

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	LICENSE
CONVEYING PARTY DATA	
Name	Execution Date
IBT Holdings, LLC	10/28/2010
RECEIVING PARTY DATA	
Name:	Iron Bridge Tools, Inc.
Street Address:	624 South Military Trail
City:	Deerfield Beach
State/Country:	FLORIDA
Postal Code:	33442
PROPERTY NUMBERS Total: 3	
Property Type	Number
Patent Number:	D613944
Patent Number:	D613945
Patent Number:	D622506
CORRESPONDENCE DATA	
Fax Number:	(561)244-1062
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
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ATTORNEY DOCKET NUMBER:	1027-001
NAME OF SUBMITTER:	Steven Greenberg

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Total Attachments: 8
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EXCLUSIVE PATENT LICENSE AGREEMENT

THIS AGREEMENT is entered into this twenty-seventh (28th) day of October, 2010 by and between IBT Holdings, LLC, a Limited Liability Company of the State of Florida, having offices at 624 South Military Trail, Deerfield Beach, Florida 33442 ("LICENSOR"), and Iron Bridge Tools, Inc., a Corporation of the State of Florida, having offices at 624 South Military Trail, Deerfield Beach, Florida 33442 ("LICENSEE").

WITNESSETH:

WHEREAS, LICENSOR is the sole and exclusive owner of United States Letters Patents identified more fully in the attached Schedule A (collectively, the "Patents"); and

WHEREAS, LICENSEE desires to acquire an exclusive and nontransferable license under the Patents for use in the development and sale of the types of products (the "Licensed Products");

WHEREAS, LICENSOR has the power and authority to grant to LICENSEE such license.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

1. LICENSE

A. LICENSOR hereby grants to LICENSEE, upon and subject to all the terms and conditions of this Agreement, an exclusive license under the Patents to make, use, import, offer to sell and sell the products, systems and methods embodying the invention(s) described in the Patents, for the life of such Patents, in the Licensed Territory, as set forth in the attached Schedule A.

B. As used in the Agreement, the Patents shall mean and include the United States Letters Patents identified more fully in the attached Schedule A, along with any patents on improvements thereof. In addition, the Patents shall mean and include the following:

1. Any divisional, continuation, or substitute U.S. patent application that shall be based on the Patents; and
2. Any patents that shall issue on any of the above-described patent applications or on any improvements thereof, and any reissues and extensions thereof.

2. TERM OF THE AGREEMENT

This Agreement shall be effective as of the date of execution by the Parties and shall expire simultaneously with the expiration of the longest-lived patent or the rejection or abandonment beyond further appeal of the last-remaining patent application comprised within

the Patents, whichever occurs later, unless sooner terminated by the Parties pursuant to the terms of this Agreement (the Term).

3. COMPENSATION

A. In consideration for the licenses granted hereunder, LICENSEE agrees to pay to LICENSOR during the term of this Agreement a royalty in the amount recited in Schedule A attached hereto (the "Royalty") based on LICENSEE's Modified Gross Sales of Licensed Products.

B. The Royalty owed LICENSOR shall be calculated on an annual calendar basis (the "Royalty Period") and shall be payable no later than thirty (30) days after the termination of the preceding full calendar year, i.e., commencing on the first (1st) day of January.

C. With each Royalty Payment, LICENSEE shall provide LICENSOR with a written royalty statement in a form acceptable to LICENSOR. Such royalty statement shall be certified as accurate by a duly authorized officer of LICENSEE, reciting the item, units sold, description, quantity shipped, gross invoice, amount billed customers less discounts, allowances, returns and reportable sales for each Licensed Product. Such statements shall be furnished to LICENSOR whether or not any Licensed Products were sold during the Royalty Period.

D. "Modified Gross Sales" shall mean LICENSEE's gross sales (the gross invoice amount billed customers) of Licensed Products, less discounts and allowances actually shown on the invoice (except cash discounts not deductible in the calculation of Royalty) and, further, less any *bona fide* returns (net of all returns actually made or allowed as supported by credit memoranda actually issued to the customers). No other costs incurred in the manufacturing, selling, advertising, and distribution of the Licensed Products shall be deducted nor shall any deduction be allowed for any uncollectible accounts or allowances.

E. Upon expiration or termination of this Agreement, all Royalty obligations, shall be accelerated and shall immediately become due and payable.

F. LICENSEE's obligations for the payment of a Royalty shall survive expiration or termination of this Agreement and will continue for so long as LICENSEE continues to manufacture, sell or otherwise market the Licensed Products.

G. All payments due hereunder shall be made in United States currency drawn on a United States bank, unless otherwise specified between the parties.

4. RECORD INSPECTION AND AUDIT

A. LICENSOR shall have the right, upon reasonable notice, to inspect LICENSEE's books and records and all other documents and material in LICENSEE's possession or control with respect to the subject matter of this Agreement. LICENSOR shall have free and full access thereto for such purposes and may make copies thereof. In no event shall LICENSOR have the right to examine information with respect to LICENSEE's costs, pricing formulas, or percentages of markup. LICENSEE shall impose similar obligations on its sublicensees for the benefit of itself and of LICENSOR.

B. In the event that such inspection reveals an underpayment by LICENSEE of the actual Royalty owed LICENSOR, LICENSEE shall pay the difference, plus interest calculated at the rate of thirteen and one-half Percent (13.5 %) per month. If such underpayment be in excess of one-thousand Dollars (\$ 1,000.00) for any Royalty Period, LICENSEE shall also reimburse LICENSOR for the cost of such inspection.

C. All books and records relative to LICENSEE's obligations hereunder shall be maintained and made accessible to LICENSOR for inspection at a location in the United States for at least two (2) years after termination of this Agreement.

5. INTELLECTUAL PROPERTY PROTECTION

A. In the event that LICENSEE wishes that a corresponding patent application of any other country, territory, or possession be filed, it shall notify LICENSOR of that wish, and LICENSOR shall thereupon promptly notify LICENSEE whether it will file such other patent application. Failing such agreement, LICENSOR shall at LICENSEE's notification permit LICENSEE to file such patent application and prosecute it to issuance or final rejection at its own expense. Such patent application, any patent issuing thereon, and any renewals and extensions thereof shall be added to the aforesaid Patents, and LICENSOR shall have the title thereto.

B. With the exception of patent applications filed by LICENSEE, all patent applications comprised within the Patents shall be prosecuted to issuance or final rejection by LICENSOR at LICENSEE's cost and expense. Any taxes, annuities, working fees, maintenance fees, and/or renewal and extension charges with respect to each patent application and patent subject to this Agreement shall be punctually paid by LICENSEE.

6. WARRANTIES AND OBLIGATIONS

A. LICENSOR represents and warrants that, to the best of its knowledge and belief it is the owner of the entire right, title, and interest in and to the Patents; that it has the right and power to grant the licenses granted herein; that there are no other agreements with any other party in conflict with such grant; and that it knows of no prior art that would invalidate the Patents.

B. LICENSOR further represents and warrants that, to the best of its knowledge and belief, LICENSEE's contemplated use of the Patents as represented to LICENSOR does not infringe any valid rights of any third party, and that there are no actions for infringement against LICENSOR with respect to items it manufactures and sells embodying the invention of the Patents anywhere in the world.

C. LICENSEE shall be solely responsible for the manufacture, production, sale, and distribution of the Licensed Products and will bear all costs associated therewith.

D. In the event that LICENSOR shall develop any improvement to the apparatus claimed in the Patents, and later incorporate it into an improved or modified product by LICENSEE, such improved product shall be subject to the payment of a Royalty. All improvement made by the

LICENSEE shall be promptly disclosed to LICENSOR and shall hereinafter become the property of LICENSOR. LICENSEE hereby agrees to execute any and all documents necessary to perfect LICENSOR's rights in such improvements.

7. MARKING AND SAMPLES

A. LICENSEE shall, and agrees to require its sublicensees to, fully comply with the patent marking provisions of the intellectual property laws of the applicable countries in the Licensed Territory.

B. At least once during each calendar year, LICENSEE shall submit to LICENSOR one (1) sample of each of the Licensed Products.

C. The Licensed Products shall be of a high quality which is at least equal to comparable products previously manufactured and marketed by LICENSEE and in conformity with a standard sample approved by LICENSOR.

D. If the quality of a class of the Licensed Products falls below such a production-run quality, as previously approved by LICENSOR, LICENSEE shall use its best efforts to restore such quality. In the event that LICENSEE has not taken appropriate steps to restore such quality within sixty (60) days after notification by LICENSOR, LICENSOR shall have the right to terminate this Agreement and require that the LICENSEE cease using the Patents.

8. TERMINATION

The following termination rights are in addition to the termination rights that may be provided elsewhere in this Agreement:

A. Immediate Right of Termination. LICENSOR shall have the right to immediately terminate this Agreement by giving written notice to LICENSEE in the event that LICENSEE does any of the following:

(1) files a petition in bankruptcy or is adjudicated bankrupt or insolvent, or makes an assignment for the benefit of creditors, or an arrangement pursuant to any bankruptcy law, or if the LICENSEE discontinues its business or a receiver is appointed for the LICENSEE or for LICENSEE's business and such receiver is not discharged within thirty (30) days; or

(2) fails, after receipt of written notice from LICENSOR, to immediately discontinue the distribution or sale of the Licensed Products or the use of any packaging or promotional material which does not contain the requisite legal legends; or

B. Right to Terminate on Notice. This Agreement may be terminated by either party upon thirty (30) days written notice to the other party in the event of a breach of a material provision of this Agreement by the other party, provided that, during the thirty (30) day period, the breaching party fails to cure such breach.

C. LICENSEE shall have the right to terminate this Agreement at any time on sixty (60) days written notice to LICENSOR. In such event, all moneys paid to LICENSOR shall be deemed non-refundable and LICENSEE's obligation to pay any moneys shall be accelerated and any yet unpaid moneys shall become immediately due and payable.

9. POST TERMINATION RIGHTS

Upon expiration or termination of this Agreement, LICENSEE shall thereafter immediately, except for reason of termination because of expiration or a declaration of patent invalidity, cease all further use of the Patents and all rights granted to LICENSEE or its sublicensees under this Agreement shall forthwith terminate and immediately revert to LICENSOR.

10. INFRINGEMENTS

A. LICENSEE agrees to defend the Patents against infringement, past or present, by third parties upon notification by LICENSOR to LICENSEE with the request that LICENSEE proceed to take such steps to end such infringement. If LICENSEE does not institute an infringement suit within one-hundred twenty (120) days after LICENSOR'S written request that it do so, or should LICENSEE thereafter fail to press such action vigorously, LICENSOR may institute and prosecute such lawsuit.

B. Any lawsuit shall be prosecuted solely at the expense of the party bringing suit and all sums recovered shall be paid directly to LICENSEE after deduction of all reasonable expenses and attorney fees.

C. The parties agree to fully cooperate with the other party in the prosecution of any such suit. The party bringing suit shall reimburse the other party for the expenses incurred as a result of such cooperation.

11. INDEMNITY

LICENSEE agrees to defend and indemnify LICENSOR, its officers, directors, agents and employees, against all costs, expenses and losses (including reasonable attorneys' fees and costs) incurred through claims of third parties against LICENSOR based on the manufacture or sale of the Licensed Products including, but not limited to, actions founded on product liability.

12. INSURANCE

LICENSEE shall, throughout the Term of the Agreement, obtain and maintain at its own cost and expense from a qualified insurance company licensed to do business in Florida, standard Product Liability Insurance naming LICENSOR as an additional named insured. Such policy shall provide protection against any and all claims, demands and causes of action arising out of any defects or failure to perform, alleged or otherwise, of the Licensed Products or any material used in connection therewith or any use thereof. The amount of coverage shall be as specified in Schedule A attached hereto. The policy shall provide for ten (10) days notice to LICENSOR from the insurer by Registered or Certified Mail, return receipt requested, in the event of any modification, cancellation or termination thereof. LICENSEE agrees to furnish LICENSOR a certificate of insurance evidencing same within thirty (30) days after execution of this

Agreement and, in no event shall LICENSEE manufacture, distribute or sell the Licensed Products prior to receipt by LICENSOR of such evidence of insurance.

13. NOTICE AND PAYMENT

A. Any notice required to be given under this Agreement shall be in writing and delivered personally to the other designated party at the above stated address or mailed by certified, registered or Express mail, return receipt requested or by Federal Express.

B. Either party may change the address to which notice or payment is to be sent by written notice to the other under any provision of this paragraph.

14. JURISDICTION/DISPUTES

This Agreement shall be governed in accordance with the laws of the State of Florida. All disputes under this Agreement shall be resolved by litigation in the courts of the State of Florida including the federal courts therein and the Parties all consent to the jurisdiction of such courts, agree to accept service of process by mail, and hereby waive any jurisdictional or venue defenses otherwise available to it.

15. AGREEMENT BINDING ON SUCCESSORS

The provisions of the Agreement shall be binding upon and shall inure to the benefit of the Parties hereto, their heirs, administrators, successors and assigns.

16. ASSIGNABILITY

Neither party may assign this Agreement or the rights and obligations thereunder to any third party without the prior express written approval of the other party which shall not be unreasonably withheld.

17. WAIVER

No waiver by either party of any default shall be deemed as a waiver of prior or subsequent default of the same of other provisions of this Agreement.

18. SEVERABILITY

If any term, clause or provision hereof is held invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or operation of any other term, clause or provision and such invalid term, clause or provision shall be deemed to be severed from the Agreement.

19. INTEGRATION

This Agreement constitutes the entire understanding of the Parties, and revokes and supersedes all prior agreements between the Parties and is intended as a final expression of their Agreement. It shall not be modified or amended except in writing signed by the Parties hereto and specifically referring to this Agreement. This Agreement shall take precedence over any other documents which may conflict with this Agreement.

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound hereby, have each caused to be affixed hereto its or his/her hand and seal the day indicated.

IBT Holdings, LLC

By: _____

Title: Managing Member

Date: 10/28/10

Iron Bridge Tools, Inc.

By: _____

Title: President

Date: 10/28/10

SCHEDULE A

1. Licensed Patents

The licensed Patents are as follows:

1. United States Patent No. D613,944
2. United States Patent No. D613,945
3. United States Patent No. D622,506

2. Licensed Products

The Licensed Products are as follows:

1. Husky 23pc 1/4inch Driver Socket Set
2. Husky 26pc 1/4 inch Driver Set (23pc)
3. Husky 36pc Precision Screwdriver Set
4. Husky 38pc Ratcheting Screwdriver Set
5. Husky 3pk Hard Case Tool Set

3. Royalty Rate

LICENSEE shall pay the following royalty rate: THREE PERCENT (3%).

4. Product Liability Insurance

1 Million Dollars (\$ 1,000,000) combined single limit, with a deductible amount not to exceed 50,000 Dollars (\$ 50,000), for each single occurrence for bodily injury and/or for property damage.