

## ***LICENSE AGREEMENT***

This License Agreement (this "Agreement") is made effective as of May 31, 2007 between Acme Products, Inc., of 123 Main St., Anytown, California 12345 and Wiley Coyote, of 321 Oak St., Anytown, Arizona 54321.

In the Agreement, the party who is granting the right to use the licensed property will be referred to as "Acme", and the party who is receiving the right to use the licensed property will be referred to as "Coyote".

The parties agree as follows:

**1. GRANT OF LICENSE.** Acme owns Rocket Sled ("Sled"). In accordance with this

Agreement, Acme grants Coyote a non-exclusive license to use the Sled. Acme retains title and ownership of the Sled. This grant of license only applies to the following described geographical area: the desert.

**2. PAYMENT OF ROYALTY.** Coyote will pay to Acme a royalty which shall be calculated as follows: \$10 per ride. The royalty shall be paid Quarterly. With each royalty payment, Coyote will submit to Acme a written report that sets forth the calculation of the amount of the royalty payment.

**3. MODIFICATIONS.** Unless the prior written approval of Acme is obtained, Coyote may not modify or change the Sled in any manner.

**4. DEFAULTS.** If Coyote fails to abide by the obligations of this Agreement, including the obligation to make a royalty payment when due, Acme shall have the option to cancel this Agreement by providing 5 days written notice to Coyote. Coyote shall have the option of preventing the termination of this Agreement by taking corrective action that cures the default, if such corrective action is taken prior to the end of the time period stated in the previous sentence, and if there are no other defaults during such time period.

**5. ARBITRATION.** All disputes under this Agreement that cannot be resolved by the parties shall be submitted to arbitration under the rules and regulations of the American Arbitration Association. Either party may invoke this paragraph after providing 30 days written notice to the other party. All costs of arbitration shall be divided equally between the parties. Any award may be enforced by a court of law.

**6. WARRANTIES.** Neither party makes any warranties with respect to the use, sale or other transfer of the Sled by the other party or by any third party, and Coyote accepts the product "AS IS." In no event will Acme be liable for direct, indirect, special, incidental, or consequential damages, that are in any way related to the Sled.

**\*\* THIS IS A SAMPLE. DOCUMENT CONTINUES ON SUBSEQUENT PAGES \*\***