

EXCLUSIVE DESIGN & MARKETING AGREEMENT

THIS AGREEMENT (“Agreement”) made this ____ day of _____, 2011 (the “Effective Date”), by and between **Licensor** (each referred to individually and collectively herein as “Licensor” or “Licensors”), having a place of business at address and the **Licensee**, having a place of business at address (hereinafter referred to as “Licensee”).

WHEREAS, Licensor has developed a concept for a product which product is the subject of a provisional patent application Serial Number _____ filed on _____, 2011 (the “Provisional Patent Application”) which invention is referred to therein as the “Product” (hereinafter referred to as the “Concept”), which Concept is currently identified by the tradename “Product” (hereinafter referred to as the “Tradename”); and

WHEREAS, Licensor is desirous of seeing the Concept developed, produced and marketed and potentially patented in various markets; and

WHEREAS, Licensee has the product development experience, marketing expertise and resources necessary for such development, production and marketing activities.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained the parties hereto do hereby agree as follows:

1. ***License Grant.*** Licensor hereby grants to Licensee an exclusive, worldwide license in perpetuity to the Tradename and to the Concept, and Licensor hereby grants Licensee the exclusive right throughout the world to make, use, distribute and sell products embodying the Concept and all improvements thereto or variations thereof conceived by the Licensor now or in the future, subject to the royalties and license terms defined in this Agreement. Licensor hereby warrants that the license granted herein is genuine and valid and that it has sole title thereto and has full right, authority and power to enter into this Agreement.

2. ***Product Development Program.*** Upon execution of this Agreement, Licensee will undertake a product development program as Licensee deems appropriate, in order to develop marketable products embodying the Concept and any improvements or modifications thereto (the “Concept Products”). Licensor agrees to assist Licensee in this effort as Licensee may reasonably request by providing Licensee with Licensor’s consulting services at no charge. Each Licensor’s services with respect to the design and promotion of Concept Products shall be exclusive to Licensee during the term of this Agreement and each Licensor shall not, during said term, render the same or similar services with respect to the type of products embodied by Concept Products to any person or entity other Licensee. Licensee shall have the option, at no additional charge to Licensee, in Licensee’s sole and absolute discretion and upon advance written notice to Licensor, to place Licensor’s names (_____) and/or likenesses on Concept Products and/or on the packaging of Concept Products during Licensor’s lifetimes and after Licensor’s deaths. Licensee shall have the right to remove Licensor’s names and/or likenesses from Concept Products or such packaging at any time at its sole and absolute discretion. During

the period of Licensee's use of Licensors' names and/or likenesses, Licensor shall not authorize the use of his or their respective names and/or likenesses in connection with competitor's products that are related to products manufactured or distributed by Licensee, unless mutually agreed by the parties in writing. Notwithstanding the foregoing, Licensor acknowledges and agrees that Licensee shall own all right, title and interest to the Concept Products.

3. **Product Marketing.** Upon completion of the product development program described above, Licensee shall determine which markets to pursue and will determine a marketing plan for the Concept Products in accordance with its customary business practice. Licensee will advise Licensor and will seek Licensor's reasonable input and comments; however, Licensee's determination as to which markets to pursue will be Licensee's sole prerogative and its decision in this regard shall be final. In the event Licensor wishes to pursue marketing opportunities for the Concept in a market for which Licensee has expressly disclaimed any interest, the parties shall consult with each other for the purpose of determining the most appropriate means of pursuing such market in the best interest of the long-term development of the Concept and shall mutually agree upon a sublicense or other appropriate basis for making the Concept available to Licensor for development in such markets, taking into account the respective rights of the parties and the investments made by each of them in the Concept and the Concept Products.

4. **Assignment of Provisional Patent Application; Intellectual Property Ownership.** Each Licensor agrees to assign all right, title and interest he holds in the Provisional Patent Application to Licensee. In the event Licensee opts to pursue one or more patent applications based on the innovations contained in Concept Products, Licensee agrees to include each Licensor as an inventor on a patent application based on the innovations contained in the Concept Products, provided each Licensee agrees to execute such documents as are required by Licensee to memorialize each Licensor's assignment of his right, title and interest to any such patents resulting therefrom. Each Licensor acknowledges and agrees that all patents and patent applications, copyrights, trademarks, service marks, trade names and other proprietary rights in and with respect to the Concept Products are and will remain exclusively the property of Licensee. Each Licensor further acknowledges that he will acquire no interest therein by virtue of this Agreement or the performance by each Licensor of his duties and obligations hereunder.

5. **Term and Termination.** This Agreement shall commence on the Effective Date set forth above and shall remain in effect unless terminated in accordance with this Agreement. Licensee shall have the right to terminate this Agreement for convenience at any time upon the giving of written notice to Licensor, stating that this Agreement is terminated and that all rights granted by Licensor hereunder are reverted to Licensor with the exception of all rights to any pending patent applications and any issued patents held by Licensee. In the event of termination for convenience, Licensee shall discontinue marketing and sale of Concept Products, shall pay to Licensor any and all unpaid royalties and provide a statement for sales of the Concept Products pursuant to the terms of this Agreement. Conversely, in the event that Licensee's product development program described above does not result in the marketing and sale of Concept Products within two (2) years from the Effective Date of this Agreement, Licensor shall have the right to terminate this Agreement at any time after the expiration of such two-year period upon giving written notice to Licensee. Furthermore, if at any time after the initial marketing and sale

of the Concept Products, Licensee ceases to market and sell the Concept Products for a period of two years (2) years or more, Licensor shall have the right to terminate this Agreement upon the giving of written notice to Licensee. For avoidance of doubt, the termination rights conferred upon Licensor must be exercised collectively by both Licensors. Each Licensor acknowledges and agrees that an individual Licensor may not terminate this Agreement. If Licensor provides a written notice of termination in accordance with this Paragraph 5, then Licensee shall, within thirty (30) calendar days following its receipt of said notice from Licensor and subject to Licensee's continuing obligation to pay any unpaid royalties and provide a statement to Licensor under this Agreement, provide Licensor with a signed, written acknowledgement that this Agreement is terminated and that all rights granted by Licensor under this Agreement have reverted to Licensor. Licensee shall have the exclusive right, for twelve (12) months or such longer period as the parties may agree in writing, to use and sell all the then-existing or substantially completed Concept Products and to use all then-existing or substantially completed advertising and promotional materials bearing Licensor's name and/or likeness, provided Licensee shall pay Licensor the royalty set forth in Paragraph 6 below for any sales of existing or substantially completed Concept Products during this period, and further provided that Licensor shall not engage in any activity deemed by Licensee to be competitive with Licensee's sales activity during said sell-off period. If Licensor terminates this Agreement, then all Concept Products, including any product development work done by Licensee, patent applications and issued patents shall remain the property of Licensee and shall not be used by Licensor without Licensee's prior written approval, which approval may be granted or withheld in Licensee's sole and absolute discretion.

6. Compensation. As consideration for the licenses granted, assignments and other agreements contained herein, Licensee shall pay each Licensor a royalty of TWO & ONE-HALF PERCENT (2.5%) for a total royalty payment amounting to FIVE PERCENT (5%) of net sales (after all trade/distributor discounts and returns) for each Concept Product sold by Licensee. For purposes of this Agreement, the term "net sales" shall not include the costs of manufacturing, distributing, advertising, promoting, shipping or any other costs associated with the sale of the Concept Product including any claimed losses except returns. In the event the Concept Product is sold as a part of another product (the "Assembly"), net sales will be determined based on the portion of the net sales attributable to the Concept Product portion of the Assembly only. This royalty shall be accounted for and paid on an annual basis within thirty (30) days following the anniversary of the Effective Date. LICENSEE MUST RECEIVE COMPLETED FORMS W-9 OR W-8 BEN PRIOR TO ISSUING ANY ROYALTY PAYMENT TO A LICENSOR. COPIES OF FORMS W-9 AND W-8 BEN ARE ATTACHED HERETO AND MAY ALSO BE FOUND AT WWW.IRS.GOV. A statement setting forth the basis for the calculation of such royalty shall accompany any such payment. Except in the case of a final payment, if the amount due each Licensor for a specific statement is less than Fifty (\$50.00) Dollars, the payment may be deferred until the aggregate amount due each Licensor exceeds such amount.

7. Release of Claims. Each Licensor, his successors, heirs, and assigns, and his and their agents, representatives and attorneys, do hereby fully and permanently discharge, release, and hold harmless Licensee, its subsidiaries, affiliates, and related corporations, its officers, directors, shareholders, agents, employees, representatives and attorneys, and their successors,

heirs, and assigns, from any and all actions, causes of actions, suits, claims, demands, obligations, liabilities, indebtedness, breaches of contract, breaches of duty or any relationship, acts, omissions, agreements, promises, damages, costs, losses, expenses, attorneys' fees, judgments and executions of every type, kind, nature, description or character, in law or in equity (hereinafter referred to as "Suits"), which the parties ever had, now have, or hereafter can, shall or many have, which have arisen or may arise as a result of claims for royalties, compensation or other things of value alleged owed by Licensee to Licensor prior to the execution of this Agreement, relating to any products owned by Licensee that may have previously contained the Concept, the Tradename, and/or Concept Products, in any of the allegations, contentions, or defenses raised therein, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, and whether presently asserted, from the beginning of time to the date of this Agreement, provided, however, that specifically excepted from this release, other rights, remedies, and obligations of the parties which arise under this Agreement.

8. Third Party Claims. Each Licensor, his successors, heirs, and assigns, and his and their agents, representatives and attorneys, shall indemnify and hold harmless Licensee and any of Licensee's officers, directors, shareholders, agents, employees, representatives and attorneys, sub-licensees, customers and their successors, heirs, and assigns from any against any and all Suits arising out of or relating to a claim that the Concept (excluding any of Licensee's modifications thereto) infringes the patent rights, trade secrets or other intellectual property rights of any third party. In the event Licensor, its successors and/or assigns, is named a party to any Suit brought by a third party arising out of or relating to the Concept Product, then Licensee shall indemnify, defend and hold harmless Licensor and its successors and/or assigns against any such Suit and Licensee shall be the sole party responsible for any and all fees, costs, judgments, settlements, damages imposed upon Licensor, except to the extent that such claim is based on the Concept (excluding any of Licensee's modifications thereto) as set forth above.

9. Notice. Any notice required or permitted under this Agreement shall be in writing and shall be deemed given when sent either by regular or certified mail, return receipt requested, or overnight delivery, to the parties at their respective addresses as first set forth above or at such other addresses as may be given by like notice.

10. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Connecticut without giving effect to its conflicts of laws principles and in any dispute or action arising hereunder the parties agree to submit to the jurisdiction and venue of the courts of said State.

11. Services Unique. The services to be performed by each Licensor and the rights and privileges granted to Licensee hereunder are of a special, unique and intellectual character, which gives them a peculiar value, the loss of which cannot reasonably or adequately be compensated for in damages in an action at law, and the breach by a Licensor of any of the provisions contained in this Agreement will cause Licensee irreparable injury and damage. Licensee shall be entitled, as a matter of right, to seek injunctive and other equitable relief to prevent the violation of any of the provisions of this Agreement by a Licensor. Neither this provision nor the exercise by Licensee of any of its rights hereunder shall constitute a waiver by Licensee of any other rights which it may have to damages or otherwise.

12. **Miscellaneous.** Each Licensor in all respects is an independent contractor and is not an employee of Licensee. Licensor shall not have the authority to act as an agent or in any other capacity for or on behalf of Licensee or to bind Licensee in any manner whatsoever. No party shall assign this Agreement without the prior written consent of the other parties; provided, however, that Licensee shall be permitted to assign this Agreement in connection with the sale or transfer of all or substantially all of its business in one or a series of related transactions. Subject to the foregoing restriction, the provisions of this Agreement shall be binding upon and inure to the benefit of the respective heirs, legal representatives, successors and assigns of the parties hereto. Upon the death of a Licensor, royalties payable hereunder shall be payable to the estate of Licensor. This Agreement constitutes the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and integrates all prior understanding and agreements with respect thereto, including specifically the *Bilateral Confidentiality Agreement Product*, the terms of which are acknowledged by the parties and are incorporated herein by reference. This Agreement may not be altered, amended or modified in any manner except by written agreement of the parties. In the event that any court of competent and final jurisdiction shall find any provision in this Agreement or its attachments to be unenforceable, such provision shall be deemed to be deleted and the balance of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto caused this Agreement to be executed on the day and year first above written.

LICENSOR:

LICENSEE:

By: _____
Date: _____

By: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____