to copyright or mask work right protection, any work which is based upon one or more pre-existing works of the SBC and/or LBC Technologies, such as a revision, modification, translation, abridgement, condensation, expansion, collection, compilation or any other form in which such pre-existing works may be recast, transformed or adapted, (ii) for patentable or patented materials, any adaptation, subset, addition, improvement or combination of the SBC and/or LBC Technologies, and (iii) for material subject to trade secret protection, any new material, information or data relating to and derived from the SBC and/or LBC Technologies, including new material which may be protectable by copyright, patent or other proprietary rights, and, with respect to each of the above, the preparation, use and/or distribution of which, in the absence of this Agreement or other authorization from the owner, would constitute infringement under applicable law.*"Fields of Use"* means the relevant market segments, product areas and/or uses identified in Exhibit C which limit LBC's use of the SBC Technology and marketing and sale of Product(s) and/or System(s).*"First Article"* means the first Product(s) or System(s) LBC produces prior to the first sale of a Product or System that reflect capabilities of LBC to produce Product(s) or System(s) in quantity at a level of commercial quality acceptable to SBC, and which LBC will submit to SBC for acceptance under this Agreement and Exhibit B hereto.*"Gross Revenues"* means the gross amount of monies actually paid by Third Parties within the Field of Use to LBC (and its SubLBCs) for each and all Product(s) and/or System(s), less all credits, and allowances actually granted to LBC on account of rejections, returns or billing errors, incurred by the LBC and related to the Product(s) or System(s). Where Product(s) and/or Systems(s) are sold in combination with other products or systems, or as part of a kit, "Gross Revenues" shall be that portion, measured in US dollars, that the Product(s) and or System(s) comprise of the total value of the products or systems, measured in US dollars.*"Intellectual Property Rights"* means, on a world-wide basis, any and all of SBC's or LBC's (i) rights associated with works of authorship including, without limitation, copyrights and mask-works; (ii) trademark and trade name rights and similar rights; (iii) trade secret rights, including SBIR Data Rights; (iv) patents, designs, algorithms, know-how, computer system assembly, and other industrial property rights; (v) all other intellectual and industrial property rights of every kind and nature and however designated, whether arising by operation of law, contract, license, or otherwise; and (vi) all registrations, initial applications, renewals, extensions, continuations, divisions or reissues thereof now or hereafter existing, made, or in force (including any rights in any of the foregoing); (vii) SBC's Marks; and (viii) LBC's Marks.*"License"* means any license granted expressly under this Agreement.*"Licensed Product(s)"* or "Licensed "System(s) means Product(s) or System(s) subject to a License under this Agreement.*"LBC Marks"* shall mean LBC's name and any and all LBC trademarks, service marks, trade names, service names, and logos.*"LBC Technology"* means technology in which and to which LBC owns all of the Intellectual Property Rights, which LBC integrates with the SBC Technology into a System.*"Maintenance"* means the services LBC will provide to Product(s) sold to buyers of the Product(s) to maintain them during the warranty period, if any warranty is provided.*"Modifications"* means any and all updates, enhancements, improvements, variations, fixes, adjustments, adaptations, and any other changes, regardless of how nominal, to the SBC Technology which 1) LBC makes to the SBC Technology; 2) SBC licenses to LBC as part of the SBC Technology; and/or 3) SBC makes to the SBC Technology and transmits to LBC under this Agreement subject to the Licenses hereunder.*"Product(s)"* means a product into which the SBC Technology is integrated, in whole or in part, and shall: (i) have a principal purpose which is substantially different from that of the stand-alone SBC Technology; (ii) represent a significant functional and value enhancement to the SBC Technology; (iii) operate in conjunction with or utilize the SBC Technology; (iv) not be marketed as a technology which replaces or substitutes SBC Technology; and (v) result from the Development Plan set forth in Exhibit B, and (vi) not incorporate an LBC Technology.*"Quarter"* means one of 1) January through March; 2) April through June; 3) July through September; and 4) October through December.*"Royalties"* shall mean the cash payments and revenues paid by LBC (or its SubLBCs) to SBC in exchange for the rights to use the SBC Technology and Product(s) and/or System(s) under this Agreement within the Fields of Use, which uses, but for the Agreement, would constitute an infringement of a valid claim under the Intellectual Property Rights of SBC.*"SBC Marks"* means SBC's name and any of its trademarks, service marks, trade names, service names, domain names, logos, icons, and graphic images owned by SBC and provided by SBC to LBC for use pursuant to this Agreement.*"SBC Property"* means SBC Technology, Intellectual Property, Modifications, all SBC data, technology, or other tangible records, data or material SBC delivered to LBC at any time under this Agreement, and all Derivative Work(s), data, material, Product(s), or other data or material SBC owns.*"SBC Technology"* means the Technology developed by SBC under the Small Business Innovation research ("SBIR") Program or elsewhere, or at its own private expense, or in combination there of, as more particularly identified in Exhibit A, and Modifications thereto.*"Services"* means services LBC performs under the Development Plan in the process of implementing the Development Plan, and other services LBC performs in designing, developing, fabricating, installing, marketing and selling the Product(s) and/or System(s).*"Specifications"* means any design specifications for the Product(s) and/or System(s) set forth in the Development Plan described in Exhibit B.*"SubLBCs"* means Third Parties that are unaffiliated with LBC, that LBC uses or intends to use as vendors, suppliers, subcontractors or consultants, and with which LBC may contract, or to which it may sublicense the SBC Technology, with SBC's written consent and approval, to work on LBC's behalf in performing the scope of work in the Development Plan set forth in Exhibit B, or utilizes or will utilize in marketing and selling the Product(s) and/or System(s).*"System(s)"* means Product(s) in which the SBC Technology is integrated with an LBC Technology.*"Territory"* means the geographic area(s) to which LBC is limited for marketing and selling the Product(s) and/or System(s).*"Third Parties"* means any persons or entities other than LBC or SBC.2. LICENSE GRANTS

2.1 SBC Technology License. Subject to the terms and conditions contained  
in this Agreement, SBC grants to LBC, under and to the extent of SBC's Intellectual Property Rights, and solely for performance required of LBC by the Development Plan in Exhibit B, and limited to the Field(s) of Use specified in Exhibit C, a non-exclusive, nontransferable License, without the right to sublicense, except as provided herein and below, to: (i) use the SBC Technology for purposes specified in this Agreement; and (ii) make Modifications to the SBC Technology for the purpose of creating Derivative Works in the form of Product(s) and/or System(s). As long as this Agreement remains in effect, SBC shall not license the Technology to any other individual or entity.

a. Limitation on LBC's Rights. Except as specified in this Agreement, LBC shall have no right to distribute SBC Technology, Products, or Derivative Works it develops under this License. LBC shall use the SBC Technology solely for the purpose of creating Product(s) and/or System(s) in accordance with the Development Plan in Exhibit B, and marketing and selling the Product(s) and/or System(s) within the Fields of Use. LBC may sublicense and deliver a copy of the SBC Technology to Third Parties (i) only in association with the delivery and sublicensing of Product(s) and/or System(s); (ii) solely for the purpose of enabling such Third Parties to support development of Product(s) and/or System(s); (iii) solely within the Fields of Use; and (iv) only with SBC's prior written approval. Any such sublicense by LBC shall be made subject to terms, conditions, and limitations relating to ownership, use, compatibility, and confidentiality of the SBC Technology substantially similar to those terms contained herein, which shall include making SBC a third party beneficiary to any such sublicense, and shall not exceed any of the restrictions on Fields of Use or other limitations set forth in this Agreement.b. Modifications. SBC will work with LBC to identify any Modifications which are necessary to develop or commercialize the SBC Technology, and SBC  
will use reasonable efforts to facilitate LBC's efforts in making such changes. LBC shall report all such Modifications to SBC no later than thirty (30) days after making the Modifications to the SBC Technology.c. Defect Fixes. LBC will inform SBC promptly, and no later than it informs any Third Party, of any defects identified in the SBC Technology. SBC shall correct such defects at SBC's expense, which corrections are Modifications as defined herein. SBC will make all such Modifications promptly available to LBC free of all restrictions not later than ten (10) days after they are made to the SBC Technology. Pursuant to the Ownership Section below, SBC shall own all such Modifications.

2.2 Documentation.

a. Rights to Documentation. SBC grants to LBC, under and to the extent of SBC's Intellectual Property Rights, a non-exclusive, non-transferable license to: (i) use the Documentation for internal development purposes, (ii) copy, use and modify the Documentation to create technically accurate LBC documentation (which must include all the relevant SBC copyrights, notices, and marks), (iii) translate the Documentation into other languages, and (iv) distribute such translated or modified Documentation in connection with distribution of the Product(s) and/or System(s). LBC may also use a pointer to the SBC Documentation on SBC's website in connection with distribution of the Product(s) and/or System(s). Such License grant is subject to the Distribution and Ownership Sections below.

2.3 Exclusive Licensee. SBC agrees that it will not grant a License to the SBC Technology or SBC Property to any individual or entity other than LBC within the Fields of Use, as long as this Agreement is in effect. These nonexclusive License grants are solely between LBC and SBC, and SBC retains all the rights to the SBC Technology licensed and granted to LBC herein, including the right to make Modifications to the SBC Technology within the Fields of Use. SBC agrees not to compete with LBC with respect to production and marketing of the SBC Technology or SBC Property within the Fields of Use.2.4 Representation and Warranty. LBC agrees and acknowledges that SBC makes no warranties or representations regarding the fitness, worth, accuracy, marketability, patentability or further patentability, merchantability or any other warranty regarding SBC Technology except as herein stated. SBC represents and warrants that it owns all rights and title to SBC Technology and has the right to license SBC Technology to LBC without violating the rights of any Third Party.

3. DEVELOPMENT PLAN AND SERVICESLBC shall perform the following Services, in accordance with the Development Plan, this Agreement and the Exhibits attached hereto.

3.1 Development Plan. LBC shall enhance, commercialize and develop the SBC Technology by performing the Services, deliver the Deliverables, and develop the Product(s) and/or System(s) described in the Development Plan as set forth in Exhibit B.

4. OWNERSHIP

4.1 SBC's Ownership. SBC shall own all right, title, interest, and all   
Intellectual Property Rights and proprietary rights of every kind whatsoever in and to SBC Technology, all SBC Property (subject to the License rights of LBC under this Agreement), SBC Intellectual Property which SBC owned prior to the execution of this Agreement (which it shall mark as "Confidential Information" prior to submitting to LBC, SBC Marks, all   
Modifications and Development Plan Deliverables and data developed by LBC or any SubLBC in performance of the Development Plan and commercialization of the Product(s), all of which LBC agrees are Derivative Works of SBC Technology, and to which LBC assigns all right, title and interest in rights thereto of any kind to SBC; and all Documentation of SBC Technology, and Development Plan deliverables and data developed by LBC or SubLBCs in performance of the Development Plan and commercialization of the Product(s) and/or System(s).

*[Alternate 1: 4.1 SBC and LBC's Joint Ownership. SBC and LBC shall own all Intellectual Property developed and owned by each of them prior to this Agreement; and this Agreement shall not constitute or be construed to constitute a transfer, assignment, sublicense or other conveyance of such Intellectual Property of each Party by one to the other. SBC shall own all data and Intellectual Property that it develops under this Agreement. LBC shall own all data and Intellectual Property that it develops under this Agreement. The Parties shall jointly own all data and Intellectual Property they jointly develop under this Agreement. Each Party shall own all modifications, enhancements, changes or other alterations that constitute derivatives of its data or other Intellectual Property that the Party owned prior to this Agreement.] [Adjust 4.6 to conform.]*4.2 Limits on LBC's Rights. Except for the License grants under this Agreement, LBC obtains no ownership or other Intellectual Property Rights in the SBC Property. SBC obtains no ownership or other Intellectual property Rights in LBC Technology that LBC may integrate into a System. LBC shall at no time adopt or use, without SBC prior written consent (which may be withheld by SBC, in its sole and absolute discretion), any SBC Mark or variation of the SBC Marks, or any mark likely to be similar to or confused with any of the SBC Marks. Any and all goodwill arising from any use by LBC of the SBC Marks shall inure solely to the benefit of SBC, and neither during nor after the termination of this Agreement shall LBC assert any claim to the SBC Marks or associated goodwill. LBC shall not modify or remove any notices or legends identified as proprietary and placed on or contained within SBC Property. LBC shall not place any LBC Marks on SBC Technology or the Deliverables, unless such LBC Mark is set out and agreed to in the Development Plan. LBC shall include in the Deliverables, Products, Modifications, and other work product under this Agreement such Intellectual Property Rights notices, restricted use and other proprietary legends as requested by SBC, and shall not modify, obscure or remove such notices and legends. LBC acknowledges that except as expressly required for the performance of Services under the Development Plan, LBC may not use, copy, make Derivative Works of, or license, sell, distribute, lease or otherwise provide the SBC Technology, SBC Products, Modifications, or any other Deliverable or Product developed under this Agreement to any Third Party, without SBC's written consent.4.3 Execution of Documents. At SBC's request, LBC shall execute any and all documents and perform any and all acts that SBC may reasonably require in order to perfect SBC's rights pursuant to this Section, or to apply for, obtain, and vest in the name of SBC alone all patents, copyrights, trademarks, or other similar protection for any SBC Property, and, when so obtained or vested, to maintain, renew, and restore the same.4.4 Distribution License to LBC. Subsequent to and upon the condition of  
LBC developing the Product(s) and/or System(s), SBC grants to LBC without any further action required a non-exclusive, royalty bearing, non-transferable, right and license to market, distribute and sell the Product(s) and/or System(s). SBC agrees that it will not grant a similar License to any other Third Party for the term and duration of this Agreement within the Fields of Use set forth in Exhibit C. Such license is granted "AS IS" without any warranties, express or implied, including implied warranties of merchantability or fitness for a particular purpose. LBC may not appoint distributors with rights to sell the Product or Products without the written consent of SBC. LBC shall indemnify and hold harmless SBC from any and all   
claims, suits, demands, expenses (including reasonable attorneys fees) arising out of or based upon any Third Party claims made with respect to the Products distributed by LBC to any Third Party. LBC shall have unlimited rights to market, distribute and sell the Product(s).4.5 LBC Property. As between LBC and SBC, LBC shall have and retain all ownership, right, title, interest, and all Intellectual Property Rights and proprietary rights of every kind whatsoever in LBC's Property, including but not limited to LBC Technology, Marks, and LBC's pre-existing technology of any kind. LBC grants a nonexclusive license to SBC of all rights required to publicly display, perform, distribute, reproduce, copy, transfer, license, sublicense, modify, and maintain all LBC Property contained in the Deliverables, Product(s).4.6 LBC Ownership in New Technology. LBC shall own all technology and Intellectual Property that it discovers independent of SBC Technology, SBC Property or Deliverables under this Agreement, and that is not a Derivative of SBC Technology, SBC Property or Deliverables under this Agreement.

5. COMPENSATION

5.1 In consideration for LBC's performance of the Development Plan and sales of the Product or Products, LBC's compensation shall be in accordance with the terms of Compensation set forth in Exhibit D, Payment Terms To LBC For Product Sales.5.2 LBC shall maintain records of all sales of Products or Derivatives of Product(s). SBC shall have the right at all times to make reasonable requests for access to such records, and LBC shall make such records available to SBC upon SBC's request. In the absence of any such request, LBC shall provide to SBC Quarterly reports of all sales of Products on the tenth day after the end of each Quarter.5.3 During the entire course of development, production, marketing and sale of any Products derived from SBC Technology, LBC shall bear all of its costs of development and performance of the Development Plan, and SBC shall owe no compensation to LBC for its efforts to perform the Development Plan except for compensation due LBC as Licensing Fees and/or for sales of Product(s), in accordance with and pursuant to Exhibit D.*[5.4 In consideration for the Licenses granted in this Agreement, LBC shall pay a royalty and/or other payments to SBC as set forth in Exhibit C.]*

6. MARKETING AND SALES OF THE PRODUCT(S).LBC acknowledges that earnest and regular promotion efforts are essential to the successful introduction and marketing of the Product(s) and/or System within the Fields of Use, and shall make its best commercially reasonable efforts to promote, advertise, market and sell the Product(s). LBC shall provide active and continuous sales representation for the Product(s). LBC shall maintain adequate manufacturing and distribution resources to ensure that an adequate supply of Product or Products that are the subject of this Agreement is available to meet the domestic and international demand for the Product or Products. LBC agrees to promote the Products in at least one trade show held in each year after development of the first article, and to expend at least [$ ] *[or one percent (1 %) of the invoice value of sales of the Product(s)   
in the prior calendar year or portion thereof, whichever is greater]*.

6.1 LBC's promotion, marketing and sales of the Product(s) shall be limited to  
the Fields of Use and/or Territory set forth in Exhibit D.6.2 In the event that LBC fails or refuses to effectuate a sale of the Product(s) within 180 days of Acceptance by SBC of the First Article Product(s) or fails to meet the benchmark for sales set forth in Exhibit E. Failure to meet the sales benchmarks in Exhibit E shall be further grounds for termination in accordance with Section 7 below. SBC shall have the right to terminate the Agreement for cause under the terms of Section 7 below.6.3 LBC shall have sole discretion in marketing Product(s), provided that it complies with the terms of this Agreement. SBC shall have the right to advise LBC on markets, provide market intelligence and other information to LBC, advise it on applications and potential buyers, and make other suggestions, but LBC shall have the sole discretion to market the Product(s) and make sales or [LBC and SBC shall jointly market the Product(s), and bear their own costs of marketing].

7. TERMS AND TERMINATION

7.1 Termination. This Agreement shall be further subject to termination for cause upon the occurrence of any of the events set forth in this Section, including in the event that:

a. either Party defaults on any of its material obligations, representations, or warranties hereunder, or otherwise commits a material breach hereof, the non-defaulting Party may terminate this Agreement by written notice setting forth with reasonable specificity the nature of such default if the default is not cured within thirty (30) days after receipt of the notice, provided that the notice is sent pursuant to one of the accepted methods of providing notice under this Agreement, or fails to make a timely Delivery, and such untimely Delivery is not waived.b. Third Party or Parties bring(s) an action for infringement, in which case LBC shall be responsible for the costs of defending the action, and SBC shall cooperate in such action, but LBC may terminate the agreement.c. LBC [*or SBC*] fail(s) to obtain acceptance of the Development Plan Deliverables and First Article Product(s) from SBC [or LBC], and is[are] unable to correct any deficiencies within thirty (30) days from receipt of a Rejection Notice, SBC [or LBC] may terminate this Agreement for cause.d. bankruptcy, insolvency, liquidation, winding up, reorganization, protection or relief of either Party occurs under any law of any jurisdiction, or upon issuance of any order for relief or the appointment of a receiver, trustee, or other similar official for such Party, the other Party may thereupon terminate this Agreement upon written notice to the first Party, so long as not in violation of law, without prejudice to any right or remedy that such other Party may have. The rights and licenses granted hereunder by the Parties shall be deemed to be, for the purposes of the U.S. Bankruptcy Code (the "Code") (11 USC §365(n)) as amended, licenses of rights to "intellectual property" as defined under § 101 of the Code.e. in the event LBC fails to make a sale of Product in accordance with Section 6.2 for the Parties jointly fail to make a sale of Product within 180 days of mutual acceptance, and this termination provision is not waived].f. The Parties fail to provide mutual acceptance of Delivery of the Deliverables within 60 days of receipt of such Delivery by the last Party to receive Delivery.

7.2 In the event that SBC terminates this Agreement for cause, SBC shall compensate LBC for inventory, spare parts, and other materials LBC has purchased in reliance upon the Agreement, and LBC shall return all such inventory, parts, and materials to SBC. SBC shall have ownership and title to all work in progress as a result of such termination for cause, and LBC shall be liable for all collection costs, including reasonable attorney's fees, that SBC incurs to retrieve and collect such inventory, spare parts and materials.7.3 Effect of Termination.

a. Termination hereof for any reason shall not act as a waiver of any breach existing at the time of such termination, and shall not act or be construed as a release of the breaching Party from any liability for any breach.b. Upon the effective date of the termination hereof for any reason:

i. LBC shall deliver to SBC all SBC Property, Deliverables and work in progress for which SBC has made payment to LBC;ii. all rights and licenses granted from each Party to the other pursuant to this Agreement, together with all limitations thereon, shall remain in full force and effect and shall survive such termination; provided, however, that in the event that this Agreement is terminated by SBC, then all License rights granted by SBC to LBC pursuant to this Agreement shall terminate immediately upon the effective date of the termination. LBC grants to SBC License rights to all System(s) containing LBC Property and rights to SBC to license for sale such System(s) or sell such System(s).

c. Within fifteen (15) days after the effective date of termination:

i. SBC shall refund to LBC any advance payments or retainers SBC shall not be entitled to retain hereunder after all applicable offsets herein; andii. each Party shall return to the other Party, or certify to such other Party the destruction of all copies of such other Party's written Confidential Information as are in the possession of each Party.

7.4 Survival. The respective rights and obligations of the Parties under the provisions of Sections 2 and 4, and all other performance that, by its nature, cannot be fulfilled within the term of this Agreement, shall survive expiration or termination hereof. All rights and obligations herein shall accrue to insure to and be assured by successors-in-interest to either Party.

8. GENERAL TERMS:

8.1 Relationship of the Parties. The sole relationship between the Parties shall  
be that of independent contractors. Nothing herein shall be construed to constitute the Parties as partners, joint venturers, or agents of each other in any way whatsoever. Neither Party shall   
make any warranties or representations, or assume or create any obligations, on the other Party's behalf except as may be expressly permitted. Each Party shall be solely responsible for the actions of its respective employees, agents, and representatives.8.2 Third-Party Beneficiaries. Nothing express or implied herein is intended to confer, nor shall anything herein confer, upon any person or entity other than the Parties and their respective successors and assigns any rights, remedies, obligations or liabilities whatsoever. The LBC agrees to make SBC a third party beneficiary to the rights of LBC in LBC's agreement with any SubLBC.8.3 Confidentiality. Each Party acknowledges that it might receive Confidential Information from the other Party in the course of performing the Services hereunder. The Confidential Information shall be deemed to include all the information one Party receives from the other which is expressly designated as "Confidential" in writing on said information. Each Party agrees to maintain the secrecy of the other Party's Confidential   
Information and agrees not to use it except in performing the Services hereunder or exercising the rights granted hereunder and not to disclose it to anyone outside LBC or SBC or to anyone within LBC or SBC who does not have a need to know it to perform under this Agreement; provided, however, that before any employee of LBC or SBC is shown or provided the Confidential Information, said employee first must execute a written agreement acknowledging that he or she is bound by the confidentiality provisions of this Agreement and agreeing to abide by same. "Confidential Information" shall not include any information that is publicly available at the time of disclosure or subsequently becomes publicly available through no fault of the recipient Party or is rightfully acquired by the recipient Party from a Third Party who is not in breach of an agreement to keep such information confidential.8.4 Assignment. LBC shall not transfer or assign any of its rights or delegate any of its obligations hereunder, in whole or in part, whether voluntarily or by operation of law, without the prior written consent of SBC. Any purported transfer, assignment, or delegation by LBC without such prior written consent shall be null and void *ab initio* and of no force or effect.8.5 Governing Law. This Agreement shall be construed in accordance with the laws of the [State applicable to where the Parties execute the contract is and/or where performance occurs], without regard to that body of law pertaining to conflicts of laws. Furthermore, the Parties agree that any dispute arising out of this Agreement shall be resolved in the state or federal courts of [State], and the Parties expressly consent to jurisdiction therein.8.6 Notices.

a. Any notices or other communications to be given in writing shall be delivered by (as elected by the Party giving such notice): (i) hand; (ii) postage-prepaid first-class, registered or certified mail, return receipt requested; (iii) a prepaid, nationally recognized, overnight courier service; or (iv) facsimile or electronic mail, but only if subsequently confirmed by a duplicate thereof being delivered by one of the foregoing options "(i)" through "(iii)." Unless otherwise provided herein, all notices shall be deemed to have been duly delivered on: (i) the date of receipt (or if delivery is refused, the date of such refusal) if delivered by hand or by courier; (ii) three (3) days after the date of posting if transmitted by mail; or (iii) the date of receipt if delivered by facsimile or email.b. Notices to each Party shall be directed to such Party's address and contact information as set forth as follows, provided that either Party may change its address for purposes hereof on not less than three (3) days prior written notice to the other Party in accordance herewith:

In the case of **LBC**: In the case of **SBC**: **LARGE BUSINESS CONCERN SMALL BUSINESS CONCERN** [*Address*] [*Address*] [*State*] [*Zip*] [*State*] [*Zip*] [*Phone*] [*Phone*] [*Fax*] [*Fax*] [*E-mail*] [*E-mail*] LBC Chief Technology Officer SBC Chief Technology Officer [*Address*] [*Address*] [*State*] [*Zip*] [*State*] [*Zip*] [*Phone*] [*Phone*] [*Fax*] [*Fax*] [*E-mail*] [*E-mail*]

8.7 Agreement Expenses. Each Party shall be responsible for the payment of its own costs, fees, and other expenses ('including without limitation attorney's fees) incurred by such Party in connection with the negotiation, drafting, and execution hereof.8.8 Amendment. This Agreement shall not be amended, modified, or supplemented by the Parties in any manner, except by an instrument in writing signed on behalf of each Party and otherwise as set forth herein.8.9 Waiver. Any of the provisions hereof may be waived by the Party entitled to the benefit thereof. Neither Party shall be deemed, by any act or omission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the waiving Party, and then only to the extent specifically set forth in such writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event.8.10 Cumulative Rights. Any specific right or remedy provided in this Agreement shall not be exclusive but shall be cumulative and in addition to all other rights and remedies set forth in this Agreement and allowed under applicable law.8.11 Neutral Construction. This Agreement is a negotiated document and shall be deemed to have been drafted jointly by the parties and no rule of construction or interpretation shall apply against any particular party based upon a contention that the Agreement was drafted by one of the parties.8.12 Order of Precedence. In the event of any conflict, ambiguity or inconsistency between or among the terms and conditions of this Agreement and any Exhibit hereto, the terms and conditions of this Agreement shall control.8.13 Severability. In the event that the application of any provision hereof to any particular facts or circumstances shall be held to be invalid or unenforceable under the governing law hereof, then: (i) such provision shall be reformed without further action by the Parties to the extent strictly necessary to render such provision valid and enforceable when applied to such particular facts or circumstances; and (ii) such invalidation shall not affect the validity and enforceability of any other provision.8.14 Entire Agreement. This Agreement (together with all Exhibits hereto, Specifications, and Project Specifications, which are made a part hereof and incorporated herein by reference) constitutes the entire agreement between the Parties with respect to the  
subject matter hereof, and supersedes all prior and contemporaneous, written, or oral   
agreements and understandings between the Parties with respect to such subject matter.8.15 Counterparts; Facsimiles. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts together shall constitute one and the same instrument. Each Party shall receive a duplicate original of the counterpart copy or copies executed by it. A facsimile copy of this Agreement, including the signature pages hereto, shall be deemed to be an original.8.16 Injunctive Relief. The LBC acknowledges and agrees that its violation of the provisions of this Agreement with respect to the License Grants, SBC Property, the Intellectual Property Rights of SBC, and protection of its Confidential Information, will cause immediate and irreparable injury and harm, for which SBC will have no adequate remedy at law. In the event of such a breach or threatened breach by LBC, SBC shall be entitled to equitable relief in the form of an injunction, restraining or enjoining the LBC from the offending conduct. Nothing herein shall be construed as prohibiting any Party from pursuing any other remedies available to it, at law or in equity, for such breach or threatened breach, including the recovery of damages.8.17 Exhibits. All Exhibits (A-D) attached hereto are incorporated herein and made a part of this Agreement as if set forth fully in the text of the Agreement.8.18 Effective Date. This Agreement is effective on the date of the last Party to sign below. If signed on the same day, this Agreement is effective on that day.8.19 Term. This Agreement shall be in effect for a period of five (5) years, and renew itself twice, for a total duration of fifteen (15) years, unless either Party provides notice at least ninety days in advance of the renewal date that it does not wish to renew the Agreement, or unless otherwise terminated for cause pursuant to Section 7.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by the signatures set forth below, which both Parties agree are authorized to sign this Agreement.

**SMALL BUSINESS CONCERN LARGE BUSINESS CONCERN**By: By: Name: Name: Title: Title: Date: Date: Enclosures: Exhibit A: SBC Technology Exhibit B: Development Plan and Services Exhibit C: Fields of Use Exhibit D: Payment Terms to LBC for Product Sales Exhibit E: Sales Benchmarks

**EXHIBIT A**

**SBC TECHNOLOGY**

[*Describe the SBC Technology in detail. The description must be sufficiently specific to provide a clear definition of the technology that SBC is licensing to LBC, and which the LBC is developing into Product(s). The detail is critical in delineating and differentiating between the initial SBC Technology and any Modifications to the base SBC Technology that the Parties develop during the period of performance of the Agreement*.]

**EXHIBIT B  
DEVELOPMENT PLAN AND SERVICES**

**1. Development Plan.**

[*Describe the Development Plan, including development of a Specification and/or Statement of Work, to which the Parties agreed for advancement and commercialization of the SBC Technology into the Product or Products. This should include all of the Services required to commercialize and develop the Product or Products*].

**2. Services.**

The Development Plan should describe the specific Services that LBC shall perform in accomplishing the Development Plan, including, but not limited to some or all of the following:

• Services LBC shall perform in accomplishing the Development Plan, which will be incorporated into either a Statement of Work and/or a Specification of the Product(s), and guide the LBC in developing the SBC Technology into the Product(s), or integrating the LBC and SBC Technologies into a System;

• fabrication, delivery, installation and testing of the Product(s) or System;• Deliverables;

• a Delivery Schedule;

• technical training of necessary SBC personnel in implementation, operation, backup and daily maintenance of the Product;

• preparation of documentation for the implementation, operation, and backup of the Product(s);

• make any Modifications, changes, enhancements as may from time to time become necessary to develop, market and sell the Product(s) and/or System, in accordance with the terms of this Agreement;

• provide Maintenance and support for the Product(s), and such warranty services as are commercially customary for such Product(s).

*Alternative 1: [The Development Plan should describe the specific services that SBC shall perform in accomplishing the Development Plan, including some or all of the following:*

• *Services the SBC shall perform in accomplishing the Development Plan, which shallbe incorporated into a Statement of Work and/or a Specification of the Product(s), and which shall contribute to the co-development of the SBC Technology into the Product(s), or integrating the LBC and SBC Technologies into a System;*• *Licensing a pre-existing technology, data, or other Information and/or Confidential   
Intellectual Property Rights to LBC;*

• *SBC Deliverables;*

• *a Delivery Schedule for SBC Deliverables;*

• *technical training of LBC personnel in the SBC Technology;*

• *assist LBC in making Modifications, changes and enhancements as may from time to time become necessary to develop, market and sell the Product(s), develop and/or System in accordance with this Agreement;*

• *assist in maintenance and support of the Product(s).]*

**3. Delivery.** Upon the applicable times set forth in the Delivery Schedule contained in the Development Plan, or as may be otherwise agreed upon in writing by the Parties, LBC [and SBC] shall have [co-]designed and [co-]developed, and shall thereupon deliver to SBC [and LBC] for SBC's [and LBC's joint] approval, the applicable Deliverables. [Joint approval and acceptance of the other party's contribution shall be provided by the Chief Technology Officer of  
each Party named in Section 8.7, and shall not be unreasonably withheld,] LBC [and SBC] shall deliver all Deliverables free of any liens, claims or encumbrances and with respect to roll-out of the Product(s) following SBC's [and LBC's] acceptance of the Product(s) or System. LBC [and/or SBC] will be responsible for the packing of all Products so delivered, and will be responsible for freight and insurance costs on the Product(s) delivered. All Product(s) shall be shipped in a commercially reasonable manner.

**4. Criterion for Success.** After [LBC's notification to SBC of its delivery of the First Article to SBC], or mutual Delivery and mutual acceptance of Delivery by the Parties of all   
Deliverables, SBC [and LBC] shall inspect and test the Product(s) to verify that such Product(s) function properly and conform to the applicable Specifications and the Development Plan. SBC [and LBC] shall have a period of sixty (60) days from delivery of all Deliverables to [jointly] inspect and test such Product(s) or System ("Acceptance Period").

a. In the event that SBC [and/or LBC] determine(s) during the Acceptance Period that the Product(s) or System do not properly function or do not conform to the Development Plan, SBC [or LBC] shall promptly notify LBC for SBC] of such determination in a written notice setting forth with specificity a description of the nonconformities in the Product(s) or System (a "Rejection Notice").b. Upon receipt by LBC for SBC] of a Rejection Notice, LBC for SBC] shall promptly remedy the nonconformities set forth in such Rejection Notice at LBC's for SBC's] sole  
expense. Upon LBC's [or SBC's]completion of such additional Services, LBC [or SBC] shall re-deliver the applicable First Article Product(s) to SBC for LBC], and SBC for LBC] shall have an additional Acceptance Period to inspect and test the First Article Product(s) or System. If the Deliverable fails to meet Specifications as re-delivered, SBC [or LBC] may reject the Deliverable, and receive a refund of all fees paid by SBC [or LBC] for such Product(s) or System, or may provide LBC [or SBC] with another opportunity to correct the nonconforming Deliverable, in SBC's [or LBC's] sole discretion.c. Nothing in this Exhibit B Section 3.3 shall be construed to waive any other remedies available to SBC for LBC] at law or in equity.

**EXHIBIT C  
PAYMENT TERMS TO SBC FOR DEVELOPMENT AND/OR PRODUCT SALES**

This Exhibit D and Section 5 of this Agreement contain all the terms of compensation due, owing, and applicable to LBC for performance of and completion of the Development Plan, and sales of the Product(s) and/or System(s):a. During the course of developing the SBC Technology pursuant to the Development Plan above, LBC shall pay to SBC a License fee of $ (U.S.) per month,  
due and payable on the first day of each calendar month, for use of the SBC Technology.*Alternate I*: Upon signing of this Agreement, LBC shall pay to SBC a single License fee of $ (U.S.) per month, due and payable on the date of the last Party to sign this  
Agreement.*Alternate II*: The Parties agree that no License fee shall be due and owing from LBC for use of the SBC Technology, and that both Parties shall be compensated solely by the sale of the Product(s) or System(s).*Alternate III*: LBC shall pay fixed up front fee to SBC of $ to obtain license  
rights described herein.b. At such time as LBC completes the Development Plan and its first commercial sale of the Product(s) or System(s) under this Agreement, and for fifteen (15) years thereafter, LBC shall pay to SBC royalties on sales of the Product(s) or System(s)in the following amounts:

(i) For the first five (5) years, a royalty amount equal to percent ( %) of Gross Revenues from the sales of the Product(s) or System(s) under this Agreement by LBC;

(ii) For the second five (5) years, a royalty amount equal to percent ( %) of Gross Revenues for sales of the Product(s) or System(s) under this Agreement by LBC;(iii) For the third five (5) years, a royalty amount equal to percent ( %) of Gross Revenues of the Product(s) or System(s) under this Agreement by LBC.

*Alternate I*: For the sale of each Product(s) or System(s), LBC shall pay to SBC a fixed royalty payment of $ .*Alternate II:*  During the period subsequent to LBC's completion of the Development Plan and during the period of sales by LBC, LBC shall pay to SBC a fixed amount of $ per month, irrespective of the amount of sales of the Product(s) or System(s). If this Alternate H   
is used, LBC should not have any reporting requirements.]Royalties shall be due and owing to SBC on a quarterly basis within twenty (20) days after the close of the Quarter in which LBC receives payment for each sale.c. Payment of all royalties, commissions and bonuses shall be made to SBC at its direction in United States Dollars and all currency conversions shall be calculated on currency tables published in the United States edition of the Wall Street Journal newspaper on the last working day at the end of the month in which sales of specialty metal chains for motor vehicles under this Agreement are made,d. For purposes of calculating royalties and other payments hereunder, LBC shall keep full, true and accurate books of account containing information which may be necessary for the purpose of demonstrating the amounts payable to SBC under this Agreement. Said books of accounts shall be kept by LBC at the usual places where its like books are kept. Said books shall be open at all reasonable times for three (3) years following the end of the calendar year to which they pertain for audit and inspection by an independent certified public accountant selected by SBC for the purpose of verifying Gross Revenues and royalties due. Should any such audit or inspection lead to the discovery of a greater than five percent (5%) underpayment for any payment period specified in this Agreement, LBC agrees to pay the full cost of such audit or inspection within thirty (30) days. LBC shall be liable for all costs of collection, including, but limited to reasonable attorneys' fees and costs, SBC shall incur to collect unpaid or untimely royalty payments due and owing SBC.e. All royalty, commission and bonus payments LBC shall make pursuant to this Agreement shall be accompanied by a true and accurate report stating the quantities of the Product(s) or System LBC sold hereunder, and the Gross Revenues of such sales LBC received therefor. If no royalties, commissions or bonuses are due, LBC shall so report to SBC.f. It is expressly understood and agreed by the Parties hereto that all computations relating to determination of the amounts of royalties, commissions and bonuses due and payable pursuant to this Agreement shall be made in accordance with recognized and generally accepted accounting principles as reflected in the practice of certified independent public accountants.g. LBC shall be solely responsible for any tax obligations arising as a result of LBC's activities in making, causing to be made, using and selling the Product(s) or System under this Agreement, including income, sales, withholding, and value added taxes which may arise as a result of domestic or foreign production, distribution, or sale. In all other aspects, all taxes imposed as a result of any payments made under this Agreement shall be borne and paid by LBC.

**EXHIBIT DFIELDS OF USE**

LBC's Fields of Use shall be limited to the following:

a. LBC's Territory shall be worldwide.

*Alternate I*: [Limit the Field of Use to Non-Governmental Markets] *Alternate II:* [Limit the Field of Use to Governmental Markets]*Alternate III*: [Limit the Field of Use to certain Governmental Agencies]

*Alternate IV: [Limit the Field of Use to Certain Industries, such as Medical, Banking, Financial, Agricultural, Biological or Bio-Chemical, Aerospace, Information Technology, Defense, etc.]*

b. LBC`s applications shall be limited to the following technological applications:

*[Specify technological applications and limitations.]*

c. LBC shall use the SBC Technology solely for the purpose of performing actions and Services required by the Development Plan, and developing Product(s) and/or System(s) thereunder.

**EXHIBIT ESALES BENCHMARKS**

LBC shall meet the following benchmark for sales: 1. Within 180 days or earlier of SBC's Acceptance of the First Article, LBC shall effectuate the sale of one Product; 2. Subsequent to such first sale of the Product, LBC shall meet the following minimum sales goals:

[*No. of' sales*] within the next 180 days;[*No. of sales*] by the end of the Second full year after First Article Acceptance; [*No. of sales*] by the end of the Third full year after First Article Acceptance;[*No. of sales*] by the end of the Fourth full year after First Article Acceptance;[*No. of sales*] by the end of the Fifth full year after First Article Acceptance.

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