

Introduction To Licensing Agreement

Innovation Institute, LLC (Licensor)

Simplified Overview of License Agreement

1. The Licensee controls the tasks of improving and promoting inventions, and collecting royalties from intellectual property covering the inventions. These tasks may be parceled to Licensee's Affiliates.
2. The licensee completes patent applications for different countries and manufactures the inventions for the world's markets.
3. International royalties can be only 5% with negotiable \$5,000 deposit.

License Agreement

Innovation Institute, LLC

California Business Center

1652 West Texas Street, Fairfield, California 94533 USA

1-707-427-6447 Fax 1-707 427-6422

Introduction

This License Agreement (the "Agreement") is made between Innovation Institute, LLC (referred to as "Licensor"), and _____ referred to as "Licensee".

Collectively the Licensor and Licensee are referred to as "the parties." Licensor is the owner of designated proprietary rights to invention(s) referred to as _____ [insert invention number(s) and *name(s) which are also the proposed trademark(s)*].

This license was copied, then modified from the digitized Agreement in Nolo.com's book and CD, "License Your Invention."

<http://www.nolo.com/product.cfm/ObjectID/1C2C9C8B-F36C-418E-9CFD726C90EDCC63> Copyright restrictions apply.

The parties agree as follows:

Patent Pending Invention, Improvements, Copyright, Trade Secrets & Trademark

"Property" refers to those invention(s) only described in the portions of patent application serial number(s) and/or patent number(s) shown in confidential Exhibits A and B. Only Exhibit A and this written Agreement can become non-confidential after Licensor signs this Agreement, except as agreed.

The property description and usage are specifically described. Property is the summation of the parts for the clearly designated use(s). Any peripheral descriptions, portions of its property, parts, or possible interpretations of the description are specifically not tied to this Agreement.

Property includes copyrights, trade secrets, formulas, research data, know-how, and specifications related to the invention(s), as well as any trademark rights and associated goodwill. This also includes any improvements, reissues, or extensions, as well as any continuations, divisions, or substitute U.S. patent applications that shall be based on the patent(s); and any patent applications corresponding to the above described patent applications that may have been issued, filed, or to be filed in any number of countries.

Licensed Products specifically described

Licensed Products are defined as Licensee products incorporating the Property and used as specifically described in Exhibits A and B.

Grant of Exclusive Rights

Licensor grants to Licensee an exclusive license to make, use, sell the Property solely in association with the manufacture, sale, use, promotion, or distribution of the Licensed Products. Licensee cannot sub-license this agreement.

Reservation of Rights - All rights reserved

Licensor expressly reserves all rights other than those being conveyed or granted in this Agreement.

Exhibit B covers parts that may help improve Exhibit A as licensee wishes. Exhibit B is not to be licensed. Licensor can license inventions to other parties that may use Exhibit B for purposes other than what's in Exhibit A.

World Territory

The rights granted to Licensee apply to the following countries: _____.

Term of License

This Agreement begins upon the Effective Date, and expires simultaneously with the expiration of the longest-living patent (or patents) or last-remaining patent application as listed in the definition of the Property, whichever occurs last, unless sooner terminated pursuant to a provision of this Agreement.

Fixed yearly term

This Agreement shall commence upon the Effective Date and shall continue for _____ [insert number of years] unless sooner terminated pursuant to a provision of this Agreement.

Term for as long as licensee is completing the patent applications and sells licensed products

This Agreement shall commence upon the Effective Date as specified in Exhibit A and shall continue for as long as Licensee continues to: complete the patent applications in those countries it wishes to be licensed; and, during or thereafter, offer the Licensed Products in commercially reasonable quantities unless sooner terminated pursuant to a provision of this Agreement.

Net Sales

"Net Sales" are defined as Licensee's gross sales minus 10%. The gross invoice is the amount billed customers, less quantity discounts. The 10% deduction is the simpler way of addressing the following costs: shipping, product returns, uncollectible accounts, or for fees or expenses of any kind which may be incurred by the Licensee in connection with the Royalty payments.

Advance Against Royalties

As a nonrefundable advance against Royalties (the "Advance"), Licensee agrees to pay to Licensor upon execution of this Agreement the sum of \$ _____ [insert the amount of the advance].

Guaranteed Minimum Annual Royalty Payment To Licensor

In addition to any other advances or fees, Licensee shall pay Licensor a guaranteed royalty of only \$5,000/mo commencing: 1 July 2011.

License Fee

As a nonrefundable, non-recoupable fee for executing this license, Licensee agrees to pay to Licensor upon execution of this Agreement the sum of \$[Zero].

Royalty on Net Sales

Licensee agrees to pay a Royalty of all Net Sales revenue of the Licensed Products ("Licensed Product Royalty") as follows:

"Base Royalty": The base royalty rate is ____ of net sales.

[] Royalties on Spin-Offs [Optional]

Licensee agrees to pay a Royalty ("Spin Off Product Royalty") of 50% the amount of the total royalty as specified in this Agreement, for all Net Sales of "Spin Off Products." A "Spin-Off Product" is any product that is derived from, based on, or adapted from the Licensed Product, provided that if the product uses the Property it shall be considered to be a Licensed Product and not a Spin Off Product.

Payments and Statements to Licensor

Within thirty days after the end of each calendar quarter (the "Royalty Period"), an accurate statement of Net Sales of Licensed Products along with any Royalty payments due to Licensor shall be provided to Licensor, regardless of whether any Licensed Products were sold during the Royalty Period. All payments shall be paid in United States currency drawn on a United States bank. The acceptance by Licensor of any of the statements furnished or Royalties paid shall not preclude Licensor questioning the correctness at any time of any payments or statements.

Audit

Licensee shall keep accurate books of account and records covering all transactions relating to the license granted in this Agreement, and Licensor or its duly authorized representatives shall have the right upon one week's prior written notice, and during normal business hours, to inspect and audit Licensee's records relating to the Property licensed under this Agreement. Licensor shall bear the cost of such inspection and audit, unless the results indicate an underpayment greater than \$250 for any six-month period. In that case, Licensee shall promptly reimburse Licensor for all costs of the audit along with the amount due with interest on such sums. Interest shall accrue from the date the payment was originally due and the interest rate shall be 1.5% per month, or the maximum rate permitted by law, whichever is less. All books of account and records shall preferably be made available in the United States. However the books can be in European Union, Japan, Korea, China, Hong Kong, Taiwan, Thailand or the Commonwealth countries if the company's headquarters and main books are in one of the previous countries. The \$3,000 annual audit fee is due every January 1st if the location for the main books and headquarters are outside the United States of America, Canada, Japan, or the European Union. The books must be kept available for at least two years after the termination of this Agreement.

Late Payment

Time is of the essence with respect to all payments to be made. If there's any payment provided for in this Agreement, interest is 1.5% per month, or the maximum rate permitted by law, whichever is less.

Infringements. Focus on Catching and Prosecuting Unauthorized: Assemblers and Parts Manufacturers, Those Who Sell or Offer to Sell, Importers, Exporters, Users, Shipping Companies, and Others Who Induce or Contribute to Infringement In Any Way!

Licensee shall carefully monitor world markets for infringements. Licensee shall pay extra attention when infringers appear liable for triple damages plus reimbursement of the infringed party's legal costs.

When either party learns of infringements of the Property or Licensed Products, that party shall quickly notify the other in writing of the infringements or imitations. Licensee is strongly encouraged to quickly commence lawsuits against third persons arising from infringement of the Property or Licensed Products. In the event that Licensee does not commence a lawsuit against an alleged infringer within sixty days of notification by Licensee, Licensor may commence a lawsuit against the third-party. Before filing suit, Licensor shall obtain the written consent of Licensee to do so, and such consent shall not be unreasonably withheld. Each party will cooperate fully and in good faith with the other for the purpose of securing and preserving Licensee's rights to the Property. Any recovery (including, but not limited to, a judgment, settlement, or licensing Agreement included as resolution of an infringement dispute) shall be prorated according to the reasonable attorneys' fees paid by the party bringing the lawsuit.

Licensor's Disclaimer

Licensor's role is limited to the first step of the invention process, which is brainstorming for ideas and possibilities. Licensee's role is to take it from there, including, without limitation, prosecuting pending patent applications on Licensor's inventions. Viability of ideas, patent searches or market research from Licensor and or its affiliated parties for the following are not guaranteed in any way. This includes: the property being licensed, and any other new products, business, safety, and marketing, which may likely be worthless; while

others may be worth considerably more. Licensor's past success in conceiving great ideas does not suggest its other ideas are worthy. Licensee acknowledges that brainstorming is an inexact science, and therefore agrees that Licensor is not responsible for its many errors, except through clear deliberate fraud committed or directed by the CEO, Affiliate, Inventor and signer for the Licensor. Working with many abstract inventions is a complicated gamble, and things often go wrong. Kindly understand Licensee's likely problems can include one or more of the following: non patentability of the property being licensed; licensing property that shouldn't have been licensed for whatever reason; gross negligence; poor record keeping; failure to disclose highly pertinent information; accidental breach of confidentiality; non timely filing of patent office documents; or working with unethical and or improperly screened parties; Etc, Etc. Licensee will carefully verify everything it receives from the Licensor and or its Affiliates.

Indemnification by Licensee

Licensee shall indemnify Licensor and hold Licensor harmless from any damages and liabilities (including reasonable attorneys' fees and costs) arising from any losses incurred by Licensee or its Affiliates.

After the commencement of a lawsuit against Licensee that comes within the scope of this Agreement, namely the realm of intellectual property rights, Licensee may place 50% percent of the royalties due under the Payment Section of this Agreement in a separate interest bearing fund hereinafter referred to as the "Legal Fund" if Licensor elects to place a matching amount into this legal fund. Licensee may draw against such Legal Fund to satisfy all reasonable expenses of defending the suit and to satisfy any judgment or settlement made in regard to the suit. In the event the Legal Fund shall be insufficient to pay the then-current defense obligations, Licensee may advance monies on behalf of the Legal Fund and shall be reimbursed as payments are credited to the Legal Fund.

After the suit has been concluded any balance remaining in the Legal Fund shall be paid to Licensor and all future royalties due to Licensor shall be paid to Licensor as they would otherwise become due. Licensee shall not permit the time for appeal from an adverse decision on a claim to go beyond one week before expiration.

Licensor's Limited Liability

Licensor shall not be liable to Licensee for any incidental, consequential, punitive, or special damages. Should Licensee be considered liable, any indemnity against Licensor shall only be applicable in the event of a final decision by a court of competent jurisdiction from which no right to appeal exists.

Licensor's maximum liability to Licensee under this Agreement, regardless on what basis liability is asserted, shall in no event exceed the total amount paid to Licensor under this Agreement, plus the estimated value of the additional inventions furnished per this paragraph.

Licensee Warranties

Licensee warrants that it will use its best commercial efforts to obtain, and later protect, any patents from infringement by others. Licensee shall actively market the Licensed Products. Their sale and marketing shall be in conformance with all applicable laws and regulations, including but not limited to all intellectual property laws.

Intellectual Property Protection

Licensee will actively and in a timely fashion apply for patents on the Property or Licensed Products provided that such patents shall be applied for in the name of Licensor and licensed to Licensee during the Term and according to the conditions of this Agreement. Time is of the essence in securing and maintaining patent rights.

Licensee shall cover the costs for the preparation, filing, and prosecution of any such U.S. patent application. All reasonable expenses can be deducted on a per country basis as follows: Europe Patent Office, plus each selected country from Commonwealth: \$1,000; Japan, China, Taiwan, South Korea: \$5,000 each; all other countries with annual gross national products over ten billion US dollars: \$3,000.

Licensor may, but is not obligated to seek, in its own name and at its own expense, patent, trademark, or copyright protection for the Property outside the countries in which Licensee is actively following through with the patent application process for the property. Licensee will provide all information it has on what it has learned about the property, along with the patent filing documentation to Licensor for its patent filing process. Neither of the parties (Licensee nor Licensor) warrants the validity of any information it provides the other party; nor any patent, trademark, or copyright which may be granted.

[] Licensee's Time Guidelines: Improving & Promoting Property

The Licensee shall show it has been active in developing and promoting the invention prior to the time it is being sold by furnishing progress reports within the following time lines starting from the signing of this Agreement:

Time Window From 1st Signature Of This Agreement Before Time Guideline Starts: None, 30 Days, Other: _____ Days.

Licensee receives extra _ days after this Agreement is signed to do whatever they wish. This time window is before the Time Guideline Starts.

Step 1 - One month:

By the end of one month (30 days) Licensee will have signed Agreement(s) to do the following: 1. Contract engineers who may work for a percentage of future royalties with or without a small financial payment as well. 2. Conduct a patent search verifying the property might be patentable by conducting patentability searches; 3. Make improvements to the property, such as: enhancing its commercial viability, or broadening the scope of the patent application, making it harder for others to develop similar but different inventions.

Step 2 - Two months

Within two months, Licensee will provide the results of Step 1 to Licensor. Engineer(s) will continue to work on the project, past the first two months, as time permits.

Step 3 – Three months

Within three months, Licensee will have completed a business plan; plus a list of manufacturers, distributors and trade associations related to the property's product field in the U.S. and other countries in the Licensee's territory (if any). This may include contact names, phone, fax, address and email. Initial contact will have been made to at least five parties from this list and potential manufacturer and market pricing will be determined.

Step 4 - Each Month Thereafter

Using best efforts, Licensor shall attempt to generate royalties from the property. Licensor shall consider attempts to succeed with the property including, without limitation, searching for related product information and patents; improving the invention in any way such as expanding the number of features or improving the written product description; prototype construction (not required); communicating with manufacturers for production costs and market research; communicating with distributors for potential sales and market research; communicating the business plan with venture capitalists; Licensee manufacturing the invention themselves with funding from contacts Licensee will have developed.

Licensee's Time Guidelines: Continuing Patent Application Process

Licensor shall complete the patent application process started by Licensor. The licensee shall file [Divisional] Patent Applications, based on the Licensor's PCT (Patent Cooperation Treaty) Patent Application Number(s): _____ . Licensor shall file patent applications for the property in any of the countries within the territory as follows, starting from the signing of this Agreement:

Step 1 – Four Months

Licensee has filed the patent applications in the selected countries that fully accept English applications.

Step 2 – Six Months

Same as step 1, for non-English countries.

Additional Time For Licensee To Meet Time Guidelines

Additional time may be granted to Licensee by Licensor for getting the property's new products onto the market. It applies from the first three months (90 days), up to manufacturing the product for sale to the end user. Up to three months a year of little activity is allowed, if Licensee makes a minimal \$3,000/mo payment into the reserve fund for such months. Waiting for patent office responses to completed patent applications in the targeted countries does not apply, though Licensee will try to nurture the researching, improving and marketing of the property at all times during this Agreement.

Licensee's Monthly Progress Update

Unless total royalties exceeds \$30,000/quarter, Licensee will update Licensor, in writing every month, copies of the work done on the property, along with all findings and results it has achieved.

Compliance with Intellectual Property Laws

The license granted in this Agreement is conditioned on Licensee's compliance with the provisions of the intellectual property laws of the United States and any foreign country in the Territory. All copies of the Licensed Product as well as all promotional material shall bear appropriate proprietary notices.

Help & Resources for Licensee

Licensee may receive and use portion's of Licensor's confidential draft invention marketing guide. The guide may be reproduced for purposes of marketing the property. Licensee is encouraged to submit suggestions for improving the guide. The guide's worthiness is not warranted. Licensee and their parties are strongly encouraged to read all the following printed patenting, licensing and marketing information: "Patent It Yourself", by David Pressman, Nolo Press Nolo.com; "The Inventor's Bible: How to Market and License Your Brilliant Ideas", Rondal Docie, Sr, Ten Speed Press, TenSpeed.com; etc. This Agreement is based on the form in the appendix of "License Your Invention: Sell Your Idea & Protect Your Rights with a Solid Contract", by Richard Stim, Nolo Press. Licensor never warrants the value of any printed or digitized material.

Resources and Licensor's information are not construed as advice or valid in any way. Licensee shall get advice from a patent attorney, intellectual property business consultant, and financial adviser for one's retirement.

Insurance

Licensee shall, throughout the Term, obtain and maintain, at its own expense, standard product liability insurance coverage, naming Licensor as additional named insured. Such policy shall: (a) be maintained with a carrier having a Moody's rating of at least A-; and (b) provide protection against any claims, demands, and causes of action arising out of any alleged defects or failure to perform of the Licensed Products or any use of the Licensed Products. The amount of coverage shall be a minimum of [twenty million] dollars, or ten times annual sales but normally not greater than twenty-five million – whichever is greater, with no deductible amount for each single occurrence for bodily injury or property damage. Product that has a reasonable chance of doing any bodily injury or property damage should not be sold, however Licensee is in sole control of determining the merchantability and usage risks of all products; it shall have a greater insurance coverage to reasonably cover such greater than usual liability. Licensor has the benefit of doubt in determining the amount of such coverage. The policy shall provide for notice to the Agent and Licensor from the insurer by Registered or Certified Mail in the event of any modification or termination of insurance. Licensee shall furnish Licensor and Agent a certificate from its product liability insurance carrier evidencing insurance coverage in favor of Licensor, and in no event shall Licensee distribute the Licensed Products before the receipt by the Licensor of evidence of insurance. The provisions of this section shall survive termination for three years.

Ethics

With it's best efforts, Licensee will screen and monitor its Affiliates for ethical conduct. Unethical behavior can include: abusing any monopoly from this license such as to hassle non-competitors; harming others; upsetting the environment; being unreasonably litigious; non-respect for cultural differences in world markets; and lacking a good reason on having poor credit ratings for late payment of bills. Public goodwill for those who develop, promote, manufacture and distribute the property is very important. Licensee shall try to disclose any known potential conflicts of interest it or its important Affiliates may have with: the nature of this Agreement, or other important Affiliates of the Licensee, and or the Licensor, by attachment to this Agreement. Potential conflicts of interest may include: a strong affiliation with a valuable company contact working in a field similar to the property; or those intending to work at cross purposes to the nature of this Agreement.

Confidentiality

The parties acknowledge that each may be furnished or have access to confidential information that relates to each other's business (the "Confidential Information"). In the event that Information is in written form, the disclosing party shall label or stamp the materials with the word "Confidential" or some similar warning. In the event that Confidential Information is transmitted orally, the disclosing party shall promptly provide a writing indicating that such oral communication constituted Information. The parties agree to try and maintain the Confidential Information for the sole and exclusive benefit of the other party and to restrict access to such Confidential Information to persons bound by this Agreement, on a need-to-know basis. Licensor is working with many complicated ideas possibly related to the property; hence confidentiality from Licensor cannot be promised or guaranteed. Licensee might not furnish Licensor with highly sensitive confidential information unless special provisions have been agreed to in writing.

Termination at will: Licensee's option

Prior to manufacturing for sale, Licensee may, at its sole discretion, terminate this Agreement by providing three month's notice to the Licensor. Six months notice shall be given after the first full production run.

[] Term based upon length of patent protection

This Agreement shall terminate with the expiration of the longest--living patent (or patents) or last--remaining patent application (as listed in the definition of the Property), whichever occurs last, unless terminated sooner under a provision of this Agreement.

Licensor's Right to Terminate

This Agreement remains in effect if Licensee wishes to keep this license and continues to abide by its terms; even if Licensor decides for whatever reason, to terminate its obligations to Licensee.

Licensor shall have the right to terminate this Agreement for the following reasons:

- (a) Licensee fails to pay Royalties when due or fails to accurately report Net Sales, as defined in the Payment Section of this Agreement, and such failure is not cured within thirty days after written notice from the Licensor;
- (b) Licensee fails to introduce the product to market within 18 months from being awarded the first patent; or
- (c) Licensee assigns or Sub-licenses the property; or
- (d) Licensee fails to maintain or obtain product liability insurance as required by the provisions of this Agreement.
- (e) Licensee fails to actively continue the patent filing process started by Licensor.

Terminate as to territory not exploited

Licensor shall have the right to terminate the grant of license under this Agreement with respect to any country or region included in the Territory in which Licensee fails to offer the Licensed Products for sale or distributions for the marketing, distribution, and sale of the product within one year of the Effective Date, They can opt to extend this Agreement for their entire territory should they need more time for this provision, up to twelve months for \$10,000/mo.

Effect of Termination

Upon termination of this Agreement, all Royalty obligations as established in the Payments Section shall immediately become due. After the termination of this license, all rights granted to Licensee under this Agreement shall terminate and revert to Licensor, and Licensee will refrain from further manufacturing, copying, marketing, distribution, or use of any Licensed Product or other product which incorporates the Property. Within thirty days after termination, Licensee shall deliver to Licensor a statement indicating the number and description of the Licensed Products which it had on hand or is in the process of manufacturing as of the termination date. Licensee may dispose of the Licensed Products covered by this Agreement for a period of three months after termination or expiration, except that Licensee shall have no such right in the event this Agreement is terminated according to the Licensor's Right to Terminate, above. At the end of the post--termination sale period, Licensee shall furnish a royalty payment and statement as required under the Payment Section. Upon termination, Licensee shall deliver to Licensor all tooling and molds used in the manufacture of the Licensed Products. Licensor shall bear the costs of shipping for the tooling and molds.

Survival

The obligations of the following Sections, payment obligations, Licensee's warranties, Licensee indemnity of Licensor, Confidentiality, and product liability insurance shall survive any termination of this Agreement.

Attorneys' Fees and Expenses

The prevailing party shall have the right to collect from the other party its reasonable costs and necessary disbursements and attorneys' fees incurred in enforcing this Agreement, or legal court cases between the parties.

Should Licensee Take Adverse Legal Action Against Licensor:

If the Licensee takes any adverse legal action against the licensee or its intellectual property rights, particularly invalidity of patent rights, all royalties will be due and payable for the next first two years and increase 800% from the point in time such adverse legal action is commenced.

Mediation & Arbitration

The Parties agree that every dispute or difference between them, arising under this Agreement, shall be settled first by a meeting of the Parties attempting to confer and resolve the dispute in a good faith manner. If the Parties cannot resolve their dispute after conferring, any Party may require the other Parties to submit the matter to nonbinding mediation, utilizing the services of an impartial professional mediator approved by all Parties. If the Parties cannot come to an Agreement following mediation, the Parties agree to submit the matter to binding arbitration at a location mutually agreeable to the Parties. The arbitration shall be conducted on a confidential basis pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Any decision or award as a result of any such arbitration proceeding shall include the assessment of costs, expenses, and reasonable attorney's fees and shall include a written record of the proceedings and a written determination of the arbitrators. In the event of any such dispute or difference, either Party may give to the other notice requiring that the matter be settled by arbitration. An award of arbitration shall be final and binding on the Parties and may be confirmed in a court of competent jurisdiction.

Governing Law

This Agreement shall be governed in accordance with the laws of the State of California, in the United States.

Jurisdiction

Each party: (a) consents to the exclusive jurisdiction and venue of the federal and state courts located in Solano County, located in the greater San Francisco Bay Area, for any action arising out of or relating to this Agreement; (b) waives any objection it might have to jurisdiction or venue of such forums or that the forum is inconvenient; and (c) agrees not to bring any such action in any other jurisdiction or venue to which either party might be entitled by domicile or otherwise.

Waiver

The failure to exercise any right provided in this Agreement shall not be a waiver of prior or subsequent rights.

Invalidity

If any provision of this Agreement is invalid under applicable statute or rule of law, it is to be considered omitted and the remaining provisions of this Agreement shall in no way be affected.

Entire Understanding

This Agreement expresses the complete understanding of the parties and supersedes all prior representations, Agreements, and understandings, whether written or oral. This Agreement may not be altered except by a written document signed by both parties.

Attachments & Exhibits

The parties agree and acknowledge that all attachments, exhibits, and schedules referred to in this Agreement are incorporated in this Agreement by reference.

Notices

Any notice or communication required or permitted to be given under this Agreement shall be sufficiently given when received by certified mail, or sent by facsimile transmission or overnight courier.

No Joint Venture

This Agreement is between the Licensee, and Innovation Institute, LLC the Licensor, and not the individual inventor(s), and or affiliated parties. The invention incubator building California Business Center of CBC Services, LLC owned by Steven C. Kays, the inventor, and License It Today.com, LLC are not part of this agreement. Nothing contained in this Agreement shall be construed to place the parties in the relationship of agent, employee, franchisee, officer, partners, or joint ventures. Neither party may create or assume any obligation on behalf of the other.

Each party has signed this Agreement through its authorized representative. The parties, having carefully read

this Agreement, indicate their consent to the terms and conditions by their signature below.

License Number: _____

LICENSEE:

Signature: _____

Name/Title: _____

Company: _____

Date: _____

LICENSOR:

Signature

Date: _____

Steve C. Kays, CEO, Inventor & Affiliate
Innovation Institute, LLC
California Business Center
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1-707-427-6447 Fax 1-707-427-6422

EXHIBIT A:

Property Description (What Is Being Licensed)

The property (invention) is licensed for all sales within the description as follows:

_____. The property shall be sold for use in the capacity of:

_____. The property shall be marketed via:

_____. The property covers the summation of the parts for the designated applications. For further clarification, the property does not include:

_____. Other descriptions in said patent application(s) are not the property unless expressly stated.

The attached main description of the potentially patentable property is part of this Agreement, and was read carefully. The invention property description and usage are specifically described. The property is the summation of the parts for the clearly designated use(s). The bulleted points follow the main description are the peripheral descriptions and market. These bulleted points are subsets under the main description's umbrella. Any description not clearly specified in the addendum is not tied to this Agreement.