



# International Non-Exclusive License Agreement

## Import Technical License and Trademark License Agreement

This Agreement made and entered **Date** between, **AirKrete®, Inc.**, a corporation duly organized and existing under the laws of the State of New York, USA, with its principal located at 2710 E. Brutus Street, P.O. Box 380, Weedsport, New York, 13166, USA (hereinafter referred to as “Licensor”), and **Company** duly organized and existing under the laws of **Country** with its principal office located **Address** (hereinafter referred to as “Licensee”).

WITNESSETH:

WHEREAS, Licensor has developed a three component process (one of which components is air) for producing a foamed-in-place insulating material (light weight cement) from combining certain light weight cement and other organic and inorganic materials and compounds referred to as the three component process a “Light weight cement Insulation”, and;

WHEREAS, the Licensor has technical know-how and expertise with regard to the three component process, the various materials comprising said components, and that apparatus for producing said Light weight cement Insulation which constitute Intellectual Property of Licensor; and

WHEREAS, Licensor has long been engaged in the manufacture and sale of light weight cement insulation used for thermal, sound and fireproofing application; and

WHEREAS, the Licensor is the owner of the trademark known as “AirKrete® Greensulation” (Trademark No(s) 1,300,546) (the “Trademark”); and

WHEREAS, the Licensor has previously secured patents on various aspects of the three component process, and the apparatus for producing said Light weight cement Insulation; and

WHEREAS, Licensor acquired and possesses valuable technical information, comprising the formulation, manufacture, application and use of its products;

WHEREAS, Licensor has the right to grant a license to use technical information (or Industrial Property Rights) in connection with the licensed products; and

WHEREAS, Licensee desires to obtain, and Licensor is willing to grant the right and license to import, install, and use AirKrete Quality Products as designated below in **Country** utilizing technical information furnished by Licensor,

WHEREAS, Licensee desires a license to make use of the Licensor's three component process, trademark, Intellectual Property, initial know-how and continuing consultation with regard thereto, **under the terms and conditions** provided therein;

NOW, THEREFORE, in consideration of premises and covenants hereinafter set forth, the parties hereto agree as follows:

1 DEFINITIONS wherever used in the Agreement, the following terms shall have the following meaning:

1.1 **"AirKrete Quality Products"** means expanded light weight cement insulating used for thermal sound and fireproof application formulated and manufactured using Licensor's proprietary methods and processes and marketed under the AirKrete Trademarks;

1.2 **"Independent Application Contractor"** is defined to mean any legal business entity that will use the Licensor's three-component process, Intellectual Property, or know-how for insulating purposes in existing or new construction of residential, commercial, institutional, and industrial structures, and any other legal use the Licensee is able to successfully market.

1.3 **"Three-Component Process"** is defined to mean the process by which Components A and B are combined with air to produce a light weight cement. The three-component process comprises the following components (other than air):

1.3.1 **"Component A"** is defined to mean an aqueous solution made up of "Cement Additive, and water;

1.3.2 **"Component B"** is defined to mean an aqueous solution comprising of Expanding Agent, and water.

1.4 **"Licensor's Products"** defines the Licensor's three-component process, Cement Additive, Expanding Agent Concentrate and B2 Concentrate.

1.5 **"AirKrete® Unit or AK Unit"** is defined to mean an appropriate amount of Cement Additive and Expanding Agent and B 2 Concentrates which, when used in accordance with the Licensor's three component process will produce between 800 and 1000 board ft (1ft x 1ft. x 1in) of light weight cement depending on density.

1.6 **"Application Gun and Pumping Equipment"** defined to mean the apparatus developed by the Licensor along with the machinery, equipment and accessories organized in such a way as required to install AirKrete® Quality Products in Licensee's contract territory.

1.7 **"Technical Information"** is all the technical knowledge, standard calculations, data and information developed or otherwise generally used by Licensor pertaining to the installation. All use and sale of the AirKrete Quality Products, including all technical and related information required to set up and install AirKrete Quality Products. Also as of the execution date of this Agreement, thereafter, and any derivations, developments, refinements, modifications or enhancements of any of the above listed items (hereinafter collectively referred to as "Improvements") as may be provided from time to time subsequent to the execution date of this Agreement.

1.8 **“Contract Territory”** means the territory subject to the Government of **Country as described in Schedule A**

1.9 **“Industrial Property Rights”** are any or all rights under patents, utility models, formulas, knowhow and applications presently owned or hereafter acquired by Licensor and/or which Licensor has or may have the right to control or grant license hereof during the term hereof and which are applicable to or may be used in installation of the AirKrete® Quality Products.

1.10 **“Licensed Trademarks”** means “AirKrete®” and such other words or marks used by Licensor to signify and identify the AirKrete® Quality Products and only as registered as a trademark in the Contract Territory.

## 2 GRANT OF LICENSE TO IMPORT AND INSTALL

2.1 Licensor during the term of this Agreement hereby grants to Licensee a non-exclusive right using the Industrial Property Rights and Technical Information furnished by Licensor in the Contract Territory.

2.2 During the term of this Agreement, the Licensor hereby grants to the Licensee a personal, indivisible, non-exclusive, non-assignable and non-transferable (except as otherwise provided in this Agreement) right and license.

2.3 Licensor’s grants the Licensee the right to use the three-component process, for installation of AirKrete light weight cement insulation foamed in the residential, commercial, institutional, agricultural and industrial insulation fields; by importing Cement Additive, Expanding Agent Concentrates and equipment from AirKrete®, Inc.

2.4 To use Licensor’s trademark, “AirKrete®”, and any other trademarks under which the Licensor’s Products are sold in connection with the Licensor’s Products, and the Licensor’s Application Gun and Pump Sets, under the terms and conditions provided in the Agreement.

2.5 To make use of all disclosed technical know-how, advice and all other disclosures made to the Licensee by the Licensor in connection with the grant to the Licensee of the right to use the Licensor’s Products and apparatus; and to receive ongoing consultations with regard to the rights granted herein.

2.6 Licensee is highly knowledgeable and experienced in the marketplace for insulation and fireproofing products in the Contract Territory and shall sell and install AirKrete® Quality Products to appropriate end users in the following sales procedures for the Contract Territory:

2.6.1 Licensee agrees that the price of the AirKrete® Quality Products to end users in the Contract Territory shall be competitive with similar kinds of insulation and fireproofing products manufactured and/or sold by others in the Contract Territory.

2.6.2 Licensee agrees to purchase adequate quantities of AirKrete® Quality Products to meet market demands in the Contract Territory and to maintain adequate inventories as sales experience dictates sufficient and to promptly supply such market requirements.

2.6.3 Licensee shall not sell, manufacture or distribute light weight cement insulation and fireproofing products competitive with or similar to AirKrete® Quality Products within the Contract Territory while this Agreement is in effect.

2.7 Licensors shall have no obligation to supply equipment or material to Licensee until this License is executed.

2.8 Licensee Inspection Rights. The Licensee hereby grants to the Licensor the right upon three days' written notice, by certified mail, return receipt requested, to inspect, or cause to have inspected by the Licensor's duly authorized agent, all of the business books and records relating to AirKrete® Inc. including but not limited to the purchase or sale of any and all components used in the manufacturing of AirKrete® insulation.

2.9 Non-Exclusive Territory. Licensee is hereby granted a nonexclusive area within which the Licensee shall locate at least one, but may locate more, principal places of business, which area is defined in Schedule A, annexed hereto and made a part hereof (the "Nonexclusive Territory"). The Licensee shall concentrate its efforts in using the Licensor's Three Component Process in the Nonexclusive Territory. To this end, any shipments of materials by the Licensor to the Licensee shall be within the Nonexclusive Territory. Although the Licensee is required to concentrate its efforts in the Nonexclusive Territory, the Licensee is free to make, use, and sell the Licensor's Products anywhere within **Alberta, Canada**, and nowhere else, except in any jurisdiction where any such sales would violate any franchise, business opportunity, or other local, state or government laws. Licensor agrees that during the term of this Agreement, other than sales and shipments to Licensee, it shall not sell within or ship to any location within the Nonexclusive Territory any of Licensor's Products, for its own account, or by or on behalf of any other person, firm or corporation, directly or indirectly engaged in the business of selling or soliciting or taking orders for the sale of Light weight cement Insulation.

2.10 Minimum Performance. The Licensee hereby acknowledges that the grant of this license is a valuable property right and is granted by the Licensor on condition, among others contained in this Agreement, that the Licensee shall meet minimum annual sales quotas of AK Units. All sales made by the Licensee in the **Country** shall be included in establishing the minimum sales. Said minimum annual sales quotas, and the procedure for establishing said quotas, are contained in Schedule B, annexed hereto and made a part hereof. This Annex should reflect that the sales quotas are cumulative (i.e., overages in Y1 can be applied to Y2). The parties acknowledge that failure of the Licensee to meet cumulative sales quotas (other than failures resulting from Licensor's inability to fill purchase orders from Licensee) in any calendar year shall be a material breach of this Agreement and the Licensor, at its option, may terminate this Agreement on sixty (60) days written notice pursuant to the provisions of Paragraph Termination For Cause below, provided however, that within said sixty (60) days the Licensee, at its option, may cure the default by purchasing in bulk the number of Units lacking to meet minimum performance hereunder. Any Units purchased to cure such default shall be deemed to have been purchased solely for the calendar year for which the default is cured. The Licensor's sole remedy for the Licensee's nonperformance of the provisions of this Paragraph shall be termination of this License Agreement pursuant to the provisions of Paragraph Termination For Cause.

2.11 Initial Purchase of Equipment. Upon execution of this Agreement, the Licensee shall purchase from the Licensor two Application Guns and one Pump Set installed in AirKrete Standard Package, and 8 AirKrete Units, at Licensor's prevailing prices, for each demographic area comprising the Non-exclusive Territory defined in Schedule A.

2.11.1 The terms of purchase shall be COD, the Licensor's business premises at Weedsport, New York, or COD destination, at Licensor's option; the cost of freight from Licensor's business premises shall be borne by and shall be the liability of the Licensee.

2.11.2 The provisions of this Paragraph shall not apply to any License which was executed by the Licensor under a prior written License Agreement, which prior Agreement is superseded, nullified and terminated pursuant to the provisions of **Paragraph Termination of Prior Agreements** hereof.

2.11.3 Best Efforts. The parties hereby agree to devote their best efforts in the performance of this License Agreement.

2.11.4 Licensor shall have no obligation to supply equipment or material to Licensee until this License Agreement is executed.

### 3 INITIAL TECHNICAL ASSISTANCE AND SERVICES

3.1 Licensor shall supply Licensee with Technical Information, including the following items: to pumping equipment and application gun to install AirKrete® Quality Products to the best advantage; to acquire such equipment as may be required for such pumping and mixing equipment, and to complete the expansion and make it operational for installing of the AirKrete® Quality Products without delay: Drawings for Licensee's pumping and mixing equipment. Specifications. Materials list. Data for inspection, training and trial operation. Operating and instruction manuals. Any other necessary Technical Information generally used by Licensor to install AirKrete® Quality Products.

3.2 Licensor shall, by request of Licensee, permit a reasonable number (but not more than two (2) persons) of technical personnel designated by Licensee to have the opportunity to study the design and manufacture of the AirKrete® Quality Products at one of the Licensor's or its affiliate's places of business. Licensee shall advise Licensor, in advance, of the purpose, number, names, qualifications and probable length of stay of Licensees designated personnel desiring to visit Licensor. Licensor shall arrange to make available qualified personnel for consultation with and training of such Licensee's personnel. Cost for travel, meals, lodging, and other expenses of Licensee's personnel dispatched for training shall be borne by Licensee. In addition, cost for any translators deemed necessary by the Licensee is to be borne by Licensee.

3.3 The above is subject is to availability of personnel and by mutual agreement. Upon Licensee a written request of the Licensor shall send, qualified engineers and/or technicians to render assistance and services to Licensee in connection with the operation of the pumping and mixing equipment, and installation and sale of the AirKrete® Quality Products, for a reasonable period of agreed upon by the parties. Licensee agrees to bear the traveling expenses to and from Weedsport, New York, USA and living expenses in the **Country** incurred by any such engineers and/or technicians. Licensor assures that such engineers and/or technicians will be qualified with professional standards and reasonable skill, and will perform the assistance and services with care and diligence.

3.4 The technical assistance and services furnished under Section 4.3 supplied to Licensee in detail sufficient to satisfy an experienced engineer and in accepted terminology according to American engineering standards and in the English language and in American measurements.

#### 4 IMPROVEMENTS

4.1 If at any time during the term of this Agreement either party hereto discovers or comes into the possession of any improvements or further inventions relating to the AirKrete® Quality Products or in connection with the design, manufacture, use and sale of same, the party shall furnish the other party with such information (i.e. improvements in product and equipment).

#### 5 ROYALTY AND PAYMENTS

6.1 In consideration of the Technical Information and the Industrial Property Rights furnished by Licensor to Licensee hereunder, Licensee shall pay to Licensor a royalty fee. Royalty fee is at a rate of \$50.00 USD per unit, payable separately at the time of each purchase of ingredients from Licensor and is currently included in the AirKrete unit price.

6.2 Royalty shall be paid and itemized separately from the cost of imported ingredients. Licensee may withhold any government taxes on the royalty payment only, provided that this withholding amount is in accordance with provisions of the prevailing USA and **Country** Tax Treaty and that an official **Country** Government receipt is provided by Licensee indicating payment of the amount withheld to the **Country** tax authorities.

6.4 Licensee agrees to pay Licensor the \$50.00 USD per unit royalty for any similar expanded light weight cement that it may use, sell, or install.

6.5 When payment of royalty is not included in the Licensee's unit price it shall be accompanied by an itemized statement certified correct by a principal administrative or financial officer of Licensee detailing all expanded light weight cement products installation and sales.

6.7 Licensee shall purchase all components for AirKrete® from the Licensor at a price FOB, Licensor's plant Weedsport, NY at its current USD per unit; prices subject to change on 15 days written notice.

6.8 The terms of purchase shall be FOB, Licensor's plant at Weedsport, NY. Shipment of component ingredients are made upon receipt of royalty payments per unit being shipped, less any **Country** Government withholding tax; and the acceptance of a confirmed Irrevocable Letter of Credit confirmed by US bank, bank wire transfers or PayPal payments.

6.9 It is hereby agreed by both parties that minimum revenue to AirKrete®, Inc. during the term of this Agreement shall be \_\_\_\_\_ AirKrete® Inc. Units per year and an added 13% each year thereafter, which includes gross amount of royalty **Country** Government withholding tax.

6.10 For the supervision and assistance by Licensor under Initial Technical Assistance and Services, Licensee shall pay to Licensor a service fee upon receipt of invoice from Licensor, as follows:

Engineer: US \$425.00/day

Technician: US \$350.00/day

The rate specified above maybe adjusted to reflect any increases or decreases in the rate Licensor normally charges for the services of its engineers and technicians. Licensee shall also pay the traveling and living expenses of the engineers and technicians as required by Initial Technical Assistance and Services.

6.11 The licensor accepts US Currency only.

6.12 Minimum performance see - Schedule B.

## 7 SUPPLY OF COMPONENTS, PARTS AND RAW MATERIALS.

7.11 Upon Licensees written request, Licensor shall supply components, parts and raw materials to licensee in due time and at reasonable and competitive prices.

## 8 PACKAGING TRADEMARKS

8.1 The AirKrete® Quality Products are to be marketed in Contract Territory under labels bearing Licensor's Trademarks

## 9 QUALITY CONTROL FOAM EXPANSION AND INSTALLATION OF AIRKRETE® QUALITY PRODUCTS.

9.1 Licensee recognizes that AirKrete® Quality Products are of superior quality and the importance of quality installation in the Contract Territory. Therefore, licensee shall expand (foam) and install AirKrete® Quality Products in accordance with the specifications prescribed and shall promptly correct any deficiencies. Specifications may be changed from time to time by notice from Licensor. Licensor shall supply any 'technical Information required by any such changes.

9.2 General and Products Liability Insurance. Licensee agrees to add AirKrete®, Inc. as an additional insured on all insurance policies pertaining to the business associated with the installation of Licensor's Products, other than for policy coverage relating to worker's compensation.

## 10 DURATION AND TERMINATION

10.1 This Agreement shall be effective for an initial period of five (5) years from the effective date of this Agreement.

10.2 If either party continues in default of any obligation imposed on it herein for more than thirty (30) days after written notice is given, requesting the party in default to remedy such default, and if the default complained of is not remedied within the 30-day period, the non-defaulting party may terminate this Agreement.

10.3 Term. This Agreement shall become effective only upon execution hereof by both parties, and shall continue in full force and effect, unless otherwise terminated pursuant to the provisions of this Agreement, for a period of Five 5 years from the date of execution hereof. Unless otherwise extended pursuant to Option to Extend Term below, upon the termination of this Agreement, all rights, duties and obligations hereunder shall expire, except as to any rights

and liabilities, which are accrued as of the expiration date, and except as otherwise provided in this Agreement.

**10.4 Option to Extend Term.** In the event the Licensee performs its duties and obligations under this Agreement during term provided above and no event of default has occurred and if this Agreement has not been otherwise terminated for cause by Licensor, upon sixty (60) days' prior written notice to Licensor prior to the expiration of the term of this Agreement as set forth in Section 14, the Licensee shall have the option to extend the term of this Agreement for two (2), additional five (5) year periods upon the same terms and conditions.

**10.5 Business Relationship.** The parties hereto agree that it is their intent to establish a business relationship between them by which the Licensee is an independent contractor. More specifically, this Agreement does not constitute the Licensee a legal representative, agent, joint venture, partner or employee of Licensor for any purpose whatsoever. The Licensee is not authorized to, nor shall the Licensee make, any contract, agreement, warranty or representation on behalf of the Licensor, nor shall the Licensee create any obligation, express or implied, on behalf of the Licensor.

**10.6 Termination of Prior Agreements.** *This Agreement supersedes, nullifies and terminates any other License Agreement between the same parties hereto, executed prior to the date hereof. Any such prior License Agreement shall be deemed terminated by the execution of this Agreement, said termination effective on the date of execution hereof.*

**10.7 Termination For Cause.** The Licensor, at its option, may terminate this Agreement for cause by giving written notice to the Licensee of its intent to so terminate the Agreement; provided that Licensee shall not terminate this Agreement without first

10.7.1 Providing Licensor with written notice of any substantial breach(es) of this Agreement by Licensee, and

10.7.2 Providing Licensee a 30 day period to cure such breach(es). Said notice shall contain the grounds for the termination (including a specific description of any substantial breach (es) of this Agreement), which grounds shall be reasonably specific, and the termination shall be effective on the 60<sup>th</sup> day following the mailing of said notice. Unless such breach(es) are not cured by Licensee within the 30 day cure period, on said 60<sup>th</sup> day, all rights, duties and obligations of the parties shall cease and terminate, except as otherwise provided in this Agreement, and except for rights and obligations which have accrued as of the date of termination.

**10.8 Immediate Termination** Licensor shall have the option to terminate this Agreement as of the date of mailing the notice of termination upon occurrence of any of the following events:

10.8.1 The Licensee is declared insolvent or bankrupt by any court;

10.8.2 The Licensee makes any assignment for the benefit of creditors;

10.8.3 A receiver is appointed with respect to Licensee's business;

10.8.4 The Licensee is financially unable to continue in business;

10.8.5 The Licensee terminates doing business for fifteen (15) consecutive days;



10.8.6 Commencement by the Licensee of any proceeding under any provisions of the Government of other third party of any amendment thereto, or any other laws for the relief of debtors;

10.8.7 The Licensee becomes the involuntary subject of any proceeding under the Government or other third party or any amendments thereto, or any laws for the relief of debtors, or any insolvency laws which proceeding continues undismissed for a period of thirty (30) days;

10.8.8 The Licensee shall not infringe or aid in the infringement of Licensor's existing patents, pending patents, or patents to be issued. Upon the mailing of any such notice of termination, all rights, duties and obligations under this Agreement, and except for rights and obligations which have accrued as of the date of termination, the Licensor's rights to terminate this Agreement under the provisions of this paragraph is cumulative with all other rights and remedies to which it is entitled.

10.9 Licensor shall have the right to terminate this Agreement within thirty (30) days after written notice is received from Licensee that Licensor cannot be paid in U.S. Dollars for payments due Licensor.

10.10 All payment obligations set forth in this Agreement shall continue after any termination of this Agreement until all payments covered by this Agreement are completed.

10.11 In the event that a termination of this Agreement by default of Licensee, Licensee specifically agrees to desist and refrain from competing in the installation of light weight cemented in place applied insulation and fire proofing products for a period of two (2) years from the official date of termination.

## 11 USES OF TRADEMARK AND BRAND NAME

11.1 Licensor hereby grants to Licensee, upon the terms and conditions hereinafter specified a non exclusive non-assignable license to use the Licensed Trademarks during the term of this Agreement in manner as not to deceive the public on and in connection with the AirKrete® Quality Products imported and installed by Licensee.

11.2 Licensee shall be entitled to use Licensed Trademarks on Licensee's letter headings, invoices, all advertising and promotional material, only in such form and manner approved after consultation with and in writing by the Licensor.

11.3 Each Licensed Trademark can be used only after duly registered if applicable, with the **Country** Patent Office, by Licensor, and after this Agreement duly registered with the **Country** Patent Office.

11.4 If this Agreement is terminated, Licensee shall immediately cease using the Licensed Trademarks.

11.5 Licensee agrees that the Licensor's Trademarks are the exclusive property of the Licensor and that the use of the Trademark given in this Agreement or any successor agreements does not cause any ownership or right to the use of the trademarks except as granted herein

## 12 PATENT INFRINGEMENTS

12.1 Should any AirKrete® Quality Products imported or installed by Licensee strictly in accordance with the Technical Information and/or Industrial Property Rights supplied by Licensor under this Agreement, partially or totally infringe an Industrial Property Right belonging to a third party which shall make a claim against Licensee for alleged infringement of such Industrial Property Rights. Licensee shall immediately by telex or facsimile inform Licensor thereof and transfer the claim with all pertinent details to Licensor who shall be responsible for handling of the claim, and Licensee shall in no respect have any responsibility for the claim from such party unless infringement is caused by Licensee.//////////

12.2 Property Rights and Quality Standard. The Licensee acknowledges, consents and agrees as follows:

12.3 The combining of certain Light weight cement materials and other organic and inorganic compounds by Licensor's Three Component Process to produce Light weight cement Insulation comprise new and useful inventions and advances in the art. Such inventions and advances in the art, and any patents which issue to the Licensor on any such inventions, are owned exclusively by and comprise a property right of the Licensor, subject only to the rights granted to the Licensee in Paragraph 2 of this Agreement. The unauthorized use by Licensee of the Licensor's Three Component Process for producing Light weight cement Insulation is an infringement of the Licensor's property rights (including Intellectual Property Rights) thereto.

12.4 The Licensee further acknowledges that other than the rights granted under this Agreement, the Licensee acquires no right, title or interest to Licensor's Products, including any such inventions or advances in the art, or patents resulting there from or improvements thereto. During the term of and for a period of three years following the termination or expiration of this Agreement, the Licensee shall not, directly or indirectly, commit any act of infringement with regard to any property rights associated with Licensor's Products, or contest or aid in contesting the validity of ownership of such property rights, or take any other action in derogation thereof.

12.5 The Licensor is the owner of various trademarks, including the trademark "AirKrete® Greensulation", which the Licensee has been licensed to use under this Agreement.

12.6 The Licensee shall use such trademark or trademarks only in connection with the promotion, distribution, sale and use of the Licensor's Products, including the Three Component Process, and the Application Gun and Pump Sets. The continued use by the Licensee of the Licensor's trademarks is conditioned upon the Licensee providing insulation related goods and services of a quality which meets the Licensor's reasonable standards, which standards may be changed from time to time. The failure of the Licensee, at any time, to meet the Licensor's quality standards for the goods and services provided by the Licensee under the Licensor's trademarks is a material breach of this Agreement for which the Licensor may terminate this Agreement pursuant to the provisions of Paragraph Termination For Cause, below; provided that Licensee shall not terminate this Agreement without first (i) providing Licensor with written notice of any failure(s) by Licensee to meet Licensor's reasonable quality standards, which notice shall specifically identify such failure(s), and (ii) providing Licensee a 30 day period to cure such failure(s).

12.7 The Licensee acknowledges the Licensor's ownership of all right, title and interest to its trademarks, and further acknowledges that any unauthorized use of such trademarks by the

Licensee is and shall be deemed an infringement on the Licensor's rights thereto, and a material breach of this Agreement. It is further acknowledged by the Licensee that other than the rights granted hereunder, the Licensee acquires no right, title or interest to any such trademark or trademarks or Intellectual Property, and upon expiration or termination of this License Agreement, the Licensee shall not, directly or indirectly commit any act of infringement with regard to any such trademark or trademarks or Intellectual Property or contest or aid in contesting the validity or ownership of any such trademark or trademarks or Intellectual Property or take any action in derogation thereof.

12.8 All know-how, technical data, advice and disclosures provided to Licensee by the Licensor to make effective use of the Licensor's inventions, as such may be supplemented from time to time, is proprietary to the Licensor and the Licensee's right to use all such disclosures shall terminate upon the termination of this Agreement.

12.9 The provisions of Paragraph Property Rights and Quality Standard shall survive termination or expiration of this agreement.

12.10 Issuance of Additional Letters Patents. In the event the United States Patent Office issues additional Letters Patent to the Licensor relating to Licensor's Products, this Standard License Agreement, all attachments hereto, and all written amendments or modifications thereto, shall include, in addition to the other rights granted to the Licensee, a license under any such patents to use the Licensor's Products for producing Light weight cement Insulation, as limited by Paragraph 2, above, of this License Agreement.

12.11 In the event no patents issue to the Licensor from the United States Patent Office, or in the event any patents that do issue to the Licensor do not cover the subject matter of this License, this License Agreement shall remain in full force and effect, with all rights, duties and obligations of both parties remaining unaffected by any such actions taken by the Patent Office.

## 13 SECRECY

13.1 Licensee agrees that it shall not without prior written consent of Licensor sell, assign or divulge the Technical Information disclosed and furnished by Licensor hereunder in any manner to anyone except those of its employees and installers who will be using such information in the installation of AirKrete® Quality Products.

13.2 Licensee recognizes that much of the Technical Information furnished hereunder by Licensor is of confidential, proprietary, or trade secrets nature. Licensee undertakes and agrees to take all necessary precautions to prevent the dissemination thereof and to cause its employees to recognize and protect the confidential, proprietary, and trade secrets nature of the Technical Information.

## 14 TAXATION

14.1 Customs duties, taxes and any charges, which may be imposed by the **Country** Government with respect to this Agreement shall be borne by Licensee except any **Country** Government withholding tax due on royalty payments made to Licensor provided under the U.S. and **Country** Tax Treaty.

## 15 ARBITRATION

15.1 All disputes, controversies or differences which may arise between the parties out of or in relation to or in connection with this Agreement, or for the breach thereof, and including any issues related to a termination of the Agreement as provided in Section 10 shall be finally settled in accordance with the Rules of Conciliation and Arbitration to the International Chamber of Commerce. Such arbitration shall be held in such place as the parties shall agree upon, and in the event agreement cannot be reached upon the place of arbitration, it shall be held in Auburn, New York, U.S.A. All proceedings shall be conducted in the English language. The cost of arbitration shall be borne equally by the parties and the decision of the arbitrators shall be binding upon both parties.

## 16 EFFECTIVE DATE

16.1 It is clearly understood and agreed by both parties that this Agreement shall be deemed effective by Licensor upon payment of AirKrete's Start Up Packages and signed contracts.

## 17 FAILURES TO EXERCISE RIGHTS

17.1 No failure of the Licensor to exercise any right given to it hereunder, or to insist upon strict compliance with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver by the Licensor of its right to demand exact and strict compliance with the terms of this Agreement. Any delay or failure by the Licensor in exercising any rights arising from a default under, or breach of, this Agreement shall not affect or impair the rights of the Licensor as to said default or breach, or any subsequent default or breach.

## 18 APPLICABLE LAW

18.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of New York, U.S.A.

## 19 FORCE MAJEURE

19.1 Neither party shall be liable to the other party for nonperformance or delay in performance of any of its obligations under this Agreement due to causes reasonably beyond its control, including fire, flood, strikes, labor troubles or other industrial disturbances, unavoidable accidents, governmental regulations, riots, and insurrections, or wars involving the Licensee. Upon the occurrence of a force majeure condition, the affected party shall notify the other party with as much detail as possible and shall promptly inform the other party of any further developments. Immediately after the cause is removed the affected party shall perform such obligations with all due speed unless the Agreement is previously terminated in accordance with Section **DURATION AND TERMINATION** hereof.

## 20 NOTICES

20.1 Any notice required or permitted to be given under this Agreement shall be in writing and shall be:

20.1.1 Personally delivered,

20.1.2 Transmitted by postage prepaid registered mail (air mail if international) to the following 3813 Macneil Health NE, Edmonton, AB T6R 0H5es,

20.1.3 Transmitted by internationally recognized courier service, or

20.1.4 Transmitted by telefax, to the parties as follows:

To Licensee:

To Licensor: AirKrete®, Incorporated  
2710 E. Brutus Street  
PO Box 380  
Weedsport, New York 13166  
Phone: 315-834-6609  
Telefax: (315) 834-7420  
Email: info@airkrete

20.2 Except as otherwise specified in this Agreement, all notices and other communications shall be deemed to have been duly given on the date of receipt if delivered personally; fourteen (14) days after the date of posting if sent by mail; three (3) days after delivery to the courier if sent by internationally recognized courier service, or the date of transmission if sent by telefax. Any party may change its 3813 Macneil Health NE, Edmonton, AB T6R 0H5 for purposes of this Agreement by written notice to the other party.

21 Injunctive Relief. In the event the Licensee breaches this Agreement, in addition to any other relief to which the Licensor may be entitled, the Licensor shall be entitled to a permanent injunction and any preliminary or temporary equitable relief in conjunction therewith, and shall further be entitled, at its option, to restrain the breach of this Agreement by the Licensee. In any proceeding for a preliminary injunction commenced by the Licensor, the Licensee agrees to waive any right which it may have for requiring the Licensor to post a bond pending the outcome of any such proceeding.

22 Jurisdiction and Venue. The parties to this Agreement acknowledge that the Agreement shall be construed according to the laws of the State of New York. Licensee consents to the jurisdiction of any State action to be in a court of general jurisdiction in Cayuga County New York or any federal action shall be in the United States district Court for the northern district of New York. With the venue of both courts laid in Cayuga County, New York.

23 Entire Agreement. This Agreement contains the entire Agreement between the parties concerning the subject matter hereof, and no representations, inducements, promises or

agreements, oral or otherwise, between the parties, with reference hereto but not embodied herein, shall be of any force and effect. Any agreements hereunder made shall be ineffective to change, modify, add to or discharge, in whole or in part, the obligations and duties under this Agreement unless such agreements, modifications or addendums are in writing and signed by the parties hereto.

24 Severability. Should any part, term or provision of this Agreement be declared by any court to be illegal or in conflict with the laws of the any state or jurisdiction wherein this Agreement is to be performed, the validity of the remaining portions, terms or provisions, shall not be affected thereby and any such illegal part, term or provision shall be deemed not to be a part of this Agreement.

25 Termination of Prior Agreements. This Agreement supersedes, nullifies and terminates any other License Agreement between the same parties hereto, executed prior to the date hereof. Any such prior License Agreement shall be deemed terminated by the execution of this Agreement, said termination effective on the date of execution hereof.

## 26 LANGUAGE

26.1 This Agreement is prepared in the English language only. The English language shall be interpreted in accordance with the plain English meaning of the word.

26.2 The language to be used in rendering the Technical Information disclosed and furnished to licensee by Licensor under this Agreement shall be English

26.3 The language for correspondence between the parties and any documentation shall be English

## 27 NON-ASSIGNABILITY

27.1 This Licensee Agreement is not transferable or assignable by the Licensee without the prior written consent of the Licensor. Any attempt by the Licensee to make any assignment of this Agreement without prior written consent of the Licensor shall be considered material breach entitling the Licensor to immediately terminate this Agreement. In the event the Licensee is a corporation, the transfer by the shareholders of record or the issuance of new shares by the corporation whereby the shareholders of record of the corporation as of the date of this Agreement are left with less than 50% of all the issued and outstanding shares of the corporation, shall be considered an assignment of this Agreement.

27.2 Nothing in this Agreement shall constitute either of the parties as the partner or agent of the other.

## 28 INDEMNIFICATIONS FOR INFRINGEMENT

28.1 The Licensor warrants to the Licensee that it has indefeasible title to all property rights, which are subject to this Agreement

28.2 In the event any claim by a third party is made, or any action is commenced against the Licensee, for the alleged infringement by the Licensee of any such third party's alleged patents, trademarks, or of any other intellectual or "Industrial Property Rights", resulting from the use by the Licensee of the three component process, the Licensee shall give written notice to the Licensor of any such claim or action with ten (10) days from notice of claim or service of process in any action.

28.3 The Licensor shall have the option, to be exercised in its sole discretion, to defend any such claim or action on behalf of the Licensee in the same manner and to the same extent as if the claim or action was made or commenced against the Licensor. In any such election, the Licensee agrees to cooperate fully with the Licensor to defend, oppose, or settle any such claim or action, at Licensor's sole discretion and expense.

29 COVENANTS NOT TO COMPETE The Licensee covenants and agrees that for a period of three years after expiration or termination of this Agreement for cause (except in those states wherein by statute a definite period of less than one year has been specified, in which event such statutory period shall apply), it will not use or sell, or engage in any business which will use or sell, any type of Light weight cement Insulation product for his or their own account, or for any other person, firm or corporation, directly or indirectly engaged in the business of selling or soliciting or taking orders for the sale of such Light weight cement Insulation. In the event that a court having jurisdiction of this matter determines that the time frame set forth under this paragraph or the geographic area covered by this paragraph is unreasonable and therefore unenforceable for the full duration or geographic area contemplated by this agreement, the period and geographic area of non-competition shall be reduced to the longest reasonable and enforceable period and geographic area allowed by the court. This covenant not to compete shall cover and be enforceable in the Nonexclusive Territory. The Licensee acknowledges that in light of the rights granted to it within the continental Nonexclusive Territory, the area of enforceability is fair and reasonable, and is hereby estopped from taking a position inconsistent with the provisions of this Paragraph. The provisions of this Paragraph shall survive the expiration or termination of this Agreement, and shall not apply if termination of this Agreement results from a material breach thereof by the Licensee.

30 ENTIRETY

30.1 This instrument embodies the entire Agreement and understanding between the parties hereto relative to the subject matter hereof and there are no understandings, agreements, conditions or representations, oral or written, expressed or implied, with reference to the subject matter hereof that are not merged herein or superseded hereby.

30.2 No modification hereof shall be of any force or effect unless reduced to writing and signed by the parties claimed to be bound thereby, and no modification shall be affected by the acknowledgment or acceptance of any order containing different conditions.

31 BINDING EFFECT

31.1 This Agreement shall be binding upon and insure to the benefit of the parties hereto, their respective legal representatives, successors in interest, and assigns.

31.2 IN WITNESS WHEREOF, the parties have caused this Agreement executed the date first above written.

AirKrete®, Incorporated  
2710 E. Brutus Street  
P.O. Box 380  
Weedsport, New York 13166  
By: R. Keene Christopher  
CEO/President

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Signature

By: \_\_\_\_\_

Title: \_\_\_\_\_

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Signature



## SCHEDULE A

### AMENDMENT

The following region is defined to be the “Nonexclusive Territory” for all purposes under this License Agreement and each Region shall be defined as a separate demographic area:

Region:

Additional AirKrete Equipment maybe purchased for other area within

**Country**

**Company** will be given right of first refusal should another interested party place a purchase offer for an International License Agreement. The Licensor shall work with Licensee and refer the interested party to work through Licensee so that a constructive business can be developed between the Licensee and the interested party.

It is not Licensor’s intention to recruit another AirKrete® licensee in **Country**, during the course of this Agreement unless Licensee does not meet the minimums in schedule B and the terms of this Agreement due to its own neglects of business actions. Licensee will provide trainings and technical supports.

Licensor agrees to consider granting the exclusivity right to the Licensee at a later date.

## SCHEDULE B

### SECTION Schedule B: MINIMUM PERFORMANCE

The Licensee hereby acknowledges that the grant of this License is a valuable property right and is granted by the Licensor on condition, among others contained in the Agreement, that the Licensee shall meet minimum annual sales quotas of AirKrete® Units. All sales made by the Licensee in **Country** shall be included in establishing the minimum sales. Said minimum annual sales quotas, and the procedure for establishing said quotas, are contained in and made a part hereof. The parties acknowledge that failure of the Licensee to meet sales quotas in any calendar year shall be a material breach of this Agreement. And the Licensor at its option may terminate this Agreement on sixty (60) days written notice, provided however, that within said sixty (60) days the Licensee, at its option, may cure the default by purchasing in bulk the number of Units lacking to meet minimum performance hereunder. Units purchased to cure such default, deemed to the purchased solely for the calendar year for which the default is cured. The Licensor's sole remedy for the Licensee's nonperformance of the provisions of this paragraph shall be termination of this License Agreement.

The minimum annual sales the Licensee is required to make for **DATES** under this license shall be 20 AirKrete® Units in the calendar year of 2013, increased by 13 percent (13%) annually thereafter. Or a proportional number of Units based on the number of days this Agreement is effective during any such year, said increase to be based on the previous year's minimum sales;

As soon as practicable following computation by the Licensor of the minimums for the given year, the Licensor shall notify the Licensee in writing regarding the minimums to be met by the Licensee for **Alberta, Canada**. Upon request of the Licensee, the Licensor shall furnish to the Licensee a statement certified by Licensor's certified public accountant that the minimums for said given year were computed according to the above formulas.

The procedure outlined in subparagraph (1) shall be applicable for every year this License Agreement is in force.

# CORPORATE LICENSEE

The name, \_\_\_\_\_ number of shares owned, and percentage of issued shares owned for each of the shareholders of the Corporate Licensee are as follows:

Name of Shareholder

| # Shares | % Ownership |
|----------|-------------|
|----------|-------------|

The undersigned shareholders of Licensee hereby agree to be bound by the provisions above, and sign this instrument solely for such purpose and no other.

# Agreement

This agreement **Date** between **Company** , located **Address** and AirKrete®, Inc., 2710 E. Brutus Street, P.O. Box 380, Weedsport, New York attached to and a part of the Import License Agreement signed this date.

It is that **Company** will pay

\$42,000.00 USD AirKrete® Inc. for the AirKrete® Start-up Equipment Package

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**Company** Signature

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AirKrete®, Inc. Signature