

MeltFlipper® License Agreement for Melt Conditioning Technologies

This License Agreement is between BEAUMONT TECHNOLOGIES, INC., a Pennsylvania corporation, having its principal place of business at 1524 East 10th Street, Erie, Pennsylvania 16511 (hereinafter referred to as "BTI"), and , (hereinafter referred to as "Licensee"). This MeltFlipper® License Agreement is in regards to the licensing of MeltFlipper® melt conditioning technologies ("MELTFLIPPER TECHNOLOGY") as applied to solidifying runner sections of a mold. The MELTFLIPPER TECHNOLOGY refers to the following intellectual properties: United States Patent No. 6,077,470 and PCT/US98/21645, "Branching Runner Thermal and Flow Balancer" invented by John P. Beaumont; and United States Patent No. 6,503,438 and PCT/US01/20761, "Method and Apparatus for Balancing Flowing Conditions of Laminar Flowing Materials" assigned to BTI; and related Confidential Information, including but not limited to trade secrets, of BTI.

1. Grants

- 1.01 Upon receipt of this License Agreement signed by both Licensee and BTI, the receipt by BTI or its Distributors or Representatives of a purchase order from Licensee based on a current MELTFLIPPER TECHNOLOGY Quotation and conditioned on compliance by the Licensee with the terms of the quotation (including but not limited to the payment of the license fee for the selected license option), BTI grants to Licensee a non-exclusive right and license(s) to make, have made, and use MELTFLIPPER TECHNOLOGY for the number of molds specified a purchase order to BTI under the conditions of this License Agreement.
- 1.02 A separate license and license number are issued by BTI under this License Agreement to allow each individual mold which the Licensee elects to utilize the MELTFLIPPER TECHNOLOGY to produce a particular product. Other molds producing the same, or different, products will each require a separate license. Additional products produced in a given mold will each require a separate license (as in a modular mold which through changing of inserts can produce different products).
- 1.03 When applying the MELTFLIPPER TECHNOLOGY to any given mold, Licensee agrees to identify the mold and product or products for which the MELTFLIPPER TECHNOLOGY is to be applied. This identification must be unique to the mold and product, and must be provided to BTI within 30 days of application of the MELTFLIPPER TECHNOLOGY or at timely intervals as agreed upon by Licensee and BTI. This identification must include a unique identifying mold number/code, number of cavities in the mold and each product description and/or identifying code. BTI will record each mold and its unique assigned license number in a BTI internal database, with license reports available to Licensee for Licensee's specific applications and record keeping to be provided to Licensee as requested by Licensee.
- 1.04 Licensee will receive a license certificate and identifying mold tag with a unique license number from BTI for each mold identified by the Licensee according to 1.03 above. This license may only be applied to the specified mold for which it has been assigned.
- 1.05 FIRST MOLD - Licensee will have 30 days from the first day of application of the MELTFLIPPER TECHNOLOGY to the FIRST MOLD or 120 days from issue of a purchase order, whichever comes first, to test the FIRST MOLD ("FIRST MOLD Test Period"). The FIRST MOLD Test Period does not grant the Licensee the right to withhold payment of the license fee according to the terms within a current MELTFLIPPER TECHNOLOGY quotation. Prior to the expiration of the FIRST MOLD Test Period, Licensee will notify BTI in writing whether it elects, in its sole discretion, not to continue the License with respect to the FIRST MOLD. If Licensee notifies BTI that it elects not to continue the license with respect to the FIRST MOLD, Licensee shall modify the FIRST MOLD so that it no longer embodies the MELTFLIPPER TECHNOLOGY and shall promptly so notify BTI in writing. Also, if Licensee elects not to continue to license the FIRST MOLD, Licensee may elect to retract its purchase order with BTI and/or receive a refund of any monies paid toward the license fee and thereafter have no further obligation to BTI whatsoever. Licensee may elect to apply a FIRST MOLD license to a second mold for which Licensee will proceed under the license conditions herein, including those defined for FIRST MOLD. Any refund granted to Licensee shall be a refund of the license fee only. Licensee will still be obligated to pay any non-license fees for which it has placed a purchase order with BTI.
- 1.06 SINGLE LICENSE OPTION - Licensee will adhere to the payment terms of the MELTFLIPPER TECHNOLOGY quotation for which Licensee has issued a purchase order and the terms are not subject to the results of the FIRST MOLD Test Period. If Licensee has issued a purchase order for a MULTI-LICENSE, CORPORATE LEVEL LICENSE, or SITE LICENSE package and elects to purchase only the single license for the FIRST MOLD, Licensee must notify BTI in writing within the FIRST MOLD Test Period of its intent not to continue with the MULTI-LICENSE, CORPORATE LEVEL LICENSE, or SITE LICENSE, at which point Licensee will only be required to satisfy the terms of a single license as specified in the quotation for which Licensee has issued a Purchase Order.
- 1.07 ADDITIONAL MOLDS - Licensee shall notify BTI according to 1.03 above of ADDITIONAL MOLDS containing MELTFLIPPER TECHNOLOGY for which it has paid another SINGLE LICENSE, MULTI-LICENSE or SITE LICENSE fee according to the terms of this License Agreement. Licensee may test the use of the MELTFLIPPER TECHNOLOGY in the licensed ADDITIONAL MOLD for 30 days from the day of its first application ("ADDITIONAL MOLD Test Period"). The ADDITIONAL MOLD Test Period does not grant the Licensee the right to withhold payment of the license fee according to the terms within a current MELTFLIPPER TECHNOLOGY quotation. Prior to the expiration of the ADDITIONAL MOLD Test Period, Licensee will notify BTI in writing whether it elects, in its sole discretion, not to continue the license with respect to the ADDITIONAL MOLD. If Licensee notifies BTI that it elects not to continue the license with respect to the ADDITIONAL MOLD, Licensee shall modify the ADDITIONAL MOLD so that it no longer embodies the MELTFLIPPER TECHNOLOGY. Upon notification of Licensee's wish not to continue the license, the license will be void, and the Licensee will have no obligation in regard to the ADDITIONAL MOLD, but Licensee will be free to continue licensing further ADDITIONAL MOLDS according to the terms of this License Agreement. The sole obligation of BTI with regard to any ADDITIONAL MOLD after the ADDITIONAL MOLD Test Period for which Licensee decides not to continue to use MELTFLIPPER TECHNOLOGY will be to cancel the license applicable to that ADDITIONAL MOLD and credit Licensee with the right to license a further ADDITIONAL MOLD to use MELTFLIPPER TECHNOLOGY. BTI may however, at its sole discretion and option, authorize a refund of the License Fee only for the ADDITIONAL MOLD, except for those licenses issued under a Site License. Under either license option, Licensee will still be obligated to pay any non-license fees for which it has placed a purchase order.
- 1.08 If Licensee does not contact BTI in writing within the Test Periods stated above for either the FIRST MOLD or ADDITIONAL MOLDS, Licensee will be required to continue its license for the specified mold and will be responsible for license payments under the terms of the current MELTFLIPPER TECHNOLOGY quotation for which the Licensee has issued a purchase order.
- 1.09 The Licensee agrees to annotate or have outside vendors used in designing or manufacturing any licensed mold containing MELTFLIPPER TECHNOLOGY to annotate any mold drawings which contain details of the MeltFlipper design, as follows - **(This drawing includes details of the MeltFlipper®, U.S. Patent No.'s 6,077,470 and 6,503,438 and Confidential Information that recipient agrees to hold in confidence and is subject to a License Agreement with Beaumont Technologies, Inc.)**
- 1.10 The Licensee agrees to permanently and clearly mark or have outside vendors used in designing or manufacturing any licensed mold containing MELTFLIPPER TECHNOLOGY to permanently and clearly mark any licensed mold by either mounting the identifying mold tag to be provided by BTI or engraving the mold to include the following which will include the patent numbers and the license number specified for the mold by BTI:
MeltFlipper®, Patent No.'s 6,077,470 and 6,503,438 - Subject to the Terms of License # BTI-X-XXXXXX
- 1.11 The license is granted without right of the Licensee neither to sublicense nor to transfer the license between molds or products unless authorized by BTI in writing. However, Licensee is free to make, have made, use, transfer, sell or dispose in any fashion the licensed molds that are the subject of this License Agreement to produce particular product(s) identified pursuant to Article 1.03 above.
- 1.12 The licenses granted herein are for the life of the licensed molds. Licensee agrees that the MELTFLIPPER TECHNOLOGY shall be used only in the licensed molds identified to BTI according to Article 1.03 above and for which Licensee has paid a License Fee.
- 1.13 At the sole discretion of BTI, a License to apply MELTFLIPPER TECHNOLOGY to molds other than those for which Licensee has paid a license fee may be added to this License Agreement or may be granted on the basis of other terms and conditions satisfactory to BTI.

2. Royalties

- 2.01 For the FIRST MOLD and ADDITIONAL MOLDS licensed according to the terms of this License Agreement, Licensee agrees to pay to BTI or its Distributors or Representatives a discounted license fee per a current MELTFLIPPER TECHNOLOGY quotation. This license fee entitles the Licensee to the rights, privileges and license granted herein to make, have made, and use MELTFLIPPER TECHNOLOGY for

each licensed mold to produce particular products as set forth in Articles 1.02 and 1.03 above. Engineering services, design, training, machining or installation of the MELTFLIPPER TECHNOLOGY, etc, will be quoted separately.

2.02 Should the Licensee conduct or engage in any unauthorized or unlicensed use of MELTFLIPPER TECHNOLOGY (i.e., more than a minor discrepancy beyond authorized and licensed use), Licensee shall provide a detailed accounting to BTI of all unauthorized or unlicensed molds and all products produced using such molds, and Licensee shall be liable to BTI for the value received by the Licensee through any unauthorized or unlicensed use of MELTFLIPPER TECHNOLOGY, but in no event less than \$50,000.00 per license. The provisions of this Article shall not apply with respect to any unauthorized or unlicensed use of MELTFLIPPER TECHNOLOGY which is a minor discrepancy and which the Licensee establishes was unintentional and/or inadvertent. For the purpose of this License Agreement, "minor discrepancy" shall be defined as less than 5% non-compliance based on the total number of licenses purchased by Licensee within the previous 3 years.

2.03 At any time during normal business hours, following written notice sent at least 10 days in advance, Licensee shall permit a representative of BTI, who is reasonably acceptable to Licensee, to confidentially examine the records and molds of Licensee to insure Licensee has complied with the terms of this License Agreement. All confidential information of Licensee received by BTI as a result of this examination shall be held in confidence by BTI and shall not be disclosed to anyone outside BTI or used for any purpose except to enforce the terms of this License Agreement. Expenses incurred by BTI for this examination shall be borne by BTI, unless the examination shows a failure by Licensee to pay required royalties (more than a minor discrepancy) or otherwise comply with this License Agreement, in which case the provisions of Article 2.02 shall apply and Licensee shall also pay BTI's reasonable examination expenses and any attorneys fees incurred.

3. Warranty and Indemnification

3.01 BTI and its Distributors or Representatives extends no warranties of any kind with respect to MELTFLIPPER TECHNOLOGY or any molds using or products resulting from molds using MELTFLIPPER TECHNOLOGY, other than as stated in Articles 1.05, 1.06, and 1.07. NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE SHALL APPLY. BTI does guarantee the MELTFLIPPER TECHNOLOGY to customer satisfaction in regards to the desired balance of the runner, which may be less than a perfect balance as understood by Licensee, per Articles 1.05, 1.06, and 1.07.

3.02 BTI has no input or control over part design, material selection, mold design (other than MELTFLIPPER TECHNOLOGY), processing, or any other aspect that may directly impact the performance of the part produced in a licensed mold. It is the responsibility of Licensee to qualify the molded parts once the MELTFLIPPER TECHNOLOGY is applied to a licensed mold. Therefore, in no event shall BTI or its officers, directors, employees or agents be liable to Licensee or any third party for any incidental, indirect or consequential damages, property damage, or personal injuries, including death, of any kind arising from the sale of products manufactured with the MELTFLIPPER TECHNOLOGY ("DAMAGES and PERSONAL INJURY") by Licensee or its assignees. Licensee and its assignees shall defend, indemnify and hold BTI and its officers, directors, employees or agents harmless with respect to all claims, liability and expenses, including reasonable attorney's fees, arising from such DAMAGES and PERSONAL INJURY including those due to BTI's negligence, or gross negligence or defects caused by BTI. Any liability of BTI regarding the use of MELTFLIPPER TECHNOLOGY for a given mold shall require that MELTFLIPPER TECHNOLOGY is the sole cause of the liability and shall be limited to the amount paid to BTI by Licensee with respect to MELTFLIPPER TECHNOLOGY for said mold.

3.03 BTI shall defend, indemnify and save harmless Licensee, its successors, assigns, customers or users of its products, and Licensee's officers, employees, and agents, from and against all costs, losses, expenses, damages, claims, suits or any liability whatsoever, including reasonable attorney's fees, resulting from any claim that the use of MELTFLIPPER TECHNOLOGY infringes any patent, copyright, trademark or other intellectual property rights. This obligation of BTI is contingent on Licensee notifying BTI in writing within 15 days of Licensee's receipt of any claim, suit or proceeding alleging that the use of MELTFLIPPER TECHNOLOGY infringes any patent, copyright, trademark or other intellectual property right and giving BTI adequate authority, information and assistance (at BTI's expense) to defend the same, subject to the right of Licensee to participate in such defense at Licensee's option and cost. BTI shall, at its expense and option, either defend the claim, suit or proceeding or to procure for Licensee the right to use MELTFLIPPER TECHNOLOGY or to modify or replace MELTFLIPPER TECHNOLOGY with substantially equal but non-infringing technology or refund the license fee for the mold(s) which are infringing. Provided, however, that BTI shall have no obligation to refund the license fee or take any other action under this paragraph regarding any claim, suit or proceeding of which BTI receives written notice more than five (5) years after the date of this License Agreement. However, the obligations of BTI under this paragraph shall not apply to any infringement which results in whole or in part from any goods or services used by Licensee, other than those required by BTI for MELTFLIPPER TECHNOLOGY.

4. Miscellaneous

4.01 This License Agreement embodies the entire contract and understanding of the parties and supersedes all previous communications, representations or undertakings, either verbal or written, between the parties relating to the subject matter hereof. This License Agreement can only be modified by a writing which refers to this License Agreement and is signed by both parties. However, printed form terms and conditions of any purchase order issued by Licensee shall not modify this License Agreement unless the purchase order specifically states its terms supersede the terms of this License Agreement by referring to it specifically, even if BTI signs or supplies products or services under the purchase order. Articles 2, 3 and 4 shall survive any termination of this License Agreement.

4.02 All machining expenses for the application or removal of MELTFLIPPER TECHNOLOGY are the sole responsibility of Licensee.

4.03 Each party shall hold confidential all Confidential Information of the other party and will not disclose it outside party's employees, who agree to this confidentiality obligation, unless it is necessary to share Confidential Information in order for the MELTFLIPPER TECHNOLOGY to be procured into a licensed mold. In regards to sharing Confidential Information, Licensee will not be liable if the party receiving the Confidential Information violates the patent rights of the MELTFLIPPER TECHNOLOGY provided that Licensee discloses the Confidential Information in confidence and adheres to items 1.09 and 1.10 of this License Agreement when sharing such Confidential Information. Also, each party will not use the other party's Confidential Information, except in conjunction with licenses incurred under this License Agreement. Confidential Information does not include information in the public domain or information either party can show, in writing, it knew before receiving it from the other party or received from a third party with no confidential obligation to the other party. Confidential Information must be clearly marked by each party.

4.04 This License Agreement and any purchase order or other agreement concerning MELTFLIPPER TECHNOLOGY shall be interpreted according to the laws of Pennsylvania, except for any that would apply the laws of another jurisdiction. BTI, Licensee, and any assignee of Licensee, agree to the jurisdiction and venue of the Federal and State courts governing the address of BTI listed above.

4.05 In regards to this License Agreement, if the Licensee changes address or company name, BTI and Licensee agree to sign another license agreement with the updated information. If the Licensee merges with or is acquired by another company, the Licensee or the other party is responsible for continuing the License Agreement and payment terms.

Licensee

(BTI) Beaumont Technologies, Inc.

Name: _____

Name: John Beaumont _____

Title: _____

Title: President _____

Signature: _____

Signature: _____

Date: _____

Date: _____