

PRODUCT LICENSE AGREEMENT

THIS AGREEMENT made effective as of the ____ day of _____, _____.

BETWEEN:

LICENSEE
[address]
(the "Licensee")

OF THE FIRST PART

- and -

LICENSOR
[address]
(the "Licensor")

OF THE SECOND PART

WHEREAS:

- A. The Licensor is the owner of the entire unencumbered right, title and interest to that invention whose specifications, designs and concepts relating thereto are described on Schedule "A" attached hereto and forming part hereof (the "Product");
- B. The Licensor represents and warrants that the Product is free and clear of liens, charges and encumbrances, including without limitation, licenses or security interests in the Product;
- C. The Licensee is interested in obtaining a license for the Product on payment of a specified amount;

NOW THEREFORE in consideration of the covenant and obligations of this Agreement and for other good and valuable consideration, the parties have agreed with each other as follows:

ARTICLE I - GRANT OF LICENSE

1.1 The Licensor grants to the Licensee for the term of this Agreement, subject to the terms and conditions hereinafter contained, the right to assemble, sell and distribute the Product, and to sub-license others to sell and distribute the Product. The rights herein granted shall cover the Dominion of Canada (the "Licensed Territory") and shall be exclusive rights. The rights to the Product granted hereunder shall encompass the Licensor's common-law rights and rights subsequently acquired through patent registration, use or otherwise. The right to sub-license others to utilize the Product requires prior written consent of the Licensor, which will not be unreasonably withheld.

1.2 The term of this Agreement shall commence on the date hereof and terminate on [termination date] (the "Term").

1.3 The License granted hereby shall include all modifications and improvements to the Product as made from time to time by the Licensor.

1.4 The Licensee shall not make any modifications or changes whatsoever to the Product without first receiving the prior written consent of the Licensor, which may be unreasonably or arbitrarily withheld. In any event, any and all modifications and improvements made to the Product by the Licensee, or any other person, shall be deemed, when made, to immediately become the property of the Licensor.