

PATTERN DEPOT LICENSING AGREEMENT



Required Information of Licensor	Required For Filing
Name: _____	<input type="checkbox"/> Signature on Agreement
Organization Name: _____	<input type="checkbox"/> Current W-9
Telephone Number: _____	Download W-9
E-Mail Address: _____	<input type="checkbox"/> All pages Initials

AGREEMENT

This licensing agreement (hereinafter referred to as “the Agreement”), dated and effective this day of _____, (“Effective Date”), and the EXHIBIT “A” as defined with 1.b., between, **LHR TECHNOLOGIES INC. (“LHR”), dba “CarveWright”**, a corporation organized and existing under the laws of the State of Texas, United States of America (“USA”), with its headquarters located at:

LHR Technologies, Inc.
4930 Allen Genoa Rd., Suite D
Pasadena, Texas 77504, USA.

AND: Licensor Name (“Licensor”), _____

an individual residing at:

Address: _____

City: _____ State: _____ Zip: _____

Country: _____

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Licensor has created 2.5d, 3d computer models, and/or projects used for carving patterns of various types, styles shapes and sizes; and, wishes to license such computer models/projects to LHR so that LHR might make them available so that third parties might license their use for and through CarveWright CNC Systems and its accompanying CarveWright Software; **LHR** has agreed to license such computer models and make some or all of them available to third parties through its website(s) and CarveWright Software;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants hereinafter set forth and other good and valuable consideration, the parties agree as follows:

CONSIDERATIONS AND TERMS:

As used in this **AGREEMENT**, the following terms have the meaning indicated:

DAYS refers to calendar days unless otherwise specified.

INTELLECTUAL PROPERTY RIGHTS means all intellectual or proprietary rights, including but not limited to copyrights, oral rights, patents rights (including patent applications and disclosures), rights of privacy, mask work rights, and trade secret rights, recognized in any country or jurisdiction.

PATTERN means a 2.5d or 3d computer model.

PROJECT means a collection of paths, 2.5d, and/or 3d computer models arranged in CarveWright software to be made with a CarveWright CNC System.

COLLECTION means a collection of 2.5d or 3d computer models in a grouping to be sold together.

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1. License

- a. Licensor hereby grants to LHR an irrevocable license during the term of this agreement for the sale and sublicensing of all its 2.5d, 3d computer model patterns, projects, and/or collections. These will be licensed for use with CarveWright CNC Systems and accompanying CarveWright Software, or any successor products or software.
- b. All patterns, projects, and collections that are submitted now or in the future into the LHR pattern submission portal and are available for licensing, sale and sub-licensing under this Agreement are identified in "Exhibit A" to this Agreement.
- c. LHR will make such patterns, projects, and/or collections available to sale for third parties on its own website, through the CarveWright software, and/or physical media storage. Further, LHR may make the patterns and collections available for sale on the websites of third parties such as retailers and others; and, through third party retailers and other resellers on physical media storage unless Licensor specifically disagrees, in writing by notice to LHR. Said notice will not impact Licensor's ability to sell through the CarveWright website.
- d. Once LHR sells or sublicenses any such patterns, projects, and/or collections to a third party, Licensor agrees that such license shall be permanent and irrevocable in perpetuity as to that copy of the pattern, project, or collection.
- e. Both parties shall mutually agree which patterns, projects, and/or collections it shall make for sale. Nothing in this Agreement shall obligate LHR to make any of the patterns and collections of Licensor available for sale or distribution.

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- f. The patterns, projects, and/or collections of Licensor under this Agreement shall be branded and distributed under the brand name of "CarveWright." Licensor shall be given appropriate creator and/or authorship credit.
- g. LHR reserves the right to run promotions and discounts on any pattern, projects, and/or collections without prior notice to the Licensor.
- h. **NO MINIMUM COMMITMENT.** Both LHR and Licensor understand and agree that the Agreement does not obligate LHR to purchase, sell or license any minimum number of patterns, projects, and/or collections.

2. Term

- a. The Term of this Agreement shall be one year from the date executed. It shall automatically renew for successive one year periods unless sixty days written notice is given by either party prior to the expiration of such a one year period of their intention not to renew.

3. Compensation

- a. Licensor shall receive 65% of the net proceeds received by LHR for the sale of each pattern, project, or collection sold or licensed by LHR to any third party. LHR shall retain 35% of the net proceeds.
- b. **Deductions and Offsets:** Before calculating the net proceeds that are to be divided between LHR and Licensor, the following deductions shall be made:
 - i. any returns or defective goods allowances;
 - ii. any sales, marketing or promotional expenses;

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- iii. any other mutually agreed expenses directly associated with the distribution of the patterns or collections.
- iv. any other amounts owed to LHR by Licensor.

4. Licensor Warranties

- a. Licensor warrants that the pattern, project, or collection being offered for licensing to LHR are the sole property of Licensor and Licensor represents and warrants that he/she has the right, power and authority to enter into and perform this Agreement, that he/she owns or controls all the rights, licenses and privileges granted to LHR under this Agreement that no other consents, licenses or payments are required, and that Licensor has the right, without any limitations or restrictions whatsoever, to grant the License and rights contained in this Agreement. Licensor additionally represents and warrants that the patterns and collections (including any material contained therein and any advertising and promotional material provided hereunder) do not infringe upon any trademark, copyright or any other rights of any third party.
- b. The execution and delivery of the Agreement and the performance of Licensor's obligations hereunder (a) do not conflict with or violate any requirement of applicable laws or regulations, and (b) do not conflict with, or constitute a default under, any contractual obligation of Licensor.

5. Indemnity

- a. Licensor shall indemnify, defend and hold harmless LHR, and its respective affiliates, parent companies, subsidiaries, officers, directors, employees and

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agents, from and against any and all losses, liabilities, claims, obligations, costs, and expenses (including without limitation reasonable attorneys' fees) (collectively, "Claims") actually incurred by LHR that arise in connection with any breach by Licensor of any of its representations, warranties, obligations, material agreements and undertakings set forth in this Agreement.

- b. Licensor's obligations under this Paragraph 6 shall survive the expiration or termination of the Agreement.

6. Accounting

- a. LHR shall pay to the Licensor all amounts owed under this agreement on a monthly basis. LHR will process payment for all collected sales by the 15th of the month following the sale, with payments to be mailed US Postal Service First Class mail.
- b. Any monetary sums owed to LHR by Licensor shall be repaid and deducted from any net proceeds before any remaining commissions are paid to Licensor.
- c. LHR shall send a statement to Licensor with each net proceeds payment when sales have been made. Any discrepancies or disagreements Licensor may have concerning such statements must be brought to the attention of LHR in writing to the accounting department within 10 days of receipt of the statement at accounting@lhrtech.com or to Accounting, LHR Technologies, Inc. 4930 Allen Genoa Road, Suite D, Pasadena, Texas 77504.
- d. Checks mailed to Licensor at the address on file for the Licensor will not be replaced until 45 days after the date of issuance of the check. Checks will be

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mailed by US Postal Service first class mail. Requests to replace checks prior to expiration of 45 days from issuance will be processed with a \$35.00 stop payment fee.

- e. Notice of change of address for Licensor shall be in writing to accounting@lhrtech.com or to Accounting, LHR Technologies, Inc. 4930 Allen Genoa Road, Suite D, Pasadena, Texas 77504. Checks mailed to the address of record will not be replaced until 60 days after the date of issuance of the check. Checks will be mailed by US Postal service first class mail. Requests to replace checks prior to expiration of 60 days from issuance will be processed with a \$35.00 stop payment fee.
- f. All payments owed by LHR will be made by company check, or by store credit if requested by Licensor, in writing.

7. Pricing

- a. The retail pricing for each pattern or collection shall be set by the parties through mutual agreement. LHR shall consult reasonably with Licensor in order to determine the appropriate retail price for each pattern and collection. The minimum retail price for a pattern, project, or collection shall be five (\$5.00) dollars.

8. General Terms

- a. Entire Agreement
 - i. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior or

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contemporaneous written or oral agreements and representations between the parties with respect thereto. This Agreement may not be amended, modified or altered in any manner, unless such an amendment, modification, or alteration is in writing and is signed by duly authorized representatives of the parties. Upon execution by both parties, this Agreement shall be a binding contract.

b. Announcements must be Approved

- i. Licensor and its officers, employees, agents and representatives will not make any announcements, issue any press releases or otherwise make public information regarding the terms of this agreement without first obtaining LHR's prior written consent in each instance.

c. Assignment

- i. No party is permitted to assign this Agreement with the prior written consent of the other party, which shall not be unreasonably withheld or delayed, except that either party may, without the consent of the other , assign this Agreement (i) to a controlled subsidiary or affiliate or that party or (ii) to a parent company or purchaser of all or substantially all of that party's assets, provided however, that the assigning party causes its assignee to assume in writing all obligations, undertaking and agreements of the assigning party under this Agreement. The right and obligations of this Agreement shall bind and benefit any successors or assigns or the parties.

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d. No Agency or Employment

- i. Nothing contained herein shall be deemed or construed to make Licensor or LHR the agent or partner of the other in legal meaning; nor, create an agency, partnership, joint venture, or employer/employee relationship.

e. Choice of Law and Jurisdiction

- i. Regardless of the places of execution hereof, this Agreement, all amendments hereto, and any and all issues or controversies arising here from or related hereto, shall be governed by and construed exclusively in accordance with the laws and decisions of the State of Texas applicable to contracts made, entered into and performed entirely therein, without giving effect to its conflict of laws provisions. The parties hereto agree that the state and federal courts sitting in Houston, Texas shall be the exclusive forum and situs for the resolution of any and all disputes, controversies or matters arising here from or related hereto. Licensor hereby consents to personal jurisdiction in and service of process by certified mail.

f. Arbitration

- i. Both parties agree to submit any and all disputes and all disagreements or controversies arising with respect to this Agreement or Amended Agreements to arbitration. Any dispute arising out of or relating to this Agreement or Amended Agreements, including the breach, termination or validity thereof, remains unresolved for thirty (30) days after

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commencement of discussions, both parties will submit the dispute to arbitration. Both parties agree that the American Arbitration Association will be the authorized organization for dispute resolution , and any arbitration proceeding shall take place in Houston, Texas. Both parties agree that the final resolution of the American Arbitration Association will be final and binding.

g. Notice

- i. Any notice which may be or is required to be given under this Agreement shall be in writing, and shall be deemed to have received: a) when delivered personally; b) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or, c) one (1) day after deposit with a commercial overnight carrier with written verification of receipt.

h. Taxes

- i. Licensor will complete a valid W-9 form from the IRS for tax reporting purposes which will be provided upon execution of this Agreement. If the Licensor fails to provide adequate information or complete the necessary forms, LHR will withhold 30% of any and all amounts due under this Agreement for tax purposes.

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i. Termination

- i. All provisions which by their nature extend beyond the termination or expiration of this Agreement shall remain in effect beyond any termination or expiration.

9. Waiver

- a. Failure of either party to enforce any provision of this Agreement shall not be deemed a waiver of future enforcement of that or any other provision.

SIGNATURES

IN WITNESS WHEREOF, both LHR and Licensor have executed this Agreement as of the date first written above.

LHR TECHNOLOGIES, INC

Licensor

By: _____

By: _____

Print Name: _____

Print Name: _____

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Title: _____

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