

PATENT LICENSE AGREEMENT

This License Agreement (“Agreement”) is entered into and made effective as of this ____ day of January _____, 2019 (the " Effective Date"), by and between B’zT, LLC, 213-49 39th Avenue, Bayside, NY 11361, a company incorporated under the laws of New York (hereinafter referred to as “Licensor” and/or “B’zT”), and _____, (hereinafter referred to as “Licensee”).

RECITALS

A. B’zT, LLC is engaged in the development and production of clothing, and is the owner of patent rights in Exhibit A (will be provided. hereinafter referred to as the “Patent”).

B. Licensee is engaged in the business of manufacturing, and selling clothing in the U.S., and has experience and skills to promote the sale of clothing in the U.S., Licensee wishes to acquire from B’zT, LLC, the non-exclusive right to sell, market, promote, distribute and otherwise use the Patent in the U.S. (“Territory”).

C. Licensor is willing to grant to Licensee a non-exclusive right for the Licensee to exploit the Patent to sell, offer for sale, market, promote, distribute and otherwise use the patent in the Territory on a royalty basis, and Licensee wishes to acquire, such non-exclusive license in the Territory on a royalty basis.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, Licensors and Licensee hereby agree as follows:

1. Definitions. Capitalized terms shall have the meaning set forth below.

1.1. Licensed Product. The term "Licensed Product" shall mean any product manufactured and sold by Licensee using the Patent.

1.2. Patent Rights. The term "Patent Rights" shall mean rights arising out of or resulting from any and all U.S. and foreign patent applications and patents, referred to us, the "Patent"; including all provisionals, substitutions, continuations, continuations-in-part, divisionals, supplementary protection certificates, renewals, all letters patent granted thereon, and all reissues, reexaminations, extensions, confirmations, revalidations, registrations, patents of addition thereof, PCTs and foreign counterparts, so long as said patents have not been held invalid and/or unenforceable by a court of competent jurisdiction from which there is no appeal or, if appealable, from which no appeal has been taken.

1.3. Territory. The term "Territory" shall mean the U.S.

1.4. Non-Exclusive License. The term "Non-Exclusive License" shall mean the non-exclusive right to sell, offer for sale, market, promote, distribute and otherwise use the Patent in the U.S.

2. License Terms and Conditions

2.1. Grant of License. Licensor hereby grants to Licensee a Non-Exclusive License non-divisible non sub-licensable in the Territory, under the Patent Rights as specified in Exhibit subject to the terms of this Agreement. The parties agree that this grant of license shall not affect the rights of Licensor to approach other potential licensees and to develop, manufacture, market and sell its products either by itself or through other licensees.

2.2. License Royalty. In full consideration for the Non-Exclusive License granted pursuant to Section 2.1 hereof, Licensee shall pay to Licensor a royalty of manufactured, sold, transferred, distributed or otherwise disposed of 5% of the selling price for each and every Licensed product. (This percentage can be further negotiable based on quantity of Licensed product.)

2.3 Licensed fee (the "License Fee"). The License Fee described in this Section in consideration for the grant and continuation of the license hereunder. Upon execution of this Agreement, Licensee shall pay a non-refundable, recoupable advance payment of \$20,000.00 to Licensor, which advance shall be recouped from the immediate future accountings under this agreement. Licensee shall account to Licensor on a semi-annual basis, on January 15 and July 15 of each year, for the preceding six-month period, together with payment of all royalties thereby shown to be due. All taxes shall be paid by Licensee on the royalties.

2.4. Term of License. Unless terminated sooner in accordance with the provisions of this Agreement, the term of this license is co-terminus with the expiration of the initial patent of the Patent.

2.5 Trademark/Copyright. Licensee shall use the trademark B'zT in connection with all sales of Licensed products.

2.6 Licensee shall keep clear and accurate books of account for this agreement and shall submit an accounting report once a year showing all sales, the amount of sales, the seller, the buyer, and royalties due and paid royalties. Licensor shall have the right, the audit, the books and records at the expense of Licensee once a year. Licensor will receive the underpayment and an additional fee of 3% (three percent) of the royalties due if there is any underpayment of royalties.

2.7 Licensor shall provide a royalty bearing non-exclusive license to Licensee or any inventions, developments, and rights of authorship it makes, invents, develops, or creates related to the patent.

2.8 Licensor shall provide consulting to Licensee at \$200 (Two Hundred Dollars) per hour with costs and expenses.

3. Licensor and Licensee states that

- (a) Licensor is the sole exclusive owner of the Patent. No other parties have any right or interest in or the Patent;
- (b) Licensor does not state the patent is valid or free from infringement.
- (c) All rights to the Patent are free and clear of all liens, claims, security interests and other encumbrances of any kind or nature.
- (d) Licensor has granted other licenses to use the Patent to other parties in the Territory;
- (e) Licensor has the right and power to enter into this Agreement.

- (f) Licensee states that it will use its best efforts in the performance of this agreement.
- (g) Licensee has the right and power to enter into this agreement.
- (h) Licensor does not agree there will be no defects in any drawings or descriptions or that Licensee can make of sell or market the Licensed Product.
- (i) Licensor does not have an obligation to file or prosecute any patents.

4. Duration and Termination

4.1. This Agreement shall remain in full force and effect unless and until it is subject to earlier termination or cancellation as hereinafter provided.

4.2. If the parties at any time default in fulfilling any of the obligations hereof including the accounting and payment obligations as stated above, and such default is not cured within thirty (30) days after written notice is given to the defaulting party, the affected party shall have the right to terminate this Agreement.

4.3. Licensee shall have the right to terminate this Agreement, by giving three (3) months notice, if a court of law determines the Patent to be invalid without the right to appeal.

4.4 If Licensee declares bankruptcy, or makes an arrangement for the benefit of creditors this agreement with terminate.

4.5 If in any 12 (twelve) month period Licensee shall have paid Licensor less than \$300,000 (three hundred thousand) Licensor shall have the right to terminate this agreement.

5. Infringement by Third Parties

5.1. Licensee shall notify Licensor of any 3rd party infringement and Licensor shall have the right but not the obligation to institute suit for infringement against the 3rd party infringers and retain all monies and benefits from such lawsuit.

5.2. If Licensor does not bring suit, Licensee with the Licensor's consent have the right to bring and prosecute a lawsuit against such third party, in Licensee's own name, for infringement of the Patent. This right includes bringing any legal action for infringement.

5.3 Licensor shall have the right to defend any claim of invalidity or action of a third party for declaratory judgment for non-infringement or interference, and settle the suit. Licensor and Licensee will share 50/50 of all the damages, profits, and awards of whatever nature recoverable from any such suit after Licensee's reasonable expenses are paid. Licensor will fully cooperate with Licensee in the prosecution of any such lawsuit.

6. Binding Arbitration

6.1. Any controversy or claim arising out of or relating to this contract, or the breach thereof, between Licensor and the Licensee shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of JAMS in a convenient location in New York in accordance with their rules then pertaining.

7. Confidentiality

7.1 All information written and oral provided by Licensor to Licensee shall be held in strict confidence by Licensee and not disclosed to anyone.

8. Severability

8.1. The parties agree that if any part, term, or provision of this Agreement shall be found illegal or in conflict with any valid controlling law, the validity of the remaining provisions shall not be affected thereby.

8.2. In the event the legality of any provision of this Agreement is brought into question because of a decision by a court of competent jurisdiction, Licensor, by written notice to Licensee, may revise the provision in question or delete it entirely so as to comply with the decision of said court.

8. Notices under the Agreement

Any written communications and notices required by this Agreement must be given by prepaid, first class, certified mail, return receipt requested addressed to:

LICENSOR: Attn: _____

B'zT, LLC
213-49 39th Avenue
Bayside, NY 11361

LICENSEE: Attn: _____

9. Non-assignability

The parties agree this Agreement imposes personal obligations on Licensee. Licensee shall not assign any rights under this Agreement including but not limited to this Licensee and any part thereof without the written consent of Licensor. Licensor may assign all rights hereunder.

10. Entire Agreement

This Agreement sets forth all of the covenants, promises, agreements, conditions and understandings between the parties and there are no covenants, promises, agreements or conditions, either oral or written, between them other than herein set forth. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon either party unless reduced in writing and signed by them.

IN WITNESS WHEREOF, parties hereto have caused their duly authorized representatives to execute this Agreement.