



**ADVANCED VEHICLE PATENTBOOK™**

**PUBLISHER (LICENSOR) AGREEMENT**

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## PATENTBOOK PUBLISHER (LICENSOR) AGREEMENT

This PatentBook Publisher Agreement (the "*Agreement*") is made as of \_\_\_\_\_, 20\_\_, by and between PatentBooks, Inc., a Delaware corporation ("*PBI*" or the "*PatentBook Administrator*") and the undersigned "*Publisher*" ("*Licensor*"). The Publisher (Licensor) and PBI are collectively referred to herein 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 limited times 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 acknowledge and understand that the granting of licenses to portfolios of patents by the owners thereof can result in significant efficiencies and reductions in aggregate licensing costs for Subscriber (Licensee)s and can reduce the risk of litigation, resulting in lower costs for purchasers and other consumers of products or services embodying one or more claims in such patents.

C. The Parties also acknowledge and understand that the granting of licenses to portfolios of patents by the owners thereof can result in significant reductions in transactional costs compared with negotiating separate licenses to several patents with several Persons (as defined herein).

D. The Publisher (Licensor) has the right to grant non-exclusive patent licenses or sublicenses with respect to certain patents (as defined herein) that meet the criteria for inclusion in the PatentBook (as defined herein).

E. The Publisher (Licensor) desires to list certain of its patents in the PatentBook, described in Appendix 1, and to make available rights under the Licensed Patents (as defined herein) pursuant to this Agreement for the convenience of any Person desirous of obtaining such rights to practice the inventions claimed in the Licensed Patents, as more particularly described in Exhibit A, thereby avoiding the need to obtain a separate license for each Licensed Patent and the delays and additional royalties and transactional costs associated with obtaining such separate licenses.

F. The Publisher (Licensor) desires that its Licensed Patents be aggregated with Additional Publishers' PatentBook Patents (as defined herein) for the purpose of making available rights under the Licensed Patents, thereby further avoiding the need to obtain a separate license from each Additional Publisher (as defined herein) and the delays and additional royalties and transactional costs associated with obtaining such separate licenses.

G. The Parties intend that nothing in this Agreement shall preclude any patent owner and any other Person from entering into a separate license agreement under one or more individual patents or from entering into non-assertion agreements relating to any such patent outside of the terms and conditions of this Agreement, subject to the terms and conditions set forth in this 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 License granted to Subscribers (Licensees) shall extend to all customers and users of Subscribers' 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 are hereby acknowledged, the Parties agree as follows:

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## ARTICLE I DEFINITIONS AND USAGE

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

**"Additional Publishers"** shall mean patent owners other than Publisher (Licensor) that have entered into agreement with the PatentBook Administrator substantially similar to this Agreement.

**"Additional Publishers' PatentBook Patents"** shall mean those patents owned by Additional Publishers that are included in the PatentBook.

**"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.

**"Challenged Patent"** shall have the meaning set forth in Section 3.5.

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

**"Damages"** shall mean any and all damages or expenses, and other amounts arising from any and all claims, demands, actions, suits or proceedings. For purposes of this Agreement, Damages does not include consequential damages or lost profits.

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

**"Early Adopter Evaluated Patents"** shall have the meaning set forth in Section 3.4.6.

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

**"Evaluation"** shall have the meaning set forth in Section 3.4.2.

**"Gross Subscription Payments"** shall mean Payment(s) received from Subscriber(s) (Licensee(s)) pursuant to the terms of the PatentBook Subscriber Agreement, less Withholding Tax and other taxes payable thereon.

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

**"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 3.11.1.

**"Net Subscription Payments"** shall mean Gross Subscription Payments less the PatentBook Administrator's Share of Gross Subscription Payments.

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

**"Patent Evaluation Criteria"** shall mean the TAEUSworks™ criteria referenced in Section 3.4.2 and available from PBI used to assign a numeric score to a patent following an Evaluation and Validation of a PatentBook Patent to determine the proper classification of PatentBook Patent into Tier 1, Tier 2, or Tier 3.

**"Patent Evaluator"** shall mean individuals or firms that have been certified by the PatentBook Administrator or an entity approved by the PatentBook Administrator to provide such certification to perform elements of Publisher's Evaluations and Validations as set forth in Section 3.4.2 and the Patent Evaluation Criteria.

**"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 Agreement, as described herein.

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

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

**"PatentBook Publisher(s)," "PatentBook Publisher (Licensor(s))," "Publisher(s),"** or **"Publisher(s) (Licensor(s))"** shall mean executor of this Agreement who owns or otherwise has the right to license Patent(s) in the PatentBook or is the registered assignee of the published Patent(s) with the United States Patent and Trademark Office.

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

**"PatentBook Subscriber," "Subscriber," "PatentBook Subscriber (Licensee),"** or **"Subscriber(s) (Licensee(s))"** shall mean any Person that has agreed to pay the appropriate Subscription Payments under the terms of a PatentBook Subscriber 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.

**"Publisher's Share"** shall mean the share of Gross Subscription Payments allocated to the PatentBook Publishers (Licensor) as set forth in Exhibit B.

**"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.

**"Subscription Payments"** shall mean the payments made by Subscriber (Licensee).

**"Tier 1 Patent"** shall mean a PatentBook Patent that has been classified a Tier 1 Patent in accordance with the provisions of Section 3.4.4.

**"Tier 2 Patent"** shall mean a PatentBook Patent that has been classified a Tier 2 Patent in accordance with the provisions of Section 3.4.4.

**"Tier 3 Patent"** shall mean a PatentBook Patent that has been classified a Tier 3 Patent in accordance with the provisions of Section 3.4.4.

**"Validation"** shall have the meaning set forth in Section 3.4.3.

**"Voluntary Termination Date"** shall have the meaning set forth in Section 8.2.2.

**"Withholding Tax"** shall have the meaning set forth in Section 4.2.1.

**"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.



## ARTICLE II LICENSE

2.1. Grant of Non-Exclusive License Right. The Publisher (Licensor) hereby grants a license, on a non-exclusive basis, to Subscriber (Licensee)s in good standing under a PatentBook Subscriber Agreement, to Licensed Products and Licensed Services, under the terms and subject to the conditions set forth in this Agreement and in the PatentBook Subscriber Agreement, all patents listed in Appendix 1, which patents the Publisher (Licensor) owns or otherwise has the right to license and, for which the Publisher (Licensor) is the registered assignee.

2.2. Retention of Rights to Independently Transfer Rights and to Assert PatentBook Patents. Publisher (Licensor) retains the right, separate from this Agreement, to negotiate with and to grant to any other Person any and all rights in any PatentBook Patent that Publisher (Licensor) owns or has the right to transfer under terms and conditions as Publisher (Licensor) and such other Person may agree (a "*Bilateral Agreement*") and, subject to the provisions of Section 2.6, to pursue legal or other action against a Person whom Publisher (Licensor) believes has infringed a PatentBook Patent.

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

2.4. No Duplicate Payments. To prevent the receipt by Publisher(s) of excess Subscription Payments, the PatentBook Administrator shall deduct from that portion of the Publisher Share that otherwise would be payable to Publisher (Licensor) an amount reasonably determined by the PatentBook Administrator to be attributable to patents that are the subject of a Bilateral Agreement.

2.5. Reservation of Rights. All intellectual property rights owned by Publisher (Licensor) that are not expressly included among those rights transferred, assigned or granted to the PatentBook Administrator under this Agreement are reserved to the owner of such intellectual property rights.

2.6. Subscriber (Licensee) Amnesty. Notwithstanding the foregoing, Publisher (Licensor) agrees and covenants that, so long as Subscriber (Licensee) remains a party to a PatentBook Subscriber Agreement for Licensed Products and Licensed Services (and is not otherwise in default of its obligations under the PatentBook Subscriber Agreement with respect to a Licensed Patent), and is not in any action against PBI or Publisher (Licensor), 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 or such practice 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 is granted to patent users that Subscribe within the first year of PatentBooks operation.

Three-year Amnesty is granted to patent users that Subscribe within the second year of PatentBook operation.

Amnesty is not available to patent users that Subscribe after the second year of PatentBook operation.

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### ARTICLE III PATENTBOOK PATENTS: SELECTION, SUBMISSION, AND CLASSIFICATION

3.1. Identifying and Selecting patents. The PatentBook Administrator and PatentBook Publishers shall use commercially reasonable efforts to identify patents that may be appropriate for inclusion in the PatentBook and the owners thereof.

3.2. Setting Boundary Criteria. The PatentBook Administrator shall be solely responsible for setting the boundary criteria of the PatentBook, which shall include 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, Subscribers and other industry representatives.

3.3. Patent Listing.

3.3.1. *Listing Patents in PatentBook.* In addition to the patents listed in Appendix 1, Publisher (Licensor) is invited to submit to the PatentBook Administrator for potential inclusion in the PatentBook any patents that Publisher (Licensor) owns, acquires, or otherwise has the right to license or sublicense that Publisher (Licensor) believes in good faith meet the boundary criteria for inclusion in the PatentBook.

3.3.2. *Authority for Patent Inclusion in PatentBook.* The PatentBook Administrator shall have the sole and final authority for determining whether a particular patent is eligible for inclusion in the PatentBook.

3.4. Classification, Evaluation, and Validation of Patents.

3.4.1. *Classification of PatentBook Patents into Three Tiers.* Each patent included in the PatentBook shall be classified as a **Tier 1 Patent**, **Tier 2 Patent** or **Tier 3 Patent**. Any patent selected for inclusion in the PatentBook will be assigned to Tier 3 unless Publisher (Licensor) has the patent evaluated according to the publicly available TAEUSworks™ Patent Evaluation Criteria.

3.4.2. *Evaluations.* If Publisher (Licensor) believes that a patent should be classified as a Tier 1 or Tier 2 Patent, or if the PatentBook Administrator suggests to the Publisher (Licensor) that one or more of its patents should be assigned to Tier 1 or Tier 2 the Publisher (Licensor) may perform at its cost an "**Evaluation**" of each such patent according to criteria set forth in TAEUSworks Patent Evaluation Criteria, resulting in a numerical score for such Patent. Publisher (Licensor) shall provide each such Evaluation to the PatentBook Administrator, along with a written request that the PatentBook Administrator have such Patent(s) Evaluation(s) validated (a "**Validation**") by an independent **Patent Evaluator**, resulting in a validated numerical score. Publisher (Licensor) agrees that it is also responsible

for costs associated with the Evaluation and Validation of the Evaluation as outlined in Section 3.4.7.

There are no costs to the Publisher (Licensor) for patent(s) listed in Tier 3.

3.4.3. *Validations.* A Validation is required to confirm each PatentBook Patent Evaluation. An independent Patent Evaluator shall perform each Validation of a Patent Evaluation. Independent Patent Evaluators shall validate such patents according to the same TAEUSworks Patent Evaluation Criteria. If the Publisher (Licensor) has had the Evaluation performed by an independent Patent Evaluator, a different independent Patent Evaluator selected by the PatentBook Administrator shall perform the Validation.

3.4.4. *Classification of Patents after Publisher Evaluation and Validations.* The PatentBook Administrator shall classify patents as Tier 1 patents, Tier 2 patents or Tier 3 patents based upon the numerical scores resulting from the Patent Evaluation and Validation. The distribution of patents among the three Tiers shall be as follows:

(a) Tier 1 patents shall equal 1% of the patents in the PatentBook that have received the highest numerical scores following their Evaluations.

(b) Tier 2 patents shall equal 9% of the patents in the PatentBook that have received the highest numerical scores following their Evaluations, excluding the Tier 1 patents.

(c) Tier 3 patents shall equal the remaining 90% of the patents in the PatentBook.

3.4.5. *Changes in Classifications/Evaluations.* The Parties acknowledge and understand that the number, classification and Evaluation of the patents included in the PatentBook may change over time as new patents are added, deleted, withdrawn, evaluated or re-evaluated in the PatentBook.

3.4.6. *Early Adopter Benefits.* Any patent classified as a Tier 1 or Tier 2 patent shall maintain such classification for not less than one Year after the first distribution of **Publisher Share** as set forth in Exhibit B, if the patent is one of the first one thousand (1000) patents to be evaluated ("**Early Adopter Evaluated Patents**"), notwithstanding the provisions of Section 3.4.5.

3.4.7. *Fees and Expenses of Evaluations and Validations.* Patent Evaluations may be completed independently by Publishers at their own expense at any time. Publishers of patents submitted for Evaluation by the PatentBooks Administrator shall be solely responsible for the cost of those patent Evaluations. Publishers shall be solely responsible for the cost of Validations of all their patent Evaluations, regardless of who conducted the Evaluations. List price for Validations of patent Evaluations is \$20,000 per patent, and will be reduced over time. Discounts may be available from time to time.

There are no costs to the Publisher (Licensor) for patent(s) listed in Tier 3.

3.5. Challenging Inclusion or Classification.

3.5.1. *Challenge Procedure.* The PatentBook Administrator, Publisher or Subscriber may challenge the listing of any patent in the PatentBook or the Tier classification of a PatentBook Patent by recommending that it be removed from the PatentBook or reclassified into a lower Tier (such patent being referred to herein as the "**Challenged Patent**"). Similarly, a Publisher may challenge the Tier assignment of Publisher's Patent and recommend it be moved into a higher Tier.

3.5.2. *Classification to a Higher Tier.* In the event that the Publisher (Licensor) has a good faith belief that one of its PatentBook Patents should be reclassified into a higher Tier, the Publisher (Licensor) shall follow the process outlined in Section 3.4 to have a patent re-Evaluated and Validated.

3.5.3. *Reclassification Initiated by PatentBook Administrator.* In the event that the PatentBook Administrator has documentation that the Challenged Patent should be reclassified into a lower Tier or should not be included in the PatentBook, the PatentBook Administrator shall notify and provide documentation to Publisher (Licensor) of the Challenged Patent, and the Publisher (Licensor) shall either:

(a) Authorize the PatentBook Administrator in writing to withdraw or withhold the Challenged Patent, or to reclassify the Challenged Patent in accordance with the PatentBook Administrator's recommendation; or

(b) Submit supporting documentation as to why the Challenged Patent should be included or remain in the PatentBook or, submit the Challenged Patent to an independent Patent Evaluator for re-Evaluation and Validation. The Publisher (Licensor) of the Challenged Patent shall be responsible for the Patent Evaluator fee incurred in connection with the re-evaluation of the Challenged Patent under this Subsection if the Evaluation confirms the re-classification of the patent into a lower tier. If the Evaluation and Validation of the challenge patent confirms the patent is in the right Tier and should not be re-assigned to a lower Tier, the Patent Evaluator fees will be paid by the PatentBook Administrator.

3.5.4. *Challenges from Other Persons.* If a Person notifies and provides documentation to the PatentBook Administrator and Publisher (Licensor) that a patent of the Publisher (Licensor) should not be included in the PatentBook or should be re-classified into a lower Tier, the Publisher (Licensor) shall either:

(a) Authorize the PatentBook Administrator in writing to withdraw or withhold the Challenged Patent from the PatentBook, or to reclassify the Challenged Patent into the appropriate Tier; or

(b) Notify the PatentBook Administrator and the challenging Person in writing that the Publisher (Licensor) continues to believe in good faith that the Challenged Patent should be included in the PatentBook or is properly classified, as the case may be. In such event, if the challenging Person desires to have a Patent Evaluator evaluate or re-evaluate the Challenged Patent, the Publisher (Licensor) shall submit the Challenged Patent and any supporting documentation to a Patent Evaluator for re-evaluation, provided the challenging Person pays all fees and expenses of the Patent Evaluator. In the event that the Patent Evaluator's evaluation confirms that the challenging Person was correct, the Publisher (Licensor) shall reimburse the challenging Person one-half of patent Evaluator fees and expenses not later than 30 days after the Patent Evaluator's evaluation was delivered to the Publisher (Licensor) provided, however, that the Publisher (Licensor) reimbursement to challenging Person shall in no event be greater than monies earned through payments received by publishing patent in the PatentBook. If monies earned by the Publisher (Licensor) from Publisher (Licensor) Patent prior to reclassification are insufficient to fully pay for Publisher (Licensor) half of expenses associated with re-Evaluation and Validation of PatentBook Patent, challenging Person will pay balance remaining.

### 3.6. Determinations.

3.6.1. The PatentBook Administrator shall promptly notify Publisher (Licensor) regarding its patents upon completion of any Evaluation by a Patent Evaluator, as well as any determination by PatentBook Administrator of Patent Tier classification or re-classification.

3.6.2. The PatentBook Administrator shall make available to the Public, the identities and Evaluations of all Tier 1 patents, and the classifications of all remaining patents.

3.6.3. Limited Use of Tier Determinations. The Tier determinations resulting from any Evaluation and Validation shall be used by all Persons for the sole purpose of this Agreement.

3.7. Patent Validity. For purposes of Evaluation, issued patents shall be considered valid and enforceable.

3.8. PatentBook Patents. The PatentBook Administrator shall include a patent as soon as practicable after the PatentBook Administrator determines that the patent is eligible for inclusion in the PatentBook and the classification of such patent is determined.

3.9. Removal of Patents from the PatentBook. The PatentBook Administrator shall remove a patent from the PatentBook as follows:

(a) As soon as practicable after the PatentBook Administrator has determined that the patent is not eligible for inclusion in the PatentBook in accordance with Section 3.5;

(b) In the event the PatentBook Administrator receives notice that a PatentBook Patent has been finally adjudicated not to be valid or enforceable, not later than 30 Days following such notice; or

(c) Upon receipt of written instructions from the Publisher (Licensor), not later than 30 Days following such request.

3.10. Termination of License to a Subscriber (Licensee); Exclusion of License to a Prospective Subscriber (Licensee). The Publisher (Licensor) has the right at any time, to terminate for cause the license of any of its PatentBook Patents to any existing Subscriber (Licensee), subject to the provisions of Section 3.11, or to exclude for cause any of its PatentBook Patents from being licensed to any prospective Subscriber (Licensee).

3.11. Retention of License for Prior Usage; Deduction from Publisher Share.

3.11.1. Notwithstanding the right of the Publisher (Licensor) to direct the PatentBook Administrator to terminate for cause a license granted to any Subscriber (Licensee)(s) as to any of its PatentBook Patents, the Publisher (Licensor) acknowledges and understands that the Subscriber (Licensee)(s) shall retain a valid PatentBook Subscriber License as provided in Article II to all Licensed Products or Services that implemented any PatentBook Patents prior to the effective date of license termination by the Publisher (Licensor). The Publisher (Licensor) shall notify the PatentBook Administrator of the desired "**License Termination Date**", which date shall be a minimum of 30 Days following notification to PatentBook Administrator. If Publisher (Licensor) does not provide the desired date of license termination, the effective License Termination Date shall be 30 Days from the date the PatentBook Administrator receives notice of termination request from Publisher (Licensor).

3.11.2. *Withheld or Withdrawn Patents.* In the event that any patent is removed from the PatentBook under Section 3.9 or the license under any patent is terminated as provided in Section 3.10, the calculation of the Publisher Share of Subscription Payments shall exclude such Patent(s) in any Quarter in which the patent was removed or license terminated.

3.12. Publisher (Licensor) Control of its PatentBook Patents. Publisher (Licensor) may maintain, abandon, disclaim, sell, terminate or otherwise control its PatentBook Patents at its sole discretion. The Publisher (Licensor) shall bear all costs associated with the maintenance of its PatentBook Patents.

3.13. Assignment of a PatentBook Patent. If Publisher (Licensor) assigns, transfers, sells or otherwise conveys ownership of any of its PatentBook Patents to any Person in a manner that terminates the right of Publisher (Licensor) to license such PatentBook Patent, Publisher (Licensor) shall provide prompt notice to the PatentBook Administrator of such assignment, transfer or other conveyance, shall work with PatentBook Administrator to confirm proper recipient of future Publisher PatentBook Patent earnings.

3.14. Patent Infringement and Assertion. Nothing in this Agreement shall be construed or interpreted to grant to the PatentBook Administrator any rights or authority to assert claims for patent infringement under any patent published in the PatentBook.

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## ARTICLE IV SUBSCRIPTION PAYMENTS TO PATENTBOOK PUBLISHER

4.1. Subscription Payments Obligation. A Subscription Payment obligation is incurred when a Subscriber (Licensee) sells any Licensed Product or Service.

4.1.1. *Amount and Rate of Subscriber (Licensee) Payments.* The PatentBook Administrator shall have the sole and absolute authority and discretion to establish and to revise, from time to time, the amount and rate of the Subscription Payments. In making revisions, the PatentBook Administrator may consult, at its discretion, with the Publisher (Licensor), Additional Publishers, Subscribers and other industry representatives.

4.1.2. *Collection of Subscriber (Licensee) Payments.* The PatentBook Administrator shall use commercially reasonable efforts to collect all Subscription Payments by Subscriber (Licensee)s under PatentBook Subscriber Agreements. The Publisher (Licensor) acknowledges and agrees that the PatentBook Administrator is not a guarantor of Subscription Payments payable under the PatentBook Subscriber Agreement but is responsible to remit Subscription Payments actually received (subject to and in accordance with Section 4.2 and as required by applicable law or regulations) pursuant to the PatentBook Subscriber Agreements.

4.1.3. *Payments to Publisher (Licensor).* The PatentBook Administrator shall calculate and pay Net Subscription Payments to the Publisher (Licensor) on a Quarterly basis. The amount due shall be paid within ninety (90) Days after the end of each Quarter.

4.1.4. *Publisher Share.* For the Publisher, the Publisher Share of Subscription Payments shall be determined according to the allocation method set forth in Exhibit B.

4.1.5. *Deposit of Subscriber (Licensee) Payments.* All payments collected or received by the PatentBook Administrator with respect to Gross Subscription Payments shall be deposited in a commercial interest-bearing checking account at a United States bank. The account shall be in the name of the PatentBook Administrator.

4.1.6. *Transfer of Subscriber (Licensee) Payments to Publisher.* Publisher Share payments shall be made by electronic transfer to the Publisher (Licensor), or to such bank account as the Publisher (Licensor) may, from time to time, designate to the PatentBook Administrator. The Publisher (Licensor) shall pay any wire transfer costs, currency conversion costs, bank fees or other charges associated with the payment of its Publisher Share. If currency restrictions prevent the PatentBook Administrator from making Publisher Share payments for any period during the term of this Agreement, then, upon request of the Publisher (Licensor), the PatentBook Administrator shall either (a) defer payment; or (b) deposit sums currently due in any bank in the United States designated by the Publisher (Licensor). Such deferral or deposit as directed of payment shall be deemed as compliance in full with the payment obligations under this Article. The PatentBook Administrator shall not be responsible for nonpayment or late payments in the event of any changes to such accounts made less than ten (10) business Days prior to the applicable payment date.

4.1.7. *Payments in US Dollars.* All payments under this Agreement shall be made in US dollars. Any payment made in any other currency, whether pursuant to any judgment or order of a court or otherwise, shall constitute a discharge of the obligations hereunder only to the extent of the amount of US dollars which may be purchased with such currency on the Day of payment.

4.1.8. *Audits.* Consistent with its obligations, the PatentBook Administrator shall have sole authority, consistent with its obligation to use commercially reasonable efforts, to conduct audits of Subscribers when such audits are reasonably deemed appropriate and shall bear the expenses for such audits.

4.1.9. *Quarterly Settlement Statements.* A settlement statement shall be given to the Publisher (Licensor) by the PatentBook Administrator each, such statement to be delivered within ninety (90) Days of the end of the Quarter to which it relates. Each such statement shall include the following:

- (a) Net Subscription Payments on a Quarterly and year-to-date basis;
- (b) Current Publisher Share payment calculation, including any taxes deducted;

The PatentBook Administrator shall not include in any statement or report to Publisher (Licensor) any Subscription Payment information on a company-by-company basis or payment to any other Publisher.

4.1.10. *Annual Settlement Statements.* In addition to the Quarterly statements, an annual settlement statement shall be given to Publisher (Licensor) by the PatentBook Administrator with respect to each Year; such statement to be delivered within ninety (90) Days of the end of each Year to which it relates. Each such statement shall include the same type of information that is required pursuant to preceding Subsection and shall be delivered concurrent with the fourth quarter settlement statement.

4.2. Tax and Withholdings. Each Party shall be responsible for the payment of its respective income and other taxes that arise as a result of the transactions contemplated hereunder.

4.2.1. *Withholding Tax.* If Subscriber (Licensee) withholds any taxes on payment of any Subscription Payments ("**Withholding Tax**"), the PatentBook Administrator shall remit to the Publisher (Licensor) its Publisher Share reduced by the pro-rata amount of such Withholding Tax withheld by Subscriber (Licensee). In the event Subscriber (Licensee) is a resident of a country requiring Subscriber (Licensee) to withhold income tax on payments

made to Persons who are not residents of that country, and Subscriber (Licensee) fails to withhold required tax on such Subscription Payments, the PatentBook Administrator may deduct Withholding Tax from such payment according to the laws of that country as they apply to such residents of that country, provided that the full amount of any such Withholding Tax shall be remitted to the appropriate governmental authority. The PatentBook Administrator shall endeavor to provide Publisher (Licensor) all relevant documentation and proof of payment of any Withholding Tax deducted from any payment to Publisher (Licensor) to provide sufficient evidence of Withholding Tax paid. If a Publisher is eligible to take advantage of a reduced Withholding Tax rate provided for in any applicable tax treaty then in force, the PatentBook Administrator shall cooperate with Publisher (Licensor) to provide necessary documentation for the application of the treaty.

4.2.2. *Other Taxes.* Any other taxes, including without limitation any government levy/tax, that may be levied upon a Publisher or the PatentBook Administrator in connection with Subscription Payments paid to a Publisher shall be the responsibility of the Publisher or PatentBook Administrator, respectively, and the PatentBook Administrator may deduct such amounts from Publisher Share payments due hereunder. The PatentBook Administrator shall endeavor to provide Publisher (Licensor) all relevant documentation and proof of payment of any such other deduction from any payment to Publisher (Licensor).

#### 4.3. Compliance and Enforcement of PatentBook Subscriber Agreement.

4.3.1. *Subscriber (Licensee) Compliance.* In addition to collection of Subscription Payments, the PatentBook Administrator shall have sole authority, consistent with its obligation to use commercially reasonable efforts, to assure that each Subscriber is materially complying with the terms and conditions of the applicable PatentBook Subscriber Agreement. Such efforts may include an accounting of the Subscription Payment records of a Subscriber and such other contract compliance procedures as the PatentBook Administrator in its discretion reasonably deems necessary or appropriate in the circumstances.

4.3.2. *Enforcement Actions.* The PatentBook Administrator shall have sole authority, consistent with its obligation to use commercially reasonable efforts, to enforce the PatentBook Subscriber Agreement and/or terminate any PatentBook licenses as to any breaching Subscriber. The PatentBook Administrator shall notify the PatentBook Publishers in writing thirty (30) Days in advance of terminating any PatentBook license or initiating any enforcement action against a breaching Subscriber as to falsely representing their PatentBook subscription status. Publishers retain all rights to infringement enforcement per Section 2.2.

4.4. Other Reporting. The PatentBook Administrator shall maintain and make reasonably available to the Publisher (Licensor) and others through a suitable medium, such as a website, lists of all PatentBook Publishers, PatentBook Patents, PatentBook Subscribers. The Publisher (Licensor) shall promptly provide to the PatentBook Administrator any information reasonably required to maintain the accuracy of such lists and consent to the inclusion of such information for such lists. Notice of any modifications to such list shall be

deemed effective thirty (30) Days from the date such modification is made available to the Publisher (Licensor).

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**ARTICLE V**  
**PATENTBOOK ADMINISTRATOR AND ADMINISTRATION OF**  
**PATENTBOOK**

5.1. 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.

5.2. 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.

5.3. 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 B.

5.4. Payments of PatentBook Administrator's Share. Payments of PatentBook Administrator's Share, as provided in Exhibit B, shall be payable only out of the payments received in respect of Gross Subscription Payments paid pursuant to the PatentBook Subscriber Agreements.

5.5. Authority of the PatentBook Administrator. The PatentBook Administrator shall identify and solicit prospective Subscribers, audit Subscribers when appropriate, sign the PatentBook Subscriber Agreements, determine payment of Subscription Payments owed by Subscribers, terminate PatentBook Subscriber Agreements in accordance with the terms herein and the PatentBook Subscriber Agreements.

5.6. PatentBook Advisory Board. To better serve both Publishers and Subscribers, a PatentBook Advisory Board specific to this PatentBook consisting of one (1) representative from significant Publishers and Subscribers 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 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 rates and other PatentBook administrative and operational changes.

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5.7. Recruiting Potential Subscribers.

5.7.1. *Identifying Potential Subscribers.* The PatentBook Administrator shall use commercially reasonable efforts to identify Persons who are either using or enabling the use of any patent and other Persons that may be potential Subscribers to the PatentBook.

5.7.2. *Entering into Subscriber Agreements.* The PatentBook Administrator shall have authority, to encourage potential Subscribers to enter into the PatentBook Subscriber Agreement.

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

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## ARTICLE VI REPRESENTATIONS AND WARRANTIES

6.1. Due Authority. Each Party represents and warrants that it has the requisite power, authority and right to enter into this Agreement and to consummate the transactions contemplated herein.

6.2. 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.

6.3. 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.

6.4. Publisher (Licensor) Authority to Grant Licensing Authority to PatentBook Administrator. The Publisher (Licensor) represents and warrants that for each of its PatentBook Patents listed in Appendix 1 Publisher (Licensor) has the full power and authority to grant the PatentBook Administrator the right to offer non-exclusive licenses as outlined in this agreement, and is the registered assignee of each of its PatentBook Patents.

6.5. Disclaimer – PatentBook Patents. Nothing contained in this Agreement shall be construed as: (i) being a warranty or representation by either Party as to the validity, enforceability or scope of any PatentBook Patent; (ii) conferring any right on any Person to bring or prosecute actions or suit against any Person for infringement of any Patent; (iii) imposing any obligation on either Party to bring or prosecute actions or suit against any Person for infringement of any Patent; or (iv) imposing any limitation on the right of either Party to bring or prosecute actions or suit against any Person for infringement of any Patent, except as provided in Section 2.2.

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## ARTICLE VII INDEMNIFICATION

7.1. PatentBook Administrator's Indemnification. The PatentBook Administrator shall indemnify and hold Publisher (Licensor), its employees and Affiliates (collectively Publisher "***Indemnified Persons***," and each a Publisher "***Indemnified Person***") harmless against any and all claims, demands, liabilities and costs incurred by Publisher (Licensor) 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.

7.2. Publisher (Licensor) Indemnification. The Publisher (Licensor) shall indemnify and hold PatentBook Administrator, PBI, its employees 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 Publisher (Licensor), its employees or Affiliates pertaining to its activities and obligations under this agreement.

7.3. Insurance. Before the Commencement Date, both PatentBook Administrator and Publisher (Licensor) 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 VIII TERM AND TERMINATION

8.1. Term. This Agreement shall expire upon the earlier to occur of: (i) the expiration of the Publisher (Licensor)'s last to expire Patent(s) included in the PatentBook; or (ii) the final adjudication by a court of competent jurisdiction of invalidity or unenforceability of last remaining Publisher (Licensor)'s Patent(s) included in the PatentBook.

8.2. Voluntary Termination by the Publisher (Licensor).

8.2.1. *Right of Termination.* The Publisher (Licensor) shall have the right, upon not less than thirty (30) Days' written notice to the PatentBook Administrator, to terminate all but not less than all of the following: (i) this Agreement; and (ii) the right of the PatentBook Administrator to enter into any additional PatentBook Subscriber Agreements on the Publisher (Licensor)'s behalf.

8.2.2. *Voluntary Termination Date.* The **Voluntary Termination Date** under Subsection 9.2.1 shall be effective at the end of the thirty (30) Day notice period.

8.2.3. *Licenses Granted prior to Voluntary Termination.* Notwithstanding the provisions of Subsection 8.2.1, such termination shall not terminate any PatentBook Subscriber Agreement in effect immediately prior to the Voluntary Termination Date, subject to the provisions of Sections 3.10 and 3.11. Any Subscription Payments received by the PatentBook Administrator with respect to such Subscription Agreements shall continue to be allocated, and the terminating Publisher's Publisher Share shall be based solely on PatentBook Subscriber Agreements that were in effect immediately prior to the Voluntary Termination Date.

8.3. 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 Payments under this Agreement
- (b) Non-Disclosure of Confidential Information.

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## ARTICLE IX AMENDMENTS

9.1. Amendments. The PatentBook Administrator may from time to time make reasonable changes to the terms and conditions of this Agreement or the PatentBook Subscriber 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 Publisher (Licensor) as soon as reasonably practicable after its adoption by the PatentBook Administrator.

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

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## ARTICLE X MISCELLANEOUS

10.1. 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 Subscriber Agreements.

10.2. 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 contest otherwise 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.

10.3. 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 conflicts of laws rules.

10.4. 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.

10.5. Counterparts. This Agreement may be executed in one or more counterparts, including by facsimile 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.

10.6. 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.

10.7. Resolution of Disputes. Any dispute between the Parties relating to this Agreement shall be settled by arbitration administered by a single arbitrator of the American Arbitration Association in accordance with its Commercial Arbitration Rules. The arbitration shall be conducted in English in Denver, Colorado. The arbitrator shall have demonstrated expertise in intellectual property law. During the arbitration proceedings hereunder, each Party shall continue to perform its respective responsibilities under this Agreement.

10.8. 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.

10.9. Limitation of Liability. The liability of the PatentBook Administrator to the Publisher (Licensor) shall not exceed distribution amounts paid similar Tiered patents for the twelve (12) months prior to notice of the alleged breach.

10.10. 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.

10.11. Assignment and Successors.

10.11.1. *No Assignment.* 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*.

10.11.2. *Termination of Publisher (Licensor)'s Rights.* In the event that the Publisher (Licensor) assigns all of its PatentBook Patents to a third party or third parties, this Agreement shall be considered a voluntary termination pursuant to Section 8.2.

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

10.13. Notice to PatentBook Administrator. Any notice, certification, demand or other communications required or permitted pursuant to this Agreement shall be in writing in the English language and shall be delivered to the PatentBook Administrator:

**PatentBook Administrator:**

PatentBooks, Inc.  
c/o Arthur M. Nutter, CEO  
4308 Ridgeline Drive  
Colorado Springs, CO 80918  
USA  
Tel: +1 719.325.5001

[Art.Nutter@PatentBooksInc.com](mailto:Art.Nutter@PatentBooksInc.com)

10.14. Notice to Publisher (Licensor). Any notice, certification, demand or other communications required by this Agreement to be sent to the Publisher (Licensor) shall be sent to the Publisher (Licensor) with a copy to legal counsel of the Publisher (Licensor), if any, as follows:

|   |                        |
|---|------------------------|
| <b>PatentBook Publisher (Licensor):</b> | <b>with a copy to:</b> |
| _____                                   | _____                  |
| [Company Name]                          | Corporate Name         |
| Attention: _____                        | Attention: _____       |
| Address: _____                          | Address: _____         |
| _____                                   | _____                  |
| _____                                   | _____                  |
| _____                                   | _____                  |
| Tel: _____                              | Tel: _____             |
| Fax: _____                              | Fax: _____             |
| E-mail: _____                           | E-mail: _____          |

10.15. Change of Notice Information. Either 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 and sealed on the date last indicated below.

**PATENTBOOKS, INC.:**

**[COMPANY NAME]:**

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

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

**Signor:** \_\_\_\_\_  
Print/Type Name and Title

**Signor:** \_\_\_\_\_  
Print/Type Name and Title

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_

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**EXHIBIT A**  
**DESCRIPTION OF PATENTBOOK**

This PatentBook consists of patents claiming apparatus and/or methods directed to identifying geographic location, and/or to autonomous assist or control, and/or to electrical drive systems.

Licensed Products and Services: Licensed Products and Services shall mean Subscriber (Licensee) products and services manufactured, imported, used, sold, or offered for sale in the United States for identifying geographic location, and/or for autonomous assist or control, and/or for electrical drive systems.



## EXHIBIT B

### PUBLISHER'S SHARE, PATENTBOOK ADMINISTRATOR'S SHARE, AND TIER ALLOCATIONS

B-1. Publisher's Share. Publishers shall receive 60% of Gross Subscription Payments as a Net Subscription Payments distribution in the first year of transactions, 70% of Gross Subscription Payments in the second and third years of transactions, and 80% of Gross Subscription Payments in the fourth and remaining years of transactions.

B-2. PatentBook Administrator's Share: The PatentBook Administrator's Share shall be forty percent (40%) of Gross Subscription Payments in the first year of transactions, thirty percent (30%) of Gross Subscription Payments in the second and third years of transactions, and twenty percent (20%) of Gross Subscription Payments in the fourth and remaining years of transactions.

B-3. Tier Allocation of Net Subscription Payments: The Publisher Share of Net Subscription Payments shall be allocated as set forth below:

A. Sixty percent (60%) of Net Subscription Payments shall be distributed uniformly to the PatentBook Publishers owning the Tier 1 patents.

B. Thirty percent (30%) of Net Subscription Payments shall be distributed uniformly to the PatentBook Publishers owning the Tier 2 patents.

C. Ten percent (10%) of Net Subscription Payments shall be distributed uniformly to the PatentBook Publishers owning the Tier 3 patents.

All amounts due shall be allocated and distributed to each PatentBook Publisher *pro rata* according to the relative number of patents owned in each Tier by such PatentBook Publisher on the date of determination.



EXHIBIT C

ADDITIONAL OR AMENDED TERMS

None.



## APPENDIX 1

### SCHEDULE OF PATENTS SUBMITTED BY PUBLISHER AND INCLUDED IN PATENTBOOK

See <https://www.avpatentbook.com> for the most current list of Advanced Vehicle PatentBook Publishers and their patents.