

LICENSE AGREEMENT

THIS AGREEMENT (the "Agreement") is entered into as of _____, (the "Effective Date") by and between Berd LLC, a Minnesota company with its headquarters at 401 11th Avenue South Suite 300, Hopkins, MN, 55343, USA ("Licensor") and : _____ located at: _____ ("Licensee")

WHEREAS, Licensor is the owner of certain intellectual property related to a bicycle hub, specifically described as a "Hub for Retaining Spokes with Loops" US publication US20220072898A1 and EPO publication EP4208352A1;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Licensor and Licensee (the "Parties") agree as follows:

1. The Property:

1.1. The intellectual property (the "Property") covered by this Agreement includes the following:

- a. The patent-pending design of the bicycle hub as described in "Hub for Retaining Spokes with Loops" US publication US20220072898A1 and EPO publication EP4208352A1.
- b. The term "hook flange hub" as it pertains to the design and functionality of the bicycle hub design.
- c. The term "Berd Approved" and the Berd LLC logo in connection with the marketing and promotion of products incorporating the bicycle hub design.

1.2. Licensee acknowledges and agrees that any use of the aforementioned intellectual property shall be in strict accordance with the terms and conditions set forth in the Agreement.

2. Grant of License:

2.1. Licensor hereby grants to Licensee a worldwide, royalty-free license to use, make, sell, offer for sale, import, and otherwise exploit the Property for the term of this Agreement.

2.2. This license is solely for the purpose of bicycle hub manufacture and is subject to the terms and conditions set forth herein.

3. Acknowledgment of Rights:

3.1. Licensor acknowledges that during a 12-month period starting on the Effective Date of this Agreement, it shall not grant any new licenses or rights to third parties within _____ (the "Territory") for the Property (the "Exclusive" rights).

4. Product, Design, and Material Approval:

4.1. Licensee shall only produce bicycle hubs using designs and materials that have been explicitly approved by Licensor for use with Berd Spokes.

4.2. Prior to the production of any bicycle hub, Licensee shall submit the proposed design and material specifications to Licensor for approval.

4.3. Licensor shall provide written approval or disapproval of materials and design within a reasonable time frame. In the event of disapproval, Licensee shall not proceed with production until the design and materials are modified to meet Berd's approval.

4.4. Licensee shall produce a prototype bicycle hub in accordance with the designs and specification approved by Licensor and provide the prototype for Licensor for testing.

4.5. Licensor shall test the prototype hub and provide written approval or disapproval for the prototype product. In the event of disapproval,

Licensee shall not proceed with production until the prototype hub is approved.

5. Marking of Product:

5.1. Licensor grants Licensee the right to use the term "Berd Approved" in conjunction with the Berd LLC logo in connection with the marketing and promotion of products incorporating the Property.

5.2. Licensee agrees to prominently display the "Berd Approved" term and Berd LLC logo on all bicycle hubs produced and sold under this agreement.

5.3. Licensee shall include the "Berd Approved" term and Berd LLC logo on all product packaging, marketing materials, and product documentation related to the Property.

6. Limitations:

6.1. Licensee shall not sublicense, assign, or otherwise transfer this license without the prior written consent of Licensor.

6.2. Licensee shall not use the Property for any purpose other than the specified purpose without obtaining additional written consent from Licensor.

7. Enforcement Against Third Parties:

7.1. If either party becomes aware of any third-party infringement concerning the Property in the Territory, they shall promptly notify the other party in writing.

7.2. Licensor reserves the right, but not the obligation, to take action against third parties who infringe upon the rights granted under this Agreement.

7.3. Licensor may, at its sole discretion, choose to enforce its rights against third parties independently and without the involvement or obligation of the Licensee.

7.4. Licensee agrees to reasonably cooperate with Licensor in any such enforcement actions if requested to do so by Licensor.

8. Intellectual Property Rights:

8.1. Licensor retains all rights, title, and interest in and to the Property, including all intellectual property rights therein.

8.2. Licensee agrees not to challenge the validity of the patents related to the Property during the term of this Agreement.

9. Term and Termination:

9.1. This Agreement shall commence on the Effective Date and continue until terminated by either party with 30 days' prior written notice.

9.2. The Exclusive rights granted under this agreement shall terminate automatically upon the termination of the Agreement, by mutual agreement of both parties, or at the end of the duration of the Exclusive rights stated herein.

9.3. In the event of a material breach of this Agreement by either party, the non-breaching party may terminate this Agreement upon written notice if the breach is not cured within 21 days.

10. Confidentiality:

10.1. Licensee agrees to keep confidential all non-public information related to the Product obtained during the term of this Agreement.

10.2. The obligations of confidentiality shall survive the termination of this Agreement.

11. Mutual Indemnification:

11.1. Each party (the "Indemnifying Party") agrees to indemnify, defend, and hold harmless the other party (the "Indemnified Party") from and against any and all claims, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or in connection with any Property within this Agreement or any third-party claim relating to the use, production, or sale of the Property by the Indemnifying Party.

11.2. The Indemnified Party shall promptly notify the Indemnifying Party in writing of any claim for which indemnification is sought, and the Indemnifying Party shall have the right to control the defense and settlement of such claim.

11.3. This mutual indemnification shall survive the termination of the Agreement.

12. Entire Understanding:

This Agreement constitutes the entire understanding between the Parties and supersedes all prior negotiations, understandings, and agreements. No modification or waiver of any provision of this Agreement shall be effective unless in writing and signed by both parties.

13. Severability:

13.1. If any provision of this Agreement or its amendments is found to be invalid or unenforceable, the remaining provisions shall

continue to be valid and enforceable to the fullest extent permitted by law.

13.2. The parties agree to negotiate in good faith to replace any invalid or unenforceable provision with a valid and enforceable provision that most closely achieves the intended economic effect of the invalid or unenforceable provision.

14. Governing Law:

This Agreement shall be governed by and construed in accordance with the laws of Minnesota, USA.

IN WITNESS WHEREOF, the parties hereto have executed this Royalty-Free License Agreement as of the Effective Date first above written.

LICENSOR:

LICENSEE:

Signature

Signature

Name

Name

Title

Title

Date

Date