

SEMICONDUCTORS PATENTBOOK™

SUBSCRIBER (LICENSEE) AGREEMENT

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PATENTBOOK SUBSCRIBER (LICENSEE) AGREEMENT

This PatentBook Subscriber (Licensee) Agreement (the "***Agreement***") is made as of _____, 20__ (the "***Effective Date***"), by and between PatentBooks, Inc., a Delaware corporation ("***PBI***" or the "***PatentBook Administrator***") and the undersigned ***Subscriber (Licensee)***. The PatentBook Administrator and the Subscriber (Licensee) are sometimes referred to herein collectively as the "***Parties***" or individually as a "***Party***."

RECITALS

A. The Parties acknowledge that inventions disclosed to the public via patents are intended to promote the progress of science and useful arts by securing to inventors for a limited period of time ownership rights to their respective discoveries. Patented inventions used by the public and expedited compensation to the patent owners promote progress in science and useful arts. Complex useful products and services compel a more efficient licensing methodology.

B. The Parties recognize and understand that granting licenses to portfolios of related patents can result in significant efficiencies, including significant reductions in transactional costs versus negotiating separate licenses to several patents with several patent owners, providing the Subscriber (Licensee) with immediate licenses to published PatentBooks patents resulting in greater "freedom to operate" with a reduced risk of litigation from patent owners, which may result in a reduction in costs and greater choice of features for consumers of products or services using such patents.

C. The Subscriber (Licensee) desires to pay a single license fee or rate per use for any or all of published PatentBook Patents (as defined herein).

D. Each Publisher (Licensor) has the right to grant non-exclusive patent licenses or sublicenses with respect to published PatentBook Patents.

E. The current list of published patents for this PatentBook will be shown at the appropriate PatentBook web site.

F. Each Publisher (Licensor) has authorized the PatentBook Administrator to grant non-exclusive rights per the ***PatentBook Subscriber (Licensee) Agreement***.

G. The Parties intend that nothing in this Agreement shall preclude any Persons from entering into separate agreement(s) under one or more individual patents, subject to the terms and conditions set forth in the PatentBook Publisher Agreement.

H. The Parties intend that nothing in this Agreement shall preclude the Publisher (Licensor) from withdrawing from the PatentBook any Licensed Patent and asserting its rights under any such Licensed Patent, subject to the terms and conditions set forth in this Agreement, against any Person believed to have infringed, or to be infringing, any such Licensed Patent.

I. The PatentBook Subscriber (Licensee) License granted to the Subscriber (Licensee) shall extend to the all customers and users of the Subscriber's (Licensee's) Licensed Products and Licensed Services pursuant to the "first sale" or "patent exhaustion" doctrines.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises between the Parties set forth in this Agreement, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

[The remainder of this page has been intentionally left blank.]

ARTICLE I
DEFINITIONS AND USAGE

1.1. Definitions. For purposes of this Agreement, the following terms have the meanings set forth below.

"***Affiliate***" shall mean, with respect to a Person, subsidiaries and others owned or controlled by such Person.

"***Amnesty***" shall have the meaning set forth in Section 2.6.

"***Bilateral Agreement***" shall have the meaning set forth in Section 2.2.

"***Commencement Date***" shall mean the earliest date on which the PatentBook Administrator has entered into sufficient PatentBook Publisher Agreements to show marketable value to Subscriber (Licensee)s with a minimum of 2000 Published Patents of the Patents listed for this PatentBook on www.patentbooksinc.com, entered into a PatentBook Subscriber (Licensee) Agreement, and received subscription payments pursuant to terms of the PatentBook Subscriber (Licensee) Agreement.

"***Confidential Information***" includes any non-public information whether obtained before or after the date of this Agreement, and that has or could have commercial value or other utility in the business or prospective business of a Party or its Affiliates.

"***Control***" shall mean the power to direct or cause the direction of the management and policies of a Person.

"***Days***" shall mean calendar days unless otherwise specifically stated in this Agreement.

"***Effective Date***" shall mean the date recited above in the first paragraph of this Agreement.

"***Electronic Funds Transfer***" or "***EFT***" shall mean any paperless transfer of funds from a sender's account to a recipient's account.

"***Indemnified Person***" shall have the meaning set forth in Article VI.

"***Licensed Patents***" shall mean the current list of published patents on the appropriate PatentBook web site at the time the Subscriber (Licensee) uploads usage data and makes payment.

"***Licensed Products***" shall have the meaning set forth in Exhibit A.

"***Licensed Services***" shall have the meaning set forth in Exhibit A.

"***License Termination Date***" shall have the meaning set forth in Section 2.8.3.

"***Patent***" shall mean any issued patent of the United States.

"***PatentBook***" shall mean the portfolio of patents that the owners have authorized the PatentBook Administrator to license, under the terms and conditions of a PatentBook Subscriber (Licensee) Agreement, as described herein.

"***PatentBook Administrator***" shall mean the company administering the PatentBook activities on behalf of PatentBook Publishers, PatentBook Subscriber (Licensee)s, and PBI, as set forth in PatentBook Publisher(s) Agreement(s) and PatentBook Subscriber (Licensee(s)) Agreement(s).

"***PatentBook Patent***" shall mean a patent that is published in the PatentBook.

"***PatentBook Publisher(s) (Licensor(s)),***" or "***Publisher(s) (Licensor(s))***," shall mean a person or persons who lists a patent or patents in the PatentBook.

"***PatentBook Publisher (Licensor) Agreement***" shall mean the agreement between PBI and a Publisher (Licensor).

"***PatentBook Subscriber (Licensee),***" or "***Subscriber (Licensee),***"shall mean an executor of this Agreement.

"***PatentBook Subscriber (Licensee) Agreement***" shall mean the agreement between PBI and a Subscriber (Licensee).

"***PatentBook Subscriber (Licensee) License"*** or ***"Subscriber (Licensee) License"*** shall mean a non-exclusive license granted to a PatentBook Subscriber (Licensee) by a PatentBook Publisher (Licensor) for making, using, selling and offering to sell Licensed Products and Licensed Services.

"***Person***" shall mean any PatentBook Publisher (Licensor), Subscriber (Licensee) or Administrator.

"***Quarter***" or "***Quarterly***" shall mean each of the following three-month time periods: January 1 through March 31; April 1 through June 30; July 1 through September 30; and October 1 through December 31.

"Reported Sales" shall mean the quarterly income received and or recorded by a PatentBook Subscriber on their Books and Records.

"Segmented Revenue" shall mean the Reported Sales of a PatentBook Subscriber (Licensee) designated on their Books and Records or Income Statement that have been earned from the sale of products as defined by each PatentBook.

"***Subscription Payments***" shall mean the payments made by the Subscriber (Licensee) in licensing PatentBook Patents.

"***Withholding Tax***" shall have the meaning set forth in Section 3.9.

"***Usage Data***" information that uniquely identifies products (e.g. model and serial number) or services sales volume per period for PatentBook Patents licensed via a PatentBook Subscriber (Licensee) Payment.

"***Year***" shall mean a calendar year unless otherwise specifically stated in this Agreement.

1.2. Defined Terms. Terms defined in Section 1.1 above and parenthetically elsewhere shall have the same meaning throughout this Agreement.

1.3. Usage Generally; Interpretation.

1.3.1. *Gender*. Whenever the context may require, any pronoun includes the corresponding masculine, feminine and neuter forms.

1.3.2. *Singular and Plural*. Words in the singular or the plural include the plural or the singular, as the case may be.

1.3.3. *"Or" Not Exclusive*. The use of the word "or" is not exclusive.

1.3.4. *"Without Limitation"*. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation".

1.3.5. *"Hereof", "Herein", "Hereunder"*. The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement.

1.3.6. *Amendments*. Unless otherwise expressly provided herein, any agreement, statute, or law defined or referred to herein means such agreement, statute or law as from time to time amended, modified or supplemented, including by succession of comparable successor agreements or statutes.

1.3.7. *Accounting Terms*. All accounting terms not specifically defined herein shall be construed in accordance with the United States Generally Accepted Accounting Principles consistently applied.

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ARTICLE II
LICENSE

2.1. PatentBook Subscriber (Licensee) License. PatentBook Subscriber (Licensee) is granted a PatentBook Subscriber (Licensee) License by each PatentBook Publisher for those PatentBook Patents, effective upon the transmittal by the Subscriber (Licensee) of usage data on production or services, and Subscription Payment for those units of production or services is received by PatentBook Administrator.

2.2. Retention of Rights to Independently Transfer Rights in a PatentBook Patent. The Subscriber (Licensee) retains the right, separate from this Agreement, to negotiate with any Patent owner and to receive from any Patent owner any and all rights in any PatentBook Patent that a Publisher (Licensor) owns or has the right to sell, license or sublicense under terms and conditions as the Publisher (Licensor) and such other Person may agree (a "***Bilateral Agreement***").

2.3. No Effect on Bilateral Agreements. Neither this Agreement nor any PatentBook Subscriber (Licensee) Agreement shall modify, terminate or have any other effect on any Bilateral Agreements with respect to any Licensed Patent that is the subject of a Bilateral Agreement.

2.4. No Duplicate Payments. In the event that a Subscriber (Licensee) enters into a Bilateral Agreement with a Publisher (Licensor) that results in a bilateral transfer of patent rights with respect to any Licensed Patent, the PatentBook Administrator shall deduct a reasonable amount from the Subscription Payment attributable to PatentBook Patents contained within the Bilateral Agreement to prevent the receipt by Publisher (Licensor(s)) of excess Subscription Payments.

2.5. Parent Company Payments for Affiliates. Parent companies may make Subscription Payments for affiliate companies under the terms described herein. Affiliates must provide the PatentBook Administrator the information contained in Section 3.6 that correlates to the Subscription Payment.

2.6. Subscriber (Licensee) Amnesty. Notwithstanding the foregoing, the Publisher (Licensor) shall agree and covenant in a PatentBook Publisher Agreement that, so long as a Subscriber (Licensee) remains a party to this PatentBook Subscriber (Licensee) Agreement (and is not otherwise in default of its obligations under the PatentBook Subscriber (Licensee) Agreement with respect to a Licensed Patent), and is not in any action against the PBI or the Publisher (Licensor), the Publisher (Licensor) will not commence any action against such Subscriber (Licensee) for alleged infringement of any Licensed Patent, by such Subscriber (Licensee) based on or arising out of alleged infringement that occurred prior to the effective date of license granted to such Subscriber (Licensee) by this Agreement.

Subject to the above, Amnesty for alleged infringement that occurred prior to the effective date shall be granted to patent users that Subscribe (License) within the first year of PatentBooks operation.

Three-year Amnesty shall be granted to patent users that Subscribe (License) within the second year of PatentBook operation.

Amnesty shall not be available to patent users that Subscribe (License) after the second year of PatentBook operation.

2.7. PatentBook Patents. The Patents licensed on the date Subscription Payment is made are listed and publicly visible at www.patentbooksinc.com for this and all PatentBooks. Subscribers (Licensees) acknowledge that the list of PatentBook Patents may change daily as patents are added or deleted. For avoidance of doubt, this Agreement grants no rights to the Subscriber (Licensee) under any PatentBook Patent other than as described in this Agreement.

2.8. Changes to PatentBook Patents. The listing of PatentBook Patents shall be modified as follows:

2.8.1. Adding PatentBook Patents. As the PatentBook Administrator acquires rights to license additional PatentBook Patents during the Term of this Agreement, such Patents shall be included without increasing the rate of Subscription Payments.

2.8.2. Removing PatentBook Patents. A PatentBook Patent will be removed from the PatentBook when the PatentBook Patent expires, is withdrawn under the terms of the PatentBook Publisher Agreement, is found by the PatentBook Administrator not to be eligible for inclusion in the PatentBook, or is found to be invalid or unenforceable upon a final adjudication of a tribunal of competent jurisdiction. Such withdrawal shall not decrease the rate of Subscription Payments payable under this Agreement.

2.8.3. Termination of License to Subscriber (Licensee). If any Publisher (Licensor) instructs the PatentBook Administrator to terminate the license to any of its PatentBook Patents to the Subscriber (Licensee) as set forth in the PatentBook Publisher (Licensor) Agreement, the PatentBook Administrator shall notify the Subscriber (Licensee) of such instruction and of the effective date of such termination (the "***License Termination Date***").

2.9. List of Publishers. The PatentBook Administrator will provide the Subscriber (Licensee)a current listing of all Publishers (Licensors) as of the Effective Date (Exhibit B). The list of Publishers (Licensors) will change as Publishers (Licensors) are added and deleted in the normal course of PatentBook operations. Active Publishers (Licensors) are continuously updated and publicly visible at www.patentbooksinc.com for this and all PatentBooks. Modifications to the list of Publishers (Licensors) shall be deemed to be incorporated into this Agreement on the modification date.

2.10. List of Subscriber (Licensee)s. The PatentBook Administrator, in its sole and absolute discretion, may maintain and make publicly available the names of

Subscribers (Licensees) and Affiliates licensed through PatentBooks unless otherwise agreed upon.

2.11. Limitations of Agreements. No license or immunity is granted by either Party hereto to the other party hereto, either directly or by implication, estoppel or otherwise, other than as expressly provided in this Article II.

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ARTICLE III
PATENTBOOK SUBSCRIPTION PAYMENTS

3.1. No Membership Fee. No Membership Fee shall be payable to the PatentBook Administrator upon execution of the Subscriber (Licensee) Agreement.

3.2. Subscription Payments. During the period of this Agreement, Subscription (License) Payments shall be paid by the Subscriber (Licensee) at the rate set forth in Exhibit C for the license to the PatentBook Patents.

3.3. Subscription Payments Obligation. A PatentBook Subscriber (Licensee) License becomes effective and Subscription Payment Obligation is incurred when a Subscriber (Licensee) sells any Licensed Product or Service.

3.4. Subscription Payments Due. The Subscription Payments shall accrue and become a monthly irrevocable obligation of the Subscriber (Licensee). To avoid default, Subscriber (Licensee) shall make all payments due from the later of the Effective Date of this Agreement or Commencement Date of this PatentBook. Unless otherwise expressly provided by the PatentBook Administrator, all Subscription Payments become due and payable not later than thirty (30) Days after the end of each quarter.

3.5. Usage Data, Payment and Acknowledgement Reporting. Subscriber (Licensee) will upload Usage Data to www.patentbooksinc.com for this and all PatentBooks under the following conditions:

3.5.1. Data shall not be considered received until such data are accessible by PatentBook Administrator.

3.5.2. The Subscriber (Licensee) shall ensure that on-time receipt requirements are met for all data and EFT that the PatentBook Administrator requires.

3.5.3. Upon receipt of data, the PatentBook Administrator shall transmit an electronic acknowledgment or notification, such as a return receipt or invoice, to communicate to the Subscriber (Licensee) that a successful transmission occurred.

3.6. Certification. The activity reports submitted to the PatentBook Administrator in accordance with Sections 3.5 shall be attested to and signed by a duly authorized officer of the Subscriber (Licensee). A report submitted electronically in accordance with Section 3.5 shall be considered "signed" if such report adopts the signatory of an individual identified to the PatentBook Administrator by the Subscriber (Licensee) as being duly authorized to sign on behalf of the Subscriber (Licensee).

3.7. Statement of Account for Subscription Payments. A quarterly statement of Subscription Payments and Usage Data will be made available.

3.8. Taxes.

3.8.1. *Withholding Tax*. If, according to local law and applicable tax treaties, the Subscriber (Licensee) is required to withhold income taxes on payment to be made pursuant to this Agreement ("***Withholding Tax***"), the Subscriber (Licensee) may deduct the amount of such tax from such Subscription Payments, provided that the Subscriber (Licensee) timely remits to the appropriate governing authority the full amount of any such Withholding Tax that the Subscriber (Licensee) was legally required to withhold provided that:

(a) The Subscriber (Licensee) provides to the PatentBook Administrator all relevant documentation and proof of payment of the Withholding Tax as may be necessary for Publishers to provide sufficient evidence of Withholding Tax paid.

(b) If a Publisher is eligible for a Withholding Tax rate exemption or reduction pursuant to an applicable tax treaty then in force, the Subscriber (Licensee) shall cause any Withholding Tax that is payable by the Publisher (Licensor) to be avoided or reduced accordingly, provided, however, that the PatentBook Administrator furnishes all necessary and appropriate completed certificates, forms and other documents necessary to substantiate such exemption or reduction.

3.8.2. *Cooperation for Tax Compliance Purposes*. The Subscriber (Licensee) shall reasonably cooperate with the PatentBook Administrator in respect of mitigating any withholding taxes, including providing such information as may be required by the PatentBook Administrator for purposes of obtaining refunds of any taxes withheld.

3.9. Form of Subscription Payment. All Subscription Payments shall be made in United States dollars pursuant to wire transfer instructions as designated by the PatentBook Administrator.

3.10. Electronic Funds Transfer. Funds transferred by EFT shall be considered received when the depositary financial institution has control of the payment and has received the required information to accurately credit the payment to the PatentBook Administrator account.

3.11. Payments Non-Refundable. All amounts due by the Subscriber (Licensee) under this Agreement are non-refundable. Any payment identified in excess of the amounts due shall be applied to the immediate next payment obligations following confirmation of the excess payment and not refunded.

3.12. Late Payments and Attorneys' Fees. Any payments made later than the date on which the payments are due and payable shall bear interest at the lesser of the "prime rate," as listed in the Wall Street Journal "Money Rates," or the successor thereto, in effect on the date payment was due, plus three percent (3%) per annum, compounded monthly, or 18% per

annum. The Subscriber (Licensee) shall pay all reasonable attorney fees incurred to enforce or collect sums due under this Agreement.

3.13. Books and Records; Audits.

3.13.1. *Maintaining Records.* The Subscriber (Licensee) shall keep and maintain accurate, detailed and complete books and records adequate to ascertain the Subscription Payments payable hereunder. Such books and records shall be maintained for a period of three (3) Years from the end of each period when Subscription Payments are payable.

3.13.2. *Audits.* The PatentBook Administrator shall have the right from time to time upon thirty (30) Days' written notice to the Subscriber (Licensee) to audit, or have audited through a third party appointed by the PatentBook Administrator, records of the Subscriber (Licensee) relating to Subscription Payment calculations and payments. The Subscriber (Licensee) shall fully cooperate with the auditor in conducting such audit and shall permit the auditor to inspect and copy such portions of the Subscriber's (Licensee's) books and records as the auditor deems appropriate and necessary for the completion of the audit.

3.13.3. *Expenses.* Such inspection shall be completed at the expense of the PatentBook Administrator, provided, however, that if the audit reveals any underpayment which, in the aggregate, is greater than five percent (5%) of the amount actually due for the period being audited, the cost of such inspection shall be borne by the Subscriber (Licensee), without prejudice to any other claims that the PatentBook Administrator may have under this Agreement or under applicable law.

3.13.4. The Subscriber (Licensee) shall pay any shortfalls uncovered, plus interest, within thirty (30) Days after receiving notice from the PatentBook Administrator of such shortfall.

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ARTICLE IV
PATENTBOOK ADMINISTRATOR AND ADMINISTRATION OF PATENTBOOK

4.1. PatentBook Administrator. PBI shall have the full power and authority to name the PatentBook Administrator to perform the Services during the term of this Agreement in accordance with the terms and conditions of this Agreement.

4.2. Organization and Administration of the PatentBook. The PatentBook Administrator shall have full responsibility for the organization and administration of the PatentBook, as more particularly described herein.

4.3. PatentBook Administrator's Share. In exchange for providing the Services, PBI, as PatentBook Administrator, shall be entitled to and shall receive the PatentBook Administrator's Share, as provided in Exhibit E.

4.4. Payments of PatentBook Administrator's Share. Payments of PatentBook Administrator's share, as provided in Exhibit E, shall be payable only out of the payments received in respect of Subscription Payments paid pursuant to the PatentBook Subscriber (Licensee) Agreements.

4.5. Setting Boundary Criteria. The PatentBook Administrator shall be responsible for setting the boundary criteria of the PatentBook, which shall include, but not be limited to, determining whether a particular Patent is eligible for inclusion in the PatentBook and establishing the Licensed Product(s) and/or Licensed Service(s) for which the Patents in the PatentBook may be licensed. The PatentBook Administrator shall have the sole and absolute authority for making such determinations. In performing these services, the PatentBook Administrator will consult at its discretion with the PatentBook Publishers, Subscriber (Licensee)s and other industry representatives.

4.6. Recruiting Potential Subscriber (Licensee)s. The PatentBook Administrator shall use commercially reasonable efforts to identify and recruit Persons who are either using or enabling the use of any Patent, and other Persons that may be potential Subscriber (Licensee)s to the PatentBook. The PatentBook Administrator shall have authority to encourage potential Subscriber (Licensee)s to enter into the PatentBook Subscriber (Licensee) Agreement.

4.7. Successor PatentBook Administrator. In the event that the PatentBook Administrator shall resign or shall be unable to perform its obligations hereunder, PBI may, in its sole discretion, appoint a successor PatentBook Administrator.

4.8. PatentBook Advisory Board. To better serve both Publishers and Subscriber (Licensee)s, a PatentBook Advisory Board specific to this PatentBook consisting of one (1) representative from significant Publishers and Subscriber (Licensee)s in key markets and/or regions, up to a maximum of 13 people, will be formed. The PatentBook Advisory Board will meet once per calendar year or as otherwise agreed by its members. The PatentBook Advisory

Board will provide information to help the PatentBook Administrator set Subscriber (Licensee) rates, suggest marketing strategies, and identify any potential issues or disputes in the PatentBook operation and administration. PatentBook Advisory Board views, counsel, and recommendations will be considered by the PatentBook Administrator. The PatentBook Administrator remains independent and free to make its own decisions regarding Subscriber (Licensee) rates and other PatentBook administrative and operational changes.

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ARTICLE V
REPRESENTATIONS AND WARRANTIES

5.1. Due Authority. Each Party to this Agreement represents and warrants that it has the requisite power, authority and right to enter into this Agreement, to consummate the transactions contemplated herein, and that this Agreement has been executed by a duly authorized representative or agent of such Party.

5.2. No Reliance. Each Party represents and warrants that, in executing this Agreement, it does not rely on any promises, inducements or representations made by any other Person with respect to this Agreement or any other business dealings with any Person, now or in the future, with the exception of the terms of this Agreement and any attachments.

5.3. Relationship of Parties. The relationship between the Parties is that of independent contractors. Nothing in this Agreement is intended to, or should be construed to, create a partnership, agency, joint venture or employment relationship between the Parties, or give rise to any fiduciary duty of one Party to the other.

5.4. Disclaimer - PatentBook Patents. Nothing contained in this Agreement shall be construed as: (i) a warranty or representation as to the validity, enforceability or scope of any PatentBook Patent; or (ii) a warranty or representation that any Licensed Product or Licensed Service described in Exhibit A shall be free from infringement or misappropriation of any intellectual property rights.

5.5. Purpose of Entering into Agreement. The Subscriber (Licensee) represents and warrants that it is entering into this Agreement for its own convenience in acquiring Patent rights from multiple Publishers (Licensors) in a single transaction rather than entering into separate license agreements with individual Patent holders. The Subscriber (Licensee) acknowledges that the PatentBook Patents may not include all present and future Patents necessary for the Subscriber (Licensee).

5.6. Independent Evaluation. The Subscriber (Licensee) represents and warrants that it has independently evaluated the PatentBook Patents and is entering into this Agreement on the basis of its own evaluation and not in reliance on any representation by the PatentBook Administrator regarding the PatentBook Patents.

5.7. Representation by Counsel and Negotiation. The Subscriber (Licensee) represents and warrants that it has been fully advised and represented by legal counsel during the negotiation, preparation and execution of this Agreement and has not relied on any legal advice provided by legal counsel for the PatentBook Administrator.

5.8. No Bankruptcy. Each Party represents and warrants that it is not currently the subject of a voluntary or involuntary petition in bankruptcy or the equivalent thereof, does not currently contemplate filing any such voluntary petition and does not currently have reason to believe that such an involuntary petition shall be filed against it.

ARTICLE VI
INDEMNIFICATION

6.1. PatentBook Administrator Indemnification. The PatentBook Administrator shall indemnify and hold Subscriber (Licensee), its employees, contractors, and Affiliates (collectively Subscriber (Licensee) "***Indemnified Persons***," and each a Subscriber (Licensee) "***Indemnified Person***") harmless against any and all claims, demands, liabilities and costs incurred by Subscriber (Licensee), its employees and Affiliates which directly or indirectly result from, or arise in connection with, any negligent act or omission of PatentBook Administrator, its employees or Affiliates pertaining to its activities and obligations under this agreement.

6.2. Subscriber's (Licensee's) Indemnification. The Subscriber (Licensee) shall indemnify and hold PatentBook Administrator, PBI, its employees, contractors, and Affiliates, collectively PatentBook Administrator Indemnified Persons, and each a PatentBook Administrator Indemnified Person, harmless against any and all claims, demands, liabilities and costs incurred by PatentBook Administrator its employees and Affiliates which directly or indirectly result from, or arise in connection with, any negligent act or omission of Subscriber (Licensee), its employees or Affiliates pertaining to its activities and obligations under this agreement.

6.3. Insurance. Before the Commencement Date, both PatentBook Administrator and Subscriber (Licensee) agree to obtain and maintain thereafter reasonable coverage for such liabilities either through commercial insurance or a reasonable self-insurance mechanism. Information concerning insurance coverage will be provided to the other Party if requested by one Party.

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ARTICLE VII
TERM AND TERMINATION

7.1. Term. This Agreement shall expire upon the expiration of the last to expire Patent(s) included in the PatentBook, or upon final adjudication by a court of competent jurisdiction of invalidity or unenforceability of all of such Publisher's Patent(s) included in the PatentBook, from which adjudication no appeal is taken or allowed.

7.2. Termination by Subscriber (Licensee). The Subscriber (Licensee) may terminate this Agreement by providing thirty (30) Days written notice to the PatentBook Administrator.

7.3. Termination by PatentBook Administrator. The PatentBook Administrator may terminate this Agreement upon thirty (30) Days' written notice to the Subscriber (Licensee) in the event that the Subscriber (Licensee) fails to perform to the satisfaction of the PatentBook Administrator any material obligation under this Agreement and that such default is not remedied within thirty (30) Days after written notice specifying in reasonable detail the nature of the default.

7.3.1. *Material Breach.* Acts or omissions that constitute a material breach of this Agreement, by way of example and not limitation, include: Failure of the Subscriber (Licensee) to make payments, provide reports, maintain adequate books and records, or to permit an audit in accordance with Article III.

7.3.2. *No Exclusive Remedy.* Such right of termination shall not be exclusive of any other remedies or means of redress to which the PatentBook Administrator may be lawfully entitled, it being intended that all such remedies shall be cumulative. Any such termination shall not affect any obligations prior to such termination.

7.4. Agreement Termination. Termination of this Agreement shall not amend or limit the rights of the Subscriber (Licensee) under any other PatentBook Agreement.

7.5. Nationalization or Expropriation. The PatentBook Administrator may terminate this Agreement immediately without right of Subscriber (Licensee) to cure upon the occurrence of *de facto* or *de jure* nationalization or expropriation of the Subscriber (Licensee) by governmental or military action, whether or not with valid authority.

7.6. Bankruptcy of Subscriber (Licensee). The PatentBook Administrator may give written notice to the Subscriber (Licensee) terminating this Agreement, and this Agreement shall be terminated in accordance with the notice if:

7.6.1. The Subscriber (Licensee) files a petition in bankruptcy or the equivalent thereof;

7.6.2. The Subscriber (Licensee) seeks any court or governmental protection from creditors or makes any assignment for the benefit of creditors;

7.6.3. The Subscriber (Licensee) is the subject of an involuntary petition in bankruptcy that is not dismissed within sixty (60) days after the filing date thereof;

7.6.4. The Subscriber (Licensee) is or becomes insolvent, or admits of a general inability to pay its debts as they become due; or

7.6.5. An order is entered pursuant to any law relating to bankruptcy or insolvency appointing a receiver or trustee for the Subscriber (Licensee), and any such receivership is not terminated within sixty (60) days.

7.7. Survival. The termination of this Agreement shall not relieve either Party of any obligation or liability accrued prior to such termination and shall not, in any way, affect any other obligations that are expressly stated herein to be continuing or are by their nature continuing. Without limiting the foregoing, the following provisions of this Agreement shall survive expiration or withdrawal of this Agreement:

(a) Payment of fees due and/or any deductions from Subscription (License) Payments under this Agreement

(b) Non-Disclosure of Confidential Information under Section 9.1.

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ARTICLE VIII
AMENDMENTS

8.1. Amendments. The PatentBook Administrator may from time to time make reasonable changes to the terms and conditions of this Agreement or the PatentBook Publisher Agreement in view of circumstances, including, but not limited to, prevailing market conditions, changes in technological environment, changes in law and changes in available commercial products, at the time of amendment of this Agreement. Any such changes shall be communicated to Subscriber (Licensee) as soon as reasonably practicable after its adoption by the PatentBook Administrator.

8.2. Effective Date of Amendments. Any amendment under Section 9.1 shall be effective not less than thirty (30) Days after notice to Subscriber (Licensee). Subscriber (Licensee) may voluntarily terminate this Agreement upon written notice to the PatentBook Administrator prior to the effective date of such amendment. If Subscriber (Licensee) voluntarily terminates this Agreement prior to the effective date of such amendment, the amended terms of the Agreement shall not be binding upon Subscriber (Licensee).

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ARTICLE IX
MISCELLANEOUS

9.1. Non-Disclosure of Confidential Information. Parties shall not directly or indirectly disclose or use any Confidential Information except as is required of the Parties to comply with or to administer and establish rights under this Agreement and the PatentBook Publisher (Licensor) Agreements.

9.2. Permitted Disclosures. Nothing in this Agreement shall prevent a recipient from disclosing Confidential Information to the extent the recipient is legally compelled to do so by law; provided, however that the recipient first gives notice of the required disclosure to the Party that provided such Confidential Information to enable the Party that provided such Confidential Information to seek a protective order or other appropriate remedy or to otherwise contest or limit the scope of such required disclosure. Recipient will cooperate with the Party that provided such Confidential Information, at reasonable request and expense of the Party that provided such Confidential Information. In no event shall the recipient's cooperation require any action that, on the advice of recipient's counsel, could result in the imposition of any sanctions or other penalties against the recipient.

9.3. Governing Law. This Agreement shall be governed in all respects by the laws of the State of Delaware and the United States of America, without regard to conflict of laws rules.

9.4. Entire Agreement. This Agreement is the entire agreement between the Parties regarding its subject matter. This Agreement supersedes, and its terms govern, all prior proposals, understandings or other communications between the Parties, oral or written, regarding such subject matter.

9.5. Counterparts. This Agreement may be executed in one or more counterparts, or electronic signature, each of which shall be deemed to be an original copy of this Agreement and all of which, when taken together, shall be deemed to constitute one and the same agreement.

9.6. Construction. Each Party has been represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document shall be construed against the Party drafting such agreement or document.

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ARTICLE X
DISPUTE RESOLUTION

10.1. Dispute Resolution. If any dispute or difference arises in connection with this Agreement, the PatentBook Administrator will endeavor to resolve the dispute or difference at the simplest practical level.

10.1.1. Negotiation Resolution. Any dispute or difference arising in connection with this Agreement will be referred in writing to the PatentBook Administrator which will attempt to resolve the dispute by negotiation in good faith within fourteen (14) days of one Party notifying the other of the dispute or difference.

10.1.2 *Mediation*. If Negotiation fails to resolve the dispute, the PatentBook Administrator and the Subscriber (Licensee) agree to mediation administered by the American Arbitration Association in accordance with its Commercial Mediation Procedures. The mediation shall be conducted in English in Denver, Colorado, USA. The mediator shall have demonstrated expertise in intellectual property law. During the mediation proceedings, each party shall continue to perform its respective responsibilities under this Agreement.

10.1.3 *Subscriber (Licensee) Termination*. If Negotiation and Mediation do not solve the dispute, the Subscriber (Licensee) is free to terminate its PatentBook Subscriber (Licensee) Agreement per Section 8.2. All PatentBook Publishers and the public will be advised of the date on which the Subscriber (Licensee) ceased to be a Subscriber (Licensee) in good standing per Section 2.10.

10.2. Waiver. The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither the failure of, nor delay by, either Party in exercising any right, power or privilege, nor the single or partial exercise of any such right, power or privilege, shall preclude any other or further exercise of such or any other right, power or privilege.

10.3. Limitation of Liability. The liability of the PatentBook Administrator to the Subscriber (Licensee) shall not exceed amounts received from the Subscriber (Licensee) for the twelve (12) months prior to notice of the alleged breach.

10.4. Limitation of Damages. Except where this exclusion or restriction of liability would be void or ineffective under applicable law, in no event shall either party be liable for exemplary, consequential or punitive damages, whether based on contract, tort or any other legal theory, even if such party has been advised of the possibility of such damages.

10.5. Assignment and Successors. Any attempt by either Party to assign or delegate any portion of this Agreement in violation of this Agreement and the rights and licenses granted hereunder shall be null and void ab initio.

10.6. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the Parties to this Agreement and their respective legal representatives, successors and permitted assigns. Any transfer or assignment of any PatentBook

Patent, or any other Patent for which a Party is obligated to grant a license under this Agreement, shall be subject to this Agreement.

10.7. Notice to the PatentBook Administrator. Any notice, certification, demand or other communications to be made to the PatentBook Administrator under this Agreement shall be delivered to the PatentBook Administrator as set forth below:

PatentBook Administrator:

PatentBooks, Inc.
c/o Arthur M. Nutter, CEO
4308 Ridgelane Drive
Colorado Springs, CO 80918
USA
Tel: +1.719.325.5001

Art.Nutter@PatentBooksInc.com

10.8. Notice to Subscriber (Licensee). Any notice, certification, demand or other communications to be made to Subscriber (Licensee) under this Agreement shall be delivered to the Subscriber (Licensee), as set forth in the signature block below.

PatentBook Subscriber (Licensee):	**with a copy to:**
_____	_____
Corporate Name	Corporate Name
Attention: _____	Attention: _____
Address:	Address:
_____	_____
_____	_____
_____	_____
Tel: _____	Tel: _____
Fax: _____	Fax: _____
E-mail: _____	E-mail: _____

10.9. Change of Notice Information. Any party may change its address or other notice information by providing the other party with written notice in accordance with this Section.

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SIGNATURE PAGE

IN WITNESS WHEREOF, the parties to this Agreement have caused this agreement to be signed on the date last indicated below:

PATENTBOOKS, INC.	**[SUBSCRIBER (LICENSEE)]:**
By: _____	**By:** _____
Signor: _____	**Signor:**_____
	Print/Type Name and Title
Date: _____	**Date:** _____

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EXHIBIT A
DESCRIPTION OF PATENTBOOK

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