

CO-CREATOR MASTER LICENSE AGREEMENT

IDENTIFICATION NUMBER: **Treasure1A1**

This agreement is made and entered into between **ACME Company , a corporation** established under **California** law

(hereinafter called Licensor) having its principle office at **1212 Emilio Zapata Golf Course Drive, Beverly Hills, CA 90210**

and

Joe Licensee, an individual of **California** (hereinafter called Licensee), having its principle office/place of business at **103 La Rue Martine, San Diego, CA 92101 .**

Witnesseth that:

1. whereas, Licensor has the right to grant co-creator licenses under the licensed patent or trade secret rights (as hereinafter defined),and wishes to have the inventions or secrets covered by the licensed patent or trade secret rights in the public interest; and
2. whereas Licensee wishes to obtain a co-creator license under the licensed patent or trade secret rights upon the terms & conditions hereinafter set forth:

Now, therefore, in consideration of the premises and the faithful performance of the covenants herein contained it is agreed as follows.

Article I - DEFINITIONS

For the purpose of this agreement, the following definitions shall apply:

1. Licensed Patent or Trade Secret Rights: Shall mean:

a. Patent Application Serial No. _____ filed _____ by _____.

b. Any and all improvements developed by Licensor, whether patentable or not, relating to the Licensed Patent Rights, which Licensor may now or may hereafter develop, own or control.

c. Any or all patents, which may issue on patent rights and improvements thereof, developed by

Licensor and any and all divisions, continuations, continuations-in-part, reissues and extensions of such patents.

2. **Product(s):** Shall mean any materials including plants and/or seeds, compositions, techniques, devices, methods or inventions relating to or based on the Licensed Patent Rights or Trade Secrets, developed on the date of this agreement or in the future.

3. **Net Sales:** Shall mean total US dollar (\$) value(s) of Product(s) sold to customers less the FOB cost of manufacturing or creating the goods or services and the cost of delivery and insurance on delivery to the customer.

4. **Confidential Proprietary Information:** Shall mean with respect to any Party all scientific, business or financial information relating to such Party, its subsidiaries or affiliates or their respective businesses, except when such information:

- a. Becomes known to the other Party prior to receipt from such first Party;
- b. Becomes publicly known through sources other than such first Party;
- c. Is lawfully received by such other Party from a party other than the first Party; or
- d. Is approved for release by written authorization from such first Party.

5. **Co-creator Master License:** Shall mean a license, whereby Licensee's rights are to start accruing royalties on Net Sales after one year, distribute the product, claim co-creatorship exclusive of any patent, trademark, or copyright filing, and receive a full cash value Buyback of the signup fee after two (2) years and nine (9) months except as otherwise expressly provided herein.

6. **Know-how:** Shall mean any and all technical data, information, materials, trade secrets, technology, formulas, processes, and ideas, including any improvements thereto, in any form in which the foregoing may exist, now owned or co-owned by or exclusively, semi-exclusively or non-exclusively licensed to any party prior to the date of this Agreement or hereafter acquired by any party during the term of this agreement.

7. **Intellectual Property Rights:** Shall mean any and all inventions, materials, Know-how, trade secrets, technology, formulas, processes, ideas or other discoveries conceived or reduced to practices, whether patentable or not.

8. **Royalty (ies):** Shall mean revenues received in the form of cash from holdings from the Licensor as a result of selling, making, having made, sub-licensing or leasing of Licensed Patent Rights or trade secrets.

9. **Buyback:** Shall mean the exchange of cash or equity in the company equal to the cash face value of the signup fee for the right to terminate the license.

ARTICLE II- GRANT OF CO-CREATOR MASTER LICENSE

1. Licensor hereby grants to Licensee a co-creator master license with the right to:
 - A. Transfer the license via sale to another party as long as the sale is properly recorded through the Imaginot ILO Market and the proper recording fees, ten (10) US dollars (\$), are paid to Imaginot LLC.
 - B. Sell and lease the products described in the Licensed Patent Rights or Trade Secrets should the Licensor determine that they will use distributors to distribute their product and should the Licensee commit to undergo any training required for said right. Specific rights as a distributor will be addressed in a separate contract that is negotiable between the Licensor and Licensee. The Licensor may opt out of committing to providing the licensee with a distributorship if the licensee has a felony criminal record.
 - C. Sublicense others, to make, have made, use, sell, and lease the Products described in the Licensed Patent Rights or Trade Secrets perpetually if a buyback date falling in the first three quarters of the third year of this agreement is not set by the Licensor prior to the second anniversary of this agreement. If the buyback date is set and the Licensor fails to execute the license buyback within one month of that date, the rights above (in section C.) also accrue to the licensee. The right to make, have made, use, sell, and lease the Products described in the Licensed Patent Rights are not granted to the licensee in any other circumstance than provided in Section B. or C. above.
 - D. Full cash value payment of the sign-up fee in either cash or equity as per Article III – 4.
 - E. Co-creator recognition for aiding in the development of the technology that makes the product possible. Patent and Trademark and Copyright filing credit are not part of co-creator recognition. A co-creator will share in recognition of helping develop the overall product or service and will inherit a perpetual license as per Article II – 1C should the licensor fail to perform the specified duties. They are regarded as a co-creator licensee, not as the inventor or owner unless otherwise specified in a separate agreement.
 - F. Royalties on Net Sales of the Products or Services after one year as detailed in Article III.
 - G. Benefit from the requirement that Licensor keep complete and accurate records of all transactions involving the licensed property and product division- and that the Licensor allow the Licensee to examine such records once a year with notice. An independent auditor may also examine records on behalf of the Licensee. Any discrepancy in favor of the Licensee will automatically trigger a cash payment in the amount owed to the Licensee by the Licensor. Any discrepancy in favor of the Licensee greater than 5% of total revenues will also trigger an additional penalty payment of 30% of the value owed to the Licensee. Bad sales allowances: If the discrepancy involves sales that have inventory still in the distribution channel, the Licensor has the right to make adjustments to the sales figures using a historically accurate percentage to determine lost, stolen, damaged, and returned inventory. Similarly, sales transactions for the purpose of distributing samples will not be counted as revenue if the samples themselves are provided for free to potential customers.

2. Any rights not expressly granted to the licensee are reserved by the Licensor..

3. It is understood by the Licensee that the Licensed Patent Rights were developed under _____ Grant No. _____. The _____ Government has a non-exclusive royalty free license for governmental purposes.

ARTICLE III- LICENSE PAYMENTS

1. Initial payment and royalty rate. For the licensed herein granted:
 - a. Licensee agrees to pay a sign-up fee of **\$10,000** (US Dollars).
 - b. After one (1) year, Licensors shall start to record and pay on earned royalty of **10** percent (%) of Licensors's Net Sales of Products or Services to the collective group of licensees. Each licensee's share of that **10** percent (%) is determined by the cash value of the sign-up fee that they paid. The formula for determining the Licensee's share or percentage of royalties shall be the total amount of money the Licensee paid in sign-up fees divided by total amount of money the Licensors received in sign-up fees for license agreements from all Licensees. The payment will be announced and paid quarterly beginning with the end of the fifth business quarter after this agreement is signed. There is no obligation for the licensor to record and pay royalty until their product is actually for sale, as defined by (Article III - 3.)
 - c. Licensors may choose to provide rewards to Licensee in the form of products or promotional items. These items or services may not be used to compensate the Licensee in lieu of royalties or the buyback of the license agreement.
2. When a sale is made: A sale by the Licensors shall be regarded as being made upon payment for Products made using Licensed Patent Rights or Trade Secrets.
3. Interest: In the event any royalties are not paid as specified herein, then a compound interest of seven percent (%) shall be due in addition to the royalties accrued for the period of default. Late fees will start accruing 30 days after quarter has ended.
4. Buyback of sign-up fee. Before two years have passed from the day that this agreement is signed, the licensor will set a buyback date to pay back the sign-up fee back to the licensee. The date shall not be greater than 9 months after the date that the buyback is announced on. The buyback may be transacted in either cash or equity at the discretion of the licensor.
5. Buyback set-aside: For the entire pool of licensees, the percentage of company stock that will be set aside to satisfy buyback agreements is **15%**. The pool consist of all licensees that have signed co-creator master license agreements with the licensor. If the licensor chooses to buyback the licensee's license agreement using cash, the amount of obligation in equity to the entire pool will shrink by the cash value of the payout.

ARTICLE IV – CONFIDENTIALITY

1. Receiving party shall not at any time use or disclose, nor permit the use or disclosure of, directly or indirectly, any Confidential Proprietary Information for any Unauthorized purpose. Receiving party shall disclose, reproduce, summarize or distribute protected information only in pursuance of receiving party's business relationship with disclosing party.

ARTICLE V – WARRANTIES AND REPRESENTATIONS

1. Each party has the right, power and authority to enter into the agreement.
2. The agreement has been duly executed and delivered.
3. The agreement is valid, legal and binding.
4. The agreement does not contravene any other agreement to which the Licensor or Licensee is a party or its certificate or incorporation or by-laws.
5. The Intellectual Property Rights are subsisting and are not invalid or unenforceable in whole or part. They will be maintained by Licensor for the term of this agreement. Licensor has not previously assigned, transferred ,conveyed or otherwise encumbered such right title and interest other than any encumbrances listed on an attached schedule. Licensor is the sole and exclusive owner of the intellectual property and no other person or entity has or shall have any claim of ownership with respect to the intellectual property whatsoever.
6. The licensed Intellectual Property Rights do not infringe any rights owned or possessed by any third party.
7. There are no claims, judgements, or settlements to be paid by the Licensor or pending claims or litigation relating to the intellectual property.
8. The Licensee is not to be indemnified for any liability or debt that occurs as a result of Licensor operations.
9. Imaginot LLC is not party to this agreement and is therefore not to be indemnified under any circumstance.
10. Licensee acknowledges and agrees that there are no warranties, guarantees, conditions, covenants or representations by Licensor as to marketability, fitness for a particular purpose or other attributes, whether express or implied (in law or in fact), oral or written.

Licensor:

Company Name:

Representative Name:

EIN or SS#:

Signature:

Licensee:

Company Name:

Representative Name:

Signature:

Date:

Date: