

MANUFACTURING AND MARKETING AGREEMENT

THIS AGREEMENT is made this 21st day of June, 2011, by and between Licensee, a California corporation, headquartered at address ("Licensee"), and Licensor, an individual resident of California ("Licensor").

RECITALS:

WHEREAS, Licensor is the owner of a mold which produces a product called "Product"; Licensee desires to acquire the rights ("Rights") from Licensor to manufacture and market this product; and Licensor desires to sell to Licensee these rights, on the terms described below.

NOW, THEREFORE, the parties agree as follows:

I. Description of the Rights.

a. Acquired Rights. As used in this agreement the term "Rights" shall mean the exclusive right of Licensee use Licensor's mold to manufacture the "Product" product and the exclusive right to market and sell this product ("Product") under whatsoever name Licensee, at its sole discretion, desires to use.

b. Excluded Rights. Licensee shall not acquire any of the intellectual property rights associated with the "Product" product nor any interest in the mold, which rights will be retained by Licensor. No other assets than the Acquired Rights are being acquired by the Licensee and Licensee shall have no interest in any other assets of Licensor.

II. Consideration.

a. Purchase price. Subject to the provisions of this Agreement, Licensee agrees to purchase these Rights by paying Licensor a fee equal to 5% of the "Net Sales" of the Product. ("Purchase Price"). Net Sales shall equal the Gross amount Licensee receives for the sale of the Product less discounts, returns and freight. The payments from Licensee to Licensor will be no less than \$5,000 the first year the agreement is in place and \$10,000 the second year.

b. Should Licensor obtain a patent on the "Product" product, Licensee agrees to pay Licensor 7% of net sales commencing on the date of the issue of such patent through the end of this agreement.

c. Purchase terms. Licensee will make payments on the 15th of the month following the month in which the payments for the Product are received.

III. Term of the Agreement.

The term of this agreement shall be two years and shall terminate, if not renewed, on May 31, 2099. It can be terminated earlier by either party for cause.

IV. Covenants of Licensor.

Licensor hereby covenants and agrees with Licensee that:

a. The mold is in good working condition and Licensor will be responsible to repair

any structural problems or catastrophic failures that occur with the mold.

b. **Licensor** agrees to be responsible for all legal issues arising from **Licensee's** sales of the **Product** where the intellectual property rights are involved and agrees to hold **Licensee** harmless in any legal actions or claims that any third parties may assert relating to infringement of patents, trademarks or any other instances where **Licensee's** sale of the **Product** is challenged on grounds of intellectual property. **Licensor** shall indemnify, defend and hold **Licensee** harmless from and against any and all losses, liabilities, damages, costs and obligations (or actions or claims in respect thereof), which **Licensee** may suffer or incur arising out of **Licensee's** sale of the product as described in the preceding sentence.

c. **Licensor** shall indemnify, defend and hold **Licensee** harmless from and against any and all losses, liabilities, damages, costs and obligations (or actions or claims in respect thereof), which **Licensee** may suffer or incur arising out of the physical use of the **Product** by consumers. **Licensor** agrees to maintain a liability insurance policy in an amount not less than one million dollars to cover all such potential claims as outlined in this paragraph and in b. above, and to specifically include **Licensee** as a named insured.

d. Should **Licensor** obtain a patent on the "Product" product, **Licensor** will grant **Licensee** the first option to secure a licensing agreement subsequent to this agreement.

V. Covenants of Licensee.

Licensee hereby covenants and agrees with **Licensor** that:

a. **Licensee** will make its best efforts to market and sell the **Product**.

b. **Licensee** will be responsible for all normal maintenance of the mold. Should **Licensee** choose to modify the mold by adding a changeable insert, all costs associated with the insert and use thereof including any potential damage to the mold will be **Licensee's** responsibility. **Licensee** agrees to return the mold to **Licensor** at the termination of this agreement in the same condition it was received except for normal wear and tear.

VI. Default.

a. Should **Licensee** fail to make a payment as prescribed in Section II, **Licensee** will be in default. **Licensor** will have 10 calendar days from date of default to notify **Licensee** that they are in default and **Licensee** will have 30 calendar days from the date of default to cure the default by making full payment plus interest accrued at the rate of 1% per month.

b. Should **Licensee** fail to cure the default **Licensor** will have the right to the immediate return of the mold and termination of the agreement.

c. Should **Licensee** cure the default but subsequently default again, **Licensor** will have three business days from the date of the default to notify **Licensee** that they are in default. **Licensee** will have five business days from the date of the default to cure the default. Should **Licensee** fail to do so, **Licensor** will have the option described at b.

above.

VII. Notices.

Any notice required or permitted by this Agreement shall be in writing and effectively delivered for all purposes if delivered by any of the following methods: personally, by overnight delivery service or by United States mail, certified mail, postage prepaid, return receipt requested and:

If directed to Licensee to:

If directed to Licensor to:

All notices shall be deemed delivered upon receipt.

VIII. Brokers.

Licensee and Licensor each warrants to the other that it has not engaged, consented to, or authorized any broker, investment banker, or other third party to act on its behalf, directly or indirectly, as a broker or finder in connection with the transactions contemplated by this Agreement and no such third party is entitled to any fee or compensation in connection with this Agreement or the transactions contemplated hereby by reason of any action of it.

IX. Amendment and Modification.

This Agreement may be amended, modified or supplemented only by written agreement of Licensee and Licensor.

X. Severability.

Any provision of this Agreement that shall be prohibited or unenforceable shall be deemed ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

XI. Entire Agreement.

This Agreement sets forth all of the promises, covenants, agreements, conditions and undertakings between the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and undertakings, inducements or conditions, express or implied, oral or written.

XII. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

XIII. Headings, Exhibits.

The headings used in this Agreement are for convenience only and shall not be used to limit or

construe the contents of any of the sections of this Agreement. All lettered Exhibits are attached to and by this reference made a part of this Agreement.

XIV. Binding Effect.

This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

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

By: _____ By: _____

SAMPLE