

**IN THE CIRCUIT COURT FOR THE
EIGHTH JUDICIAL CIRCUIT, IN AND
FOR ALACHUA COUNTY, FLORIDA**

**UNIVERSITY OF FLORIDA RESEARCH
FOUNDATION, INCORPORATED, a
Florida non-profit corporation,**

Plaintiff,

v.

**CASE NO.:
DIVISION:**

**SESTAR TECHNOLOGIES, LLC, a Florida
limited liability company,**

Defendant.

/

COMPLAINT FOR BREACH OF CONTRACT

Plaintiff, University of Florida Research Foundation, Incorporated, a Florida non-profit corporation hereby sues Defendant, Sestar Technologies, LLC f/k/a SPG, LLC, a Florida limited liability company, and alleges:

1. This is an action for breach of contract in which the damages exceed the sum of \$15,000.00.
2. Plaintiff is a Florida non-profit corporation with its principle place of business in Gainesville, Alachua County, Florida.
3. Defendant is a Florida limited liability company, with, upon information and belief, its principal place of business in Gainesville, Alachua County, Florida.
4. Defendant breached the contracts that are the subject of this suit in Alachua County, Florida, by failing to perform acts required by the contracts to be performed in the State of Florida and consequently, injuring persons or property, to wit, Plaintiff, in Florida.
5. Venue in this action is proper because, inter alia, the actions giving rise to the

claims asserted in this Complaint occurred in Alachua County, Florida.

6. On or about September 25, 2008, Plaintiff and Defendant entered into that certain Standard Exclusive License Agreement with Sublicensing Terms, Agreement Number A6907 (the "A6907 Agreement"), a true and correct copy of which is attached hereto and incorporated herein as **Exhibit A**.

7. On or about February 2, 2010, Plaintiff and Defendant executed a First Amendment to License Agreement A6907, and on July 19, 2010, executed a Second Amendment to License Agreement A6907. The First and Second Amendments each added licensed patents to those originally covered by the A6907 Agreement.

8. On or about May 5, 2011, Plaintiff and Defendant further amended the A6907 Agreement to provide for implementation of a payment plan for past due patent costs (the "2011 Amendment"). A true and correct copy of the 2011 Amendment¹ is attached hereto and incorporated herein as **Exhibit B**.

9. On or about May 22, 2012, Plaintiff and Defendant executed a Fourth Amendment to License Agreement No. A6907 (the "2012 Amendment"). Among other things, the 2012 Amendment removed from the A6907 Agreement the licensed patents that had been added by the First and Second Amendments thereto, for contemporaneous execution of new license agreements for each patent. The 2012 Amendment also modified the structure and terms of the A6907 Agreement pertaining to payment of royalties. A true and correct copy of the 2012 Amendment is attached hereto and incorporated herein as **Exhibit C**.

10. Also on May 22, 2012, Plaintiff and Defendant entered into new license agreements for each of the patents severed from the A6907 Agreement by the 2012 Amendment,

¹ The 2011 Amendment also modified various options agreements and license agreements not at issue in this matter.

as follows:

- a. that certain Standard Exclusive License Agreement with Sublicensing Terms, Agreement Number A11565 (the “A11565 Agreement”), a true and correct copy of which is attached hereto and incorporated herein as **Exhibit D**;
- b. that certain Standard Exclusive License Agreement with Sublicensing Terms, Agreement Number A11567 (the “A11567 Agreement”), a true and correct copy of which is attached hereto and incorporated herein as **Exhibit E**;
- c. that certain Standard Exclusive License Agreement with Sublicensing Terms, Agreement Number A11568 (the “A11568 Agreement”), a true and correct copy of which is attached hereto and incorporated herein as **Exhibit F**; and
- d. that certain Standard Exclusive License Agreement with Sublicensing Terms, Agreement Number A11633 (the “A11633 Agreement”), a true and correct copy of which is attached hereto and incorporated herein as **Exhibit G**.

11. On or about November 8, 2012, Plaintiff and Defendant amended the A6907, A11565, A11567, A11568, and A11633 Agreements (collectively the “License Agreements”)² to memorialize a new payment plan intended to enable Defendant to bring all past due legal and license fees current (the “November 8, 2012 Amendment”). A true and correct copy of the November 8, 2012 Amendment is attached hereto and incorporated herein as **Exhibit H**.

12. Plaintiff and Defendant executed a further payment plan amendment to the License Agreements made effective by its terms on June 10, 2013 (the “June 10, 2013 Amendment”), a true and correct copy of which is attached hereto and incorporated herein as **Exhibit I**.

² The November 8, 2012 Amendment also amended certain other option agreements and licenses that are not at issue in this matter.

13. Under the License Agreements and Amendments identified above, Defendant agreed to pay Plaintiff certain royalties, sublicense revenue, and all future costs and expenses incurred by Plaintiff for the preparation, filing, prosecution, issuance and maintenance of the licensed patent. Pursuant to the June 10, 2013 Amendment, Defendant agreed to a payment plan of the past due and anticipated future amounts owed, obligating it to pay Plaintiff a total sum “of \$113,334.62 in twelve (12) equal monthly installments of \$9,444.55,” beginning on July 1, 2013.

14. Defendant breached the Agreement by failing to make required payments of the amounts due under the License Agreements, as amended.

15. By letter dated June 16, 2014, the undersigned made written demand upon Defendant for payment of \$85,235.29 plus accrued interest, which amount represents the amount owed by Defendant under the License Agreements, as amended (the “**Demand Letter**”). A copy of the Demand Letter is attached hereto as **Exhibit J**.

16. Pursuant to terms of the License Agreements, as amended, Defendant is also liable to Plaintiff for any out-of-pocket expenses incurred by Plaintiff to collect overdue payments, as well as interest on the unpaid balance, which continues to accrue at the rate of 1.5% per month.

17. Defendant remains in breach of the License Agreements by virtue of Defendant’s failure to pay Plaintiff all amounts due to Plaintiff thereunder.

18. Plaintiff has retained the law firm of Akerman LLP to represent it in this action and has agreed to pay a reasonable fee for the firm's services, and is entitled to recover said fees pursuant to the terms of the License Agreements.

19. There is now due and owing to Plaintiff from Defendant the amount of \$85,235.29, together with accrued interest of \$5,444.06, which continues to accrue at a rate of

\$41.88 per diem, plus attorneys' fees and costs.

20. All conditions precedent to the filing of this action, if any, have been performed, have occurred, or have been waived.

WHEREFORE, Plaintiff, UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INCORPORATED, a Florida corporation, demands judgment against Defendant, SESTAR TECHNOLOGIES, LLC, a Florida limited liability company, for the following:

- (a) Payments due under the License Agreements plus interest;
- (b) Attorneys' fees and costs; and
- (c) Such other and further remedies to which Plaintiff shall be entitled.

Dated this 29th day of October, 2014.

/s/ Edward Cole

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**STANDARD EXCLUSIVE LICENSE AGREEMENT
WITH SUBLICENSING TERMS**

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This Agreement is made effective the 25th day of September, 2008, (the "Effective Date") by and between the University of Florida Research Foundation, Inc. (hereinafter called "UFRF"), a nonstock, nonprofit Florida corporation, and SPG, LLC (hereinafter called "Licensee"), a limited liability company organized and existing under the laws of Florida;

WHEREAS, UFRF owns certain inventions that are described in the "Licensed Patents" defined below, and UFRF is willing to grant a license to Licensee under any one or all of the Licensed Patents and Licensee desires a license under all of them;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, the parties covenant and agree as follows:

Section 1 Definitions

- 1.1 “Commercial Year” shall mean the twelve month period commencing with the calendar month of the first commercial sale of a Licensed Product by the Company or by a sublicensee (excluding any sublicensee under Section 8).
- 1.2 “Licensed Patents” shall refer to and mean all of the following UFRF intellectual property:
 - 1.2.1 the United States patent(s)/patent application(s) entitled “SolarTurf: Artificial Turf Harvesting Solar Energy” filed in the United States Patent Office on November 28, 2007, and assigned Registration Number/Serial Number 60/990,807, and all United States patents and foreign patents and patent applications based on this U.S. application;
 - 1.2.2 United States and foreign patents issued from the application listed in 1.2.1 above and from divisionals and continuations of these applications, to the extent the claims are directed to subject matter specifically described in the applications listed in 1.2.1 above and are dominated by the claims of those patent applications and patents issuing thereon or reissues thereof, and any and all foreign patents and patent applications corresponding thereto, all to the extent owned or controlled by the University of Florida or UFRF.
- 1.3 “Licensed Product” and “Licensed Process” shall mean:
 - 1.3.1 In the case of a Licensed Product, any product or part thereof developed in whole or in part by or on behalf of Licensee that:
 - (a) is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Licensed Patents, in any country in which any product is made, used or sold; or
 - (b) is manufactured by using a process which is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Licensed Patents, in any country in which any such process is used or in which any such product is used or sold
 - 1.3.2 In the case of a Licensed Process:
 - (a) any process which is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Licensed Patents in any country in which such process is practiced
- 1.4 “Net Sales” shall mean the total dollar amount invoiced on sales of Licensed Product and/or Licensed Processes by licensee, sublicensee or affiliates, less any charges for (a) promotional discounts allowed in amounts customary in the trade, (b) sales taxes or other taxes separately stated on the invoice, (c) shipping and insurance charges, and (d) returns, rebates and chargebacks.
- 1.5 “Affiliate” shall mean: (a) any person or entity which controls at least fifty percent (50%) of the equity or voting stock of the Licensee or (b) any person or entity fifty percent (50%)

- of whose equity or voting stock is owned or controlled by the Licensee or (c) any person or entity of which at least fifty percent (50%) of the equity or voting stock is owned or controlled by the same person or entity owning or controlling at least fifty percent (50%) of Licensee or (d) any entity in which any officer or employee is also an officer or employee of Licensee or any person who is an officer or employee of Licensee.
- 1.6 The term "Sublicensee" shall mean any third party to whom Licensee confers the right to make, use or sell Licensed Product and/or Licensed Processes and/or any of the intellectual property rights embodied in Licensed Patents. The term "Sublicense" shall mean the grant of such rights.
- 1.7 "Development Plan" shall mean a written report summarizing the development activities that are to be undertaken by the Licensee to bring Licensed Products and/or Licensed Processes to the market. The Development Plan is attached as Appendix A.
- 1.8 "Development Report" shall mean a written account of Licensee's progress under the Development Plan having at least the information specified on Appendix B to this Agreement, and shall be sent to the address specified on Appendix B .
- 1.9 "Licensed Field" shall mean all uses.
- 1.10 "Licensed Territory" shall be the United States and any country in which Licensee elects to pursue prosecution under Section 7.

Section 2 Grant

2.1 License.

2.1.1 License Under Licensed Patents

UFRF hereby grants to Licensee an exclusive license, limited to the Licensed Field and the Licensed Territory, under the Licensed Patents to make, use and sell Licensed Products and/or Licensed Processes. UFRF reserves to itself and the University of Florida the right to make and use Licensed Products and/or Licensed Processes solely for their internal research and educational purposes. In addition, UFRF reserves to itself, as well as to the University of Florida and to all non-profit research institutions, the right to use materials that might be covered under Licensed Patents solely for their internal research and educational purposes and to meet all applicable governmental requirements governing the ability to transfer materials.

2.2 Sublicense.

2.2.1 Licensee may grant written Sublicenses to third parties. Any agreement granting a Sublicense shall state either that the Sublicense is subject to the termination of this Agreement or that Licensee's rights under the Sublicense, to the extent related to the Patent Rights, shall be assigned to UFRF upon termination of this agreement, provided that UFRF shall assume no additional obligations beyond those provided for in this Agreement. Licensee shall use diligent efforts to cause

any Sublicensee that violates the terms of a Sublicense to cure any such violation.

- 2.2.2 In respect to Sublicenses granted by Licensee under 2.2.1 above, Licensee shall pay to UFRF an amount equal to what Licensee would have been required to pay to UFRF had Licensee sold the amount of Licensed Products or Licensed Processes sold by such Sublicensee. In addition, if Licensee receives any fees, minimum royalties, or other payments in consideration for any rights granted under a Sublicense, and such payments are not based directly upon the amount or value of Licensed Products or Licensed Processes sold by the Sublicensee, then Licensee shall pay to UFRF a portion of such payments as specified in Section 4.4. Licensee shall not receive from Sublicensees anything of value in lieu of cash payments in consideration for any Sublicense under this Agreement without the express prior written permission of UFRF.4.4.3
- 2.2.3 Licensee shall provide UFRF with an unredacted copy of each sublicense agreement and any agreement which transfers intellectual property rights granted hereunder, within thirty (30) days after execution of the sublicense agreement.
- 2.2.4 If UFRF identifies a potential Licensed Product that (i) Licensee (together with its affiliates and sublicensees) is not actively researching, developing or commercializing; (ii) is in a major commercial territory (i.e., the U.S., the E.U., and Japan); (iii) an identified third party desires to develop and commercialize; and (iv) does not compete with any product which is then part of an active research, development or commercialization program of Licensee or its affiliates or collaborators, then UFRF shall provide written notice of such potential product (an “Undeveloped Product”) to Licensee. Within sixty (60) days of receipt of such notice from UFRF, Licensee shall provide written notice to UFRF that it elects to: (a) develop and commercialize such Undeveloped Product itself; (b) develop and commercialize such Undeveloped Product through an appropriate Sublicense; or (c) terminate Licensee’s rights under this Agreement solely for such Undeveloped Product. Should Licensee elect to effect development and commercialization of such Undeveloped Product itself or in collaboration with one or more other parties, Licensee and UFRF shall negotiate reasonable diligence goals, which shall be added to Appendix D within ninety (90) days of Licensee’s election. Should Licensee elect to Sublicense its rights to the Undeveloped Product to a sublicensee identified either by itself or by UFRF, Licensee shall negotiate in good faith and shall use commercially reasonable efforts to execute a commercially reasonable Sublicense. If no such Sublicense is executed within six (6) months of Licensee’s election, Licensee shall either (i) provide a written report to UFRF detailing its efforts, and continue diligent efforts to complete a Sublicense, or (ii) relinquish rights to UFRF for such Undeveloped Product. If Licensee ceases to engage in active negotiations to sublicense rights to the Undeveloped Product or fails to execute such Sublicense within an additional nine (9) months, then UFRF may terminate Licensee’s rights under this Agreement only with respect to such Undeveloped Product by providing written notice of such termination to Licensee.

Section 3 Due Diligence

3.1 Development.

3.1.1 Licensee agrees to and warrants that:

- (a) it has, or will obtain, the expertise necessary to independently evaluate the inventions of the Licensed Patents;
- (b) it will establish and actively and diligently pursue the Development Plan (see Appendix A) to the end that the inventions of the Licensed Patents will be utilized to provide Licensed Products and/or Licensed Processes for sale within the Licensed Field;
- (c) it will diligently seek to complete the milestones set forth on Appendix D and to develop markets for Licensed Products;
- (d) and, until the date of first commercial sale of Licensed Products or Licensed Processes, it will supply UFRF with a written Development Report annually within sixty (60) days after the end of each calendar year (see Appendix B).

3.1.2 Licensee agrees that the first commercial sale of products to the retail customer shall occur on or before December 31, 2014 or UFRF shall have the right to terminate the Agreement pursuant to Section 9.3 hereto. In addition, Licensee will meet the milestones shown in Appendix D or UFRF shall have the right to terminate the Agreement pursuant to Section 9.3. Licensee will notify UFRF in writing as each milestone is met.

3.1.3 Upon written request by Licensee to negotiate extensions of any milestones or due dates set forth in Appendix D, such request to be received by UFRF no less than ninety (90) days prior to any of the due dates subject of such request, set forth in this Section 3.1.3, such request fully describing Licensee's diligent efforts to achieve the milestone required to be met by such due date, UFRF shall consider in good faith such requests. Upon granting such request, UFRF and Licensee shall negotiate such extensions in good faith.

Section 4 Payments

4.1 License Issue Fee.

Licensee agrees to pay to UFRF a license issue fee of One Thousand Dollars (\$1,000) within thirty (30) days of the Effective Date.

4.2 Equity Agreement.

As further consideration for the rights granted to Licensee by this Agreement, Licensee agrees that the equity interest granted to UFRF pursuant to the LLC Operating Agreement in the form attached to the Equity Agreement of even date herewith constitutes seven percent (7.0%) of the fully diluted ownership interest of Licensee as of the Effective Date. The issuance of such equity interest to UFRF under this Section 4.2

shall be made in accordance with that certain LLC Operating Agreement with UFRF, in the form attached to the Equity Agreement.

4.3 Royalty.

4.3.1 Royalty on Licensed Patents. In addition to the Section 4.1 license issue fee, Licensee agrees to pay to UFRF as earned royalties a royalty calculated as a percentage of Net Sales. The royalty is deemed earned as of the earlier of the date the Licensed Product and/or Licensed Process is actually sold and paid for, the date an invoice is sent by Licensee or its Sublicensee(s), or the date a Licensed Product and/or Licensed Process is transferred to a third party for any promotional reasons. The royalty shall remain fixed while this Agreement is in effect at a rate of two percent (2%) of Net Sales, subject to adjustment under Section 4.3.2. For clarification, Net Sales shall be calculated based on the first sale of a Licensed Product by Licensee, a Sublicensee or their respective Affiliate to a third party and in no event shall a royalty be calculated more than one time with respect to any unit of Licensed Product.

4.3.2 Reduction of Royalty Rate. If the production and/or sale of a Licensed Product by Licensee, a Sublicensee or Affiliate requires the licensing of technology (the "Additional Technology") covered by additional patents from a third party, the royalty rate provided for under Section 4.3.1 shall be reduced no more than one percent (1%) of Net Sales, under the following conditions:

- (a) Licensee notifies UFRF in writing at least thirty (30) days in advance of any licensing agreement for such additional patents;
- (b) Any such reduction in royalty shall apply only to Licensed Products which (i) are actually sold by Licensee or its Affiliate or Sublicensee to an end customer and which (ii) actually include such Additional Technology; and

4.3.3 The royalty for the affected Licensed Product is reduced by no more than one half of one percent (0.5%) per additional license required. Notwithstanding Sections 4.3.1 and 4.3.2, Licensee agrees to pay the following minimum royalties to UFRF in the years so indicated:

<u>Payment</u>	<u>Year</u>
\$ 10,000	First, second and third Commercial Year
\$ 25,000	Fourth and fifth Commercial Year
\$ 50,000	Each Commercial Year thereafter

If in any commercial year during the term of this LICENSE AGREEMENT the total amounts payable under Section 4.3.1, 4.3.2 and 4.4.2 hereof are less than the minimum amount indicated in the schedule above corresponding to such year, Licensee shall pay UFRF the difference between the amounts payable for such year and said minimum amount within thirty (30) days after the end of such year. Such minimum royalties will be applied to earned royalties on a calendar year basis, and sales of Licensed Products and/or Licensed Processes requiring the payment of earned royalties made during a prior or subsequent calendar year shall have no effect on the annual minimum royalty due to UFRF for other than

the same calendar year in which the royalties were earned.

4.4 Other Payments.

- 4.4.1 **License Maintenance Fee.** Licensee shall pay an annual license maintenance fee (the “License Maintenance Fee”) of One Thousand Dollars (\$1,000) to UFRF. The first License Maintenance Fee shall be due within 30 days of the one-year anniversary of the effective date and subsequent License Maintenance Fees shall be due annually thereafter until the first commercial sale by Licensee of a Licensed Product.
- 4.4.2 **Sublicense Revenue.** If Licensee receives any fees as consideration for granting a Sublicense (“Sublicense Fees”), and such fees are not based directly upon the amount or value of Licensed Products sold by the Sublicensee, then in lieu of royalty payments under Section 4.3, Licensee shall pay to UFRF (i) forty-five percent (45%) of such Sublicensee Fees received for Sublicenses entered into within the first year after the Effective Date, (ii) thirty-five percent 35% of such Sublicensee Fees received for Sublicenses entered into between the first anniversary of the Effective Date and the second anniversary of the Effective Date; and (iii) twenty percent (20%) of such Sublicense Fees received for Sublicenses entered into on or after the second anniversary of the Effective Date. Licensee shall pay amounts due under this section no later than sixty (60) days after the calendar year in which the Sublicense Fees are received. To the extent that Licensee uses any Sublicense Fees to fund product development or business operations, then Licensee shall only be obligated to pay UFRF fifteen percent (15%) of such amounts pursuant to this Section 4.4.2.
- 4.4.3 Company may not accept any consideration for a Sublicense other than cash without the express prior written permission of UFRF, which shall not be unreasonably withheld, provided that for purposes of this Section, any payment to Licensee or its Affiliates in the form of marketable securities or similar property with a readily ascertainable fair market value shall be deemed to be cash, it being understood that, unless otherwise agreed, Licensee shall be obligated to pay UFRF its share in cash, not in the form of the securities or other property. Notwithstanding the foregoing, Licensee may accept a license (or sublicense) to third party intellectual property rights in full or partial consideration for the grant of a Sublicense if Licensee reasonably determines that such license or sublicense is necessary or helpful for the development or commercialization of Licensed Products. In such event, Licensee shall be required to pay to UFRF the percentages specified in Section 4.4.2 of the cash, if any, received by Licensee as partial consideration for the grant of the sublicensee, but shall not be required to make a payment to UFRF based on the value of the license or sublicense received.

4.5 Accounting for Payments.

- 4.5.1 Amounts owing to UFRF under Sections 4.3.1 shall be paid on a quarterly basis, with such amounts due and received by UFRF on or before the sixtieth day

following the end of the calendar quarter ending on March 31, June 30, September 30 or December 31 in which such amounts were earned. Any amounts which remain unpaid after the date they are due to UFRF shall accrue interest from the due date at the rate of 1.5% per month. However, in no event shall this interest provision be construed as a grant of permission for any payment delays. Licensee shall also be responsible for repayment to UFRF of any attorney, collection agency, or other out-of-pocket UFRF expenses required to collect overdue payments due under this Agreement.

- 4.5.2 Except as otherwise directed, all amounts owing to UFRF under this Agreement shall be paid in U.S. dollars to UFRF at the following address:

University of Florida Research Foundation, Inc.
223 Grinter Hall
PO Box 115500
Gainesville, Florida 32611-5500
Attention: Business Manager

All royalties owing with respect to Net Sales stated in currencies other than U.S. dollars shall be converted at the rate shown in the Federal Reserve Noon Valuation - Value of Foreign Currencies on the day preceding the payment due date. In the event that, by reason of applicable law in any country, it becomes impossible or illegal for Licensee to transfer, or have transferred on its behalf, royalties or other payments owed hereunder to UFRF, such royalties or other payments shall be deposited in local currency in the relevant country in an account in the name and control of UFRF in a recognized banking institution designated by UFRF, or, if none is designated by UFRF within a period of thirty (30) days after Licensee's written request therefor, in a recognized banking institution selected by Licensee and identified in a written notice given to UFRF.

- 4.5.3 Licensee shall submit an accounting statement showing how any amounts payable to UFRF under Section 4.3 have been calculated to UFRF on the date of each such payment. Such accounting statements shall contain a written representation signed by an executive officer of Licensee that states that the statements are true, accurate, and fairly represent all amounts payable to UFRF pursuant to this Agreement. Such accounting shall be on a per-country and product line, model or trade name basis and shall be summarized on the form shown in Appendix C - UFRF Royalty Report of this Agreement.
- 4.5.4 In the event no payment is owed to UFRF because the amount of minimum royalties paid has not been exceeded or otherwise, an accounting demonstrating that fact shall be supplied to UFRF.
- 4.5.5 All payments due hereunder shall be paid in full, without deduction of taxes or other fees which may be imposed by any government provided, however that if a law or regulation of any country of the Territory requires withholding of taxes of any type, levies or other charges with respect to the any

amounts payable hereunder to UFRF, Licensee shall promptly pay such tax, levy or charge for and on behalf of UFRF to the proper governmental authority, and shall promptly furnish UFRF with receipt evidencing such payment. UFRF agrees to assist Licensee in claiming exemption from such deductions or withholdings under double taxation or similar agreement or treaty from time to time in force and shall use reasonable efforts to minimize the amount required to be so withheld or deducted.

Section 5 Certain Warranties and Disclaimers of UFRF

- 5.1 UFRF warrants that, except as otherwise provided under Section 17.1 of this Agreement with respect to U.S. Government interests, it is the owner of the Licensed Patents or otherwise has the right to grant the licenses granted to Licensee in this Agreement. However, nothing in this Agreement shall be construed as:
 - 5.1.1 a warranty or representation by UFRF as to the validity or scope of any right included in the Licensed Patents;
 - 5.1.2 a warranty or representation that anything made, used, sold or otherwise disposed of under the license granted in this Agreement will or will not infringe patents of third parties;
 - 5.1.3 an obligation to bring or prosecute actions or suits against third parties for infringement of Licensed Patents;
 - 5.1.4 an obligation to furnish any know-how not provided in Licensed Patents or any services other than those specified in this Agreement; or
 - 5.1.5 a warranty or representation by UFRF that it will not grant licenses to others to make, use or sell products not covered by the claims of the Licensed Patents which may be similar and/or compete with products made or sold by Licensee.
- 5.2 EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, UFRF MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND VALIDITY OF PATENT RIGHTS CLAIMS, ISSUED OR PENDING. UFRF ASSUMES NO RESPONSIBILITIES WHATSOEVER WITH RESPECT TO USE, SALE, OR OTHER DISPOSITION BY LICENSEE, ITS SUBLICENSEE(S), OR THEIR VENDEES OR OTHER TRANSFEREES OF PRODUCT INCORPORATING OR MADE BY USE OF INVENTIONS LICENSED UNDER THIS AGREEMENT.

Section 6 Record Keeping

- 6.1 Licensee and its Sublicensee(s) shall keep books and records sufficient to verify the accuracy and completeness of Licensee's and its Sublicensee(s)'s accounting referred to above, including without limitation, inventory, purchase and invoice records,

manufacturing records, sales analysis, general ledgers, financial statements, and tax returns relating to the Licensed Products and/or Licensed Processes. Such books and records shall be preserved for a period not less than three years after they are created or as required by federal law, both during and after the term of this Agreement.

- 6.2 Licensee and its Sublicensee(s) shall take all steps necessary so that UFRF may, within thirty (30) days of its written request, audit and/or review all of the books and records at a single U.S. location to verify the accuracy of Licensee's and its Sublicensee(s)'s accounting. Such examination and verification shall not occur more than once each calendar year and the records for any calendar year shall not be subject to such review more than once. Such review may be performed by any authorized employees of UFRF as well as by any attorneys and/or accountants designated by UFRF, upon reasonable notice and during regular business hours. If a deficiency with regard to any payment hereunder is determined, Licensee and its Sublicensee(s) shall pay the deficiency within thirty (30) days of receiving notice thereof along with applicable interest as described in Section 4.5.1. If a royalty payment deficiency for a calendar year exceeds three percent (3%) of the royalties paid for that year, then Licensee and its Sublicensee(s) shall be responsible for paying UFRF's out-of-pocket expenses incurred with respect to such review.
- 6.3 At any time during the term of this agreement, UFRF may request in writing that Licensee verify the calculation of any past payments owed to UFRF through the means of a self-audit. Within ninety (90) days of the request, Licensee shall complete a self-audit of its books and records to verify the accuracy and completeness of the payments owed. Within thirty (30) days of the completion of the self-audit, Licensee shall submit to UFRF a report detailing the findings of the self-audit and the manner in which it was conducted in order to verify the accuracy and completeness of the payments owed. If Licensee has determined through its self-audit that there is any payment deficiency, Licensee shall pay UFRF the deficiency along with applicable interest under Section 4.5.1 with the submission of the self-audit report to UFRF. Such self-audit shall not occur more than once each calendar year and the records for any calendar year shall not be subject to a self-audit more than once.

Section 7 Patent Prosecution

- 7.1 UFRF shall diligently prosecute and maintain the Licensed Patents using counsel of its choice that is reasonably acceptable to Licensee in the United States and in the foreign countries identified by Licensee under Section 7.3. UFRF shall provide Licensee with copies of all patent applications, amendments, and other filings with the United States Patent and Trademark Office and foreign patent offices. UFRF will also provide Licensee with copies of office actions and other communications received by UFRF from the United States Patent and Trademark Office and foreign patent offices relating to Licensed Patents. Licensee agrees to keep such information confidential, provided that Licensee may disclose such information to third parties under customary obligations of confidentiality and non-use. UFRF shall give due consideration to Licensee's comments, remarks or advice related to the prosecution and maintenance of the Licensed Patents. Licensee may, from time to time, inform UFRF in writing of any foreign countries, if any, in which Licensee desires patent protection.

- 7.2 Licensee shall pay to UFRF the sum of Three Thousand One Hundred Eighty Three dollars (\$3,183), within twelve (12) months of the Effective Date to reimburse any and all expenses associated with preparation, filing, prosecution, issuance, maintenance, defense, and reporting of the Licensed Patents incurred prior to the Effective Date. Note: UFRF will update this amount based on past expenses accrued just before execution of the License Agreement.
- 7.3 Licensee shall be responsible for and pay all costs and expenses incurred by UFRF for the preparation, filing, prosecution, issuance, maintenance, defense and reporting of the Licensed Patents subsequent to and separate of those expenses cited in Section 7.2 within thirty (30) days of receipt of an invoice from UFRF. It shall be the responsibility of Licensee to keep UFRF fully apprised of the "small entity" status of Licensee and all Sublicensees with respect to the U.S. patent laws and with respect to the patent laws of any other countries, if applicable, and to inform UFRF of any changes in writing of such status, within thirty (30) days of any such change. In the event that additional licenses are granted to licensees for alternate fields-of-use, patent expenses associated with Licensed Patents will be divided proportionally between the number of existing licensees. In the case of foreign patent protection, if a licensee declines to reimburse UFRF for its proportional share of patent expenses in any particular country, then said licensee relinquishes the right to commercialize Licensed Products in the specified country.

Section 8 Infringement and Invalidity

- 8.1 Each party shall inform the other promptly in writing of any alleged infringement of the Licensed Patents by a third party and of any available evidence thereof.
- 8.2 During the term of this Agreement, UFRF shall have the right, but shall not be obligated, to prosecute at its own expense any such infringements of the Licensed Patents. If UFRF prosecutes any such infringement, Licensee agrees that UFRF may include Licensee as a co-plaintiff in any such suit, without expense to Licensee. Prior to commencing any such infringement, UFRF shall consult with Licensee regarding the risks and merits of pursuing any infringement claim. UFRF shall give due consideration to Licensee's legitimate business interests and those of any Sublicensee and shall consider in good faith any proposal by Licensee that Licensee and/or a Sublicensee to take primary responsibility for prosecuting infringement. UFRF's pursuit of an infringement action shall not restrict Licensee's right to grant a Sublicense to any Third Party, including an alleged infringer. In the event that UFRF shall undertake the enforcement by litigation and/or defense of the Licensed Patents by litigation, any recovery of damages by UFRF for any such suit shall be applied first in satisfaction of any unreimbursed expenses and legal fees of UFRF relating to the suit, and next toward reimbursement of Licensee (or any Sublicensee) for any legal fees, and unreimbursed expenses. The balance remaining from any such recovery shall be divided, with UFRF retaining 80% and Licensee receiving 20%.
- 8.3 If within six (6) months after having been notified of any alleged infringement, UFRF shall have been unsuccessful in persuading the alleged infringer to desist and shall not have

brought and shall not be diligently prosecuting an infringement action, or if UFRF shall notify Licensee at any time prior thereto of its intention not to bring suit against any alleged infringer, then, and in those events only, Licensee shall have the right, but shall not be obligated, to prosecute at its own expense any infringement of the Licensed Patents, and Licensee may, for such purposes, use the name of UFRF as party plaintiff. No settlement, consent judgment or other voluntary final disposition of the suit may be entered into without the consent of UFRF, which consent shall not be unreasonably withheld. Licensee shall indemnify UFRF against any order for costs that may be made against UFRF in such proceedings.

- 8.4 In the event that Licensee shall undertake the enforcement by litigation and/or defense of the Licensed Patents by litigation, any recovery of damages by Licensee for any such suit shall be applied first in satisfaction of any unreimbursed expenses and legal fees of Licensee and any Sublicensee involved in the litigation relating to the suit, and next toward reimbursement of UFRF for any legal fees, and unreimbursed expenses. The balance remaining from any such recovery shall be divided, with Licensee retaining 80% and UFRF receiving 20%.
- 8.5 In any infringement suit that either party may institute to enforce the Licensed Patents pursuant to this Agreement, the other party hereto shall, at the request and expense of the party initiating such suit, cooperate in all respects and, to the extent possible, have its employees testify when requested and make available relevant records, papers, information, samples, specimens, and the like.
- 8.6 In the event a declaratory judgment action alleging invalidity or noninfringement of any of the Licensed Patents shall be brought against Licensee, UFRF, at its option, shall have the right, within thirty (30) days after commencement of such action, to intervene and take over the sole defense of the action at its own expense.
- 8.7 In the event Licensee contests the validity of any Licensed Patents, Licensee shall continue to pay royalties and make other payments pursuant to this Agreement with respect to that patent as if such contest were not underway until the patent is adjudicated invalid or unenforceable by a court of last resort.
- 8.8 Each party has the sole discretion whether to pursue or enforce any patents not licensed pursuant to this Agreement and to retain 100% of any amounts paid in respect of the infringement of such other patent rights.

Section 9 Term and Termination

- 9.1 The term of this license shall begin on the Effective Date of this Agreement and continue until the date that no Licensed Patent remains an enforceable patent.
- 9.2 Licensee may terminate this Agreement at any time by giving at least sixty (60) days written notice of such termination to UFRF. Such a notice shall be accompanied by a statement of the reasons for termination.

- 9.3 UFRF may terminate this Agreement by giving Licensee at least thirty (30) days written notice if Licensee:
- 9.3.1 is delinquent on any report or payment;
 - 9.3.2 is not diligently developing and commercializing Licensed Product and/or Licensed Process;
 - 9.3.3 misses a milestone described in Appendix D;
 - 9.3.4 is in material breach of this Agreement;
 - 9.3.5 knowingly provides any false report;
 - 9.3.6 goes into bankruptcy, liquidation or proposes having a receiver control any assets;
 - 9.3.7 develops or commercializes Licensed Product in a manner than constitutes a material violation of applicable laws or regulations;
 - 9.3.8 ceases to carry on its business pertaining to Licensed Patents; or
 - 9.3.9 has not received, in the aggregate, at least three hundred thousand dollars (\$300,000) of investment within 12 months of the Effective Date (including, but not limited to, any investment occurring during the 90 day period preceding the Effective Date).

Termination under this Section 9.3 will take effect 30 days after written notice by UFRF unless Licensee remedies the problem in that 30-day period, provided that with regard to any breach that, by its nature, cannot reasonably be cured within 30 days, then LICENSEE may be granted by UFRF such longer period of time as mutually agreed upon in writing by the parties acting in good faith to cure such breach.

- 9.4 UFRF may immediately terminate this Agreement upon the occurrence of the second separate default by Licensee within any consecutive three-year period for failure to pay royalties, patent or any other expenses when due.
- 9.5 Upon the termination of this Agreement for any reason, nothing herein shall be construed to release either party from any obligation that matured prior to the effective date of such termination. Licensee shall remain obligated to provide an accounting for and to pay royalties earned to the date of termination, and any minimum royalties shall be prorated as of the date of termination by the number of days elapsed in the applicable calendar year. Licensee may, however, after the effective date of such termination, sell all Licensed Products, and complete Licensed Products in the process of manufacture at the time of such termination and sell the same, provided that Licensee shall remain obligated to provide an accounting for and to pay running royalties thereon.

- 9.6 Licensee shall be obligated to deliver to UFRF, within ninety days of the date of termination of this agreement, complete and unredacted copies of all documentation prepared for or submitted for all regulatory approvals of Licensed Products or Licensed Processes.

Section 10 Assignability

This Agreement may not be transferred or assigned by Licensee without the prior written consent of UFRF, which consent shall not be unreasonably withheld, provided that Licensee may assign this Agreement in connection with a merger or the sale or other transfer of Licensee's entire business or that part of Licensee's business to which this Agreement relates. Licensee shall promptly notify of any such assignment or transfer. In any assignment, assignee shall assume all of Licensee's responsibilities under this Agreement (excluding any obligations with respect to the Equity Agreement).

Section 11 Dispute Resolution Procedures

11.1 Mandatory Procedures.

In the event either party intends to file a lawsuit against the other with respect to any matter in connection with this Agreement, compliance with the procedures set forth in this Section shall be a condition precedent to the filing of such lawsuit, other than for injunctive relief. Either party may terminate this Agreement as provided in this Agreement without following the procedures set forth in this section.

- 11.1.1 When a party intends to invoke the procedures set forth in this section, written notice shall be provided to the other party. Within thirty (30) days of the date of such notice, the parties agree that representatives designated by the parties shall meet at mutually agreeable times and engage in good faith negotiations at a mutually convenient location to resolve such dispute.
- 11.1.2 If the parties fail to meet within the time period set forth in section 11.1.1 above or if either party subsequently determines that negotiations between the representatives of the parties are at an impasse, the party declaring that the negotiations are at an impasse shall give notice to the other party stating with particularity the issues that remain in dispute.
- 11.1.3 Not more than 15 days after the giving of such notice of issues, each party shall deliver to the other party a list of the names and addresses of at least three individuals, any one of whom would be acceptable as a neutral advisor in the dispute (the "Neutral Advisor") to the party delivering the list. Any individual proposed as a Neutral Advisor shall have experience in determining, mediating, evaluating, or trying intellectual property litigation and shall not be affiliated with the party that is proposing such individual.
- 11.1.4 Within 10 days after delivery of such lists, the parties shall agree on a Neutral Advisor. If they are unable to so agree within that time, within 5 days, they shall

each select one individual from the lists. Within 5 days, the individuals so selected shall meet and appoint a third individual from the lists to serve as the Neutral Advisor. Within 30 days after the selection of a Neutral Advisor:

- (a) The parties shall each provide a written statement of the issues in dispute to the Neutral Advisor.
- (b) The parties shall meet with the Neutral Advisor in Gainesville, Florida on a date and time established by the Neutral Advisor. The meeting must be attended by persons authorized to make final decisions on behalf of each party with respect to the dispute. At the meeting, each party shall make a presentation with respect to its position concerning the dispute. The Neutral Advisor will then discuss the issues separately with each party and attempt to resolve all issues in the dispute. At the meeting, the parties will enter into a written settlement agreement with respect to all issues that are resolved. Such settlement agreement shall be final and binding with respect to such resolved issues and may not be the subject of any lawsuit between the parties, other than a suit for enforcement of the settlement agreement.

11.1.5 The expenses of the neutral advisor shall be shared by the parties equally. All other out-of-pocket costs and expenses for the alternative dispute resolution procedure required under this Section shall be paid by the party incurring the same.

11.1.6 Positions taken and statements made during this alternative dispute resolution procedure shall be deemed settlement negotiations and shall not be admissible for any purpose in any subsequent proceeding.

11.2 Failure to Resolve Dispute.

If any issue is not resolved at the meeting with the Neutral Advisor, either party may file appropriate administrative or judicial proceedings with respect to the issue that remains in dispute. No new issues may be included in the lawsuit without the mandatory procedures set forth in this section having first been followed.

Section 12 Product Liability; Conduct of Business

12.1 Licensee and its Sublicensee(s) shall, at all times during the term of this Agreement and thereafter, indemnify, defend and hold UFRF, the Florida Board of Governors, the University of Florida Board of Trustees, the University of Florida, and each of their directors, officers, employees, and agents, and the inventors of the Licensed Patents, regardless of whether such inventors are employed by the University of Florida at the time of the claim, harmless against all claims and expenses, including legal expenses and reasonable attorneys fees, whether arising from a third party claim or resulting from UFRF's enforcing this indemnification clause against Licensee, arising out of the death of or injury to any person or persons or out of any damage to property and against any other claim, proceeding, demand, expense and liability of any kind whatsoever (other than patent infringement claims) resulting from the production, manufacture, sale, use, lease, consumption, marketing, or advertisement of Licensed Products or Licensed Process(es) or

arising from any right or obligation of Licensee hereunder. Notwithstanding the above, UFRF at all times reserves the right to retain counsel of its own to defend UFRF's, the Florida Board of Governors', the University of Florida Board of Trustees', the University of Florida's, and the inventor's interests.

- 12.2 Licensee warrants that it now maintains and will continue to maintain liability insurance coverage appropriate to the risk involved in producing, manufacturing, selling, marketing, using, leasing, consuming, or advertising the products subject to this Agreement and that, no later than the first commercial sale of a Licensed Product, such insurance coverage shall list UFRF, the Florida Board of Governors, the University of Florida Board of Trustees and the University of Florida as additional insureds. Within ninety (90) days after the execution of this Agreement and thereafter annually between January 1 and January 31 of each year, Licensee will present evidence to UFRF that the coverage is being maintained as described above. In addition, Licensee shall provide UFRF with at least thirty (30) days prior written notice of any change in or cancellation of the insurance coverage.

Section 13 Use of Names

Licensee and its Sublicensee(s) shall not use the names of UFRF, or of the University of Florida, nor of any of either institution's employees, agents, or affiliates, nor the name of any inventor of Licensed Patents, nor any adaptation of such names, in any promotional, advertising or marketing materials or any other similar form of publicity, or to suggest any endorsement by the such entities or individuals, without the prior written approval of UFRF in each case.

Section 14 Miscellaneous

- 14.1 This Agreement shall be construed in accordance with the internal laws of the State of Florida
- 14.2 The parties hereto are independent contractors and not joint venturers or partners.
- 14.3 Licensee shall ensure that it applies patent markings that meet all requirements of U.S. law, 35 U.S.C. §287, with respect to all Licensed Products subject to this Agreement.
- 14.4 This Agreement and the Exhibits hereto constitutes the full understanding between the parties with reference to the subject matter hereof, and no statements or agreements by or between the parties, whether orally or in writing, shall vary or modify the written terms of this Agreement. Neither party shall claim any amendment, modification, or release from any provisions of this Agreement by mutual agreement, acknowledgment, or otherwise, unless such mutual agreement is in writing, signed by the other party, and specifically states that it is an amendment to this Agreement.
- 14.5 Licensee shall not grant a security interest in any of the rights granted hereunder to any third party.
- 14.6 Licensee acknowledges that it is subject to and agrees to abide by the United States laws and regulations (including the Export Administration Act of 1979 and Arms Export Contract Act) controlling the export of technical data, computer software, laboratory

prototypes, biological material, and other commodities. The transfer of such items may require a license from the cognizant agency of the U.S. Government or written assurances by Licensee that it shall not export such items to certain foreign countries without prior approval of such agency. UFRF neither represents that a license is or is not required or that, if required, it shall be issued.

- 14.7 Licensee is responsible for any and all wire/bank fees associated with all payments due to UFRF pursuant to this agreement.
- 14.8 Survival.

The provisions of this Section shall survive termination of this Agreement. Upon termination of the Agreement for any reason, the following sections of the License Agreement will remain in force as non-cancelable obligations:

- Section 6 Record Keeping
- Section 9 Requirement to pay royalties on sale of Licensed Products made, and in process, at time of License Agreement termination
- Section 12 Product Liability; Conduct of Business
- Section 13 Use of Names
- Section 18 Confidentiality

Section 15 Notices

Any notice required to be given pursuant to the provisions of this Agreement shall be in writing and shall be deemed to have been given

- when delivered personally, **or**
- if sent by facsimile transmission, when receipt thereof is acknowledged at the facsimile number of the recipient as set forth below, **or**
- the second day following the day on which the notice has been delivered prepaid to a national air courier service, **or**
- five (5) business days following deposit in the U.S. mail if sent certified mail, (**return receipt acknowledgement is not required to certify delivery**).

- 15.1 If to the University of Florida Research Foundation, Inc.:

President
University of Florida Research Foundation, Inc.
223 Grinter Hall
University of Florida
Post Office Box 115500
Gainesville, FL 32611-5500
Facsimile Number: 352-846-0491

with a copy to:
Office of Technology Licensing
Attn: Director
308 Walker Hall

University of Florida
Post Office Box 115500
Gainesville, Florida 32611-5500
Facsimile Number: 352-392-6600

15.2 If to Licensee:

SPG, LLC
Attn: President
3602 NW 46TH Place
Gainesville, FL 32605

with a copy to:
Hutchison Law Group PLLC
5410 Trinity Road, Suite 400
Raleigh, NC 27607
Attn: William Wofford
Facsimile Number: 919-829-9696

Section 16 Contract Formation and Authority

The submission of this Agreement does not constitute an offer, and this document shall become effective and binding only upon the execution by duly authorized representatives of both Licensee and UFRF. Copies of this Agreement that have not been executed and delivered by both UFRF and Licensee shall not serve as a memorandum or other writing evidencing an agreement between the parties. This Agreement shall automatically terminate and be of no further force and effect, without the requirement of any notice from UFRF to Licensee, if UFRF does not receive the License Issue Fee provided for under Section 4.1 within thirty (30) days of the Effective Date.

16.1 UFRF and Licensee hereby warrant and represent that the persons signing this Agreement have authority to execute this Agreement on behalf of the party for whom they have signed.

16.2 Force Majeure.

No default, delay, or failure to perform on the part of Licensee or UFRF shall be considered a default, delay or failure to perform otherwise chargeable hereunder, if such default, delay or failure to perform is due to causes beyond either party's reasonable control including, but not limited to: strikes, lockouts, or inactions of governmental authorities, epidemics, war, embargoes, fire, earthquake, hurricane, flood, acts of God, or default of common carrier. In the event of such default, delay or failure to perform, any date or times by which either party is otherwise scheduled to perform shall be extended automatically for a period of time equal in duration to the time lost by reason of the excused default, delay or failure to perform.

Section 17 United States Government Interests

- 17.1 It is understood that the United States Government (through any of its agencies or otherwise) has funded research, Grant No. N/A, during the course of or under which any of the inventions of the Licensed Patents were conceived or made. To the extent required by applicable law, the United States Government is entitled, as a right, under the provisions of 35 U.S.C. §202-212 and applicable regulations of Title 37 of the Code of Federal Regulations, to a non-exclusive, nontransferable, irrevocable, paid-up license to practice or have practiced the inventions of such Licensed Patents for governmental purposes. Any license granted to Licensee in this Agreement shall be subject to such right.
- 17.2 Licensee agrees that for Licensed Products covered by the Licensed Patents that are subject to the non-exclusive royalty-free license to the United States Government, said Licensed Products will be manufactured substantially in the United States. Licensee further agrees that it shall abide by all the requirements and limitations of U.S. Code, Title 35, Chapter 18, and implementing regulations thereof, for all patent applications and patents invented in whole or in part with federal money.

Section 18 Confidentiality

- 18.1 Each Party shall maintain all information of the other Party which is treated by such other Party as proprietary or confidential (referred to herein as "Confidential Information") in confidence, and shall not disclose, divulge or otherwise communicate such confidential information to others, or use it for any purpose, except pursuant to, and in order to carry out, the terms and objectives of this Agreement, and each party hereby agrees to exercise every reasonable precaution to prevent and restrain the unauthorized disclosure of such confidential information by any of its Affiliates, directors, officers, employees, consultants, subcontractors, Sublicensees or agents. The parties agree to keep the terms of this Agreement confidential, provided that each party may disclose this Agreement to their authorized agents and investors who are bound by similar confidentiality provisions. Notwithstanding the foregoing, Confidential Information of a party shall not include information which: (a) was lawfully known by the receiving party prior to disclosure of such information by the disclosing party to the receiving party; (b) was or becomes generally available in the public domain, without the fault of the receiving party; (c) is subsequently disclosed to the receiving party by a third party having a lawful right to make such disclosure; (d) is required by law, rule, regulation or legal process to be disclosed, provided that the receiving party making such disclosure shall take all reasonable steps to restrict and maintain to the extent possible confidentiality of such disclosure and shall provide reasonable notice to the other party to allow such party the opportunity to oppose the required disclosure; or (e) has been independently developed by employees or others on behalf of the receiving party without access to or use of disclosing party's information as demonstrated by written record. Each party's obligations under this Section 18 shall extend for a period of five (5) years from termination or expiration of this Agreement. Notwithstanding the foregoing, Licensee acknowledges that the University of Florida Intellectual Property Policy (the "Policy") a copy of which as in effect on the Effective Date is available at <http://www.rgp.ufl.edu/otl/pdf/ipp.pdf>, as it may be amended from time to time, may apply to any works or inventions made by "University personnel" (as that term is defined in the policy), and in the event of any conflict between this section and the

Policy, the Policy shall prevail.

Section 19 University Rules and Regulations

- 19.1 Licensee understands and agrees that University of Florida personnel who are engaged by Licensee, whether as consultants, employees or otherwise, or who possess a material financial interest in Licensee, are subject to the University of Florida's rule regarding outside activities and financial interests set forth in Florida Administrative Code Rule 6C1-1.011, the University of Florida's Intellectual Property Policy, and a monitoring plan which addresses conflicts of interests associated therewith. Any term or condition of an agreement between Licensee and such University of Florida personnel which seeks to vary or override such personnel's obligations to the University of Florida may not be enforced against such personnel, the University of Florida or UFRF, without the express written consent of an individual authorized to vary or waive such obligations on behalf of the University of Florida and UFRF. Furthermore, should an interest of Licensee conflict with the interest of the University of Florida, University of Florida personnel are obligated to resolve such conflicts according to the guidelines and policies set forth by the University of Florida.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the dates indicated below.

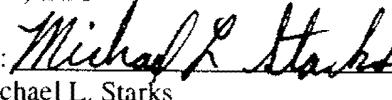
UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.



David L. Day
Director, Office of Technology Licensing

Date: 9/26, 2008

SPG, LLC

By: 

Michael L. Starks
Managing Member

Date: Sept. 26, 2008

Appendix A - Development Plan

2008 Plan

- ❖ Protected intellectual property by filing for provisional and utility patents in early 2008
- ❖ Locate Office to Gainesville, Florida by March 31, 2008
- ❖ Completed 1st draft of business plan by April 30, 2008
- ❖ Form Scientific Advisory Board in April 2008
- ❖ Develop phase I prototype by December 31, 2008

2009 Plan

- ❖ Conduct marketing research and strengthen business plan by January 31, 2009
- ❖ Form Board of Directors by June 30, 2009
- ❖ Raise seed funding in the amount of \$300,000 by August 30, 2009
- ❖ Fabricate solar cells on plastic films (4"x4") by June 30, 2009
- ❖ Identify partners to commercialize SPG technology throughout 2009

2010 Plan

- ❖ Demonstrate green solar cells with a power efficiency of 5% by June 30, 2010
- ❖ Continue to identify strategic partners for product commercialization throughout 2010
- ❖ Raise an additional \$1million in funding from commercial, private or public sources by December 31, 2010

2011 Plan

- ❖ Demonstrate green solar grass blades with 7% efficiency March 31, 2011
- ❖ Meet with UFRF Office of Technology Licensing and update Development Plan by June 30, 2011 and agree on new due diligence obligations and milestones going forward

2012 Plan

- ❖ Form strategic partnerships for commercialization of SPG technology by June 30, 2012
- ❖ Identify specific products to be commercialized and develop marketing plans by December 31, 2012

2013 Plan

- ❖ Implement product manufacturing, distribution and marketing plan by June 30, 2013

2014 Plan

- ❖ Begin manufacturing and sales of solar systems by June 30, 2014
- ❖ Achieve first sale of an SPG solar system by December 31, 2014

Appendix B - Development Report

When appropriate, indicate estimated start date and finish date for activities.

- I. Date Development Plan Initiated and Time Period Covered by this Report.
- II. Development Report (4-8 paragraphs).
 - A. Activities completed since last report including the object and parameters of the development, when initiated, when completed and the results.
 - B. Activities currently under investigation, i.e., ongoing activities including object and parameters of such activities, when initiated, and projected date of completion.
- III. Future Development Activities (4-8 paragraphs).
 - A. Activities to be undertaken before next report including, but not limited to, the type and object of any studies conducted and their projected starting and completion dates.
 - B. Estimated total development time remaining before a product will be commercialized.
- IV. Changes to Initial Development Plan (2-4 paragraphs).
 - A. Reasons for change.
 - B. Variables that may cause additional changes.
- V. Items to be Provided if Applicable:
 - A. Information relating to Licensed Products or Licensed Processes that has become publicly available, e.g., published articles, competing products, patents, etc.
 - B. Development work being performed by third parties, other than Licensee, to include name of third party, reasons for use of third party, planned future uses of third parties including reasons why and type of work.
 - C. Update of competitive information trends in industry, government compliance (if applicable) and market plan.
 - D. Information and copies of relevant materials evidencing the status of any patent applications or other protection relating to Licensed Products, or Licensed Processes or the Licensed Patents.

PLEASE SEND DEVELOPMENT REPORTS TO:

University of Florida Research Foundation, Inc.
Attn: Director
308 Walker Hall
P.O. Box 115500
Gainesville, FL 32611-5500

Facsimile: 352-392-6600

Appendix C - UFRF Royalty Report

Licensee: SPG, LLC Agreement No.: _____
Inventor: _____ P#: P
Period Covered: From: / /2 Through: / /2
Prepared By _____ Date: _____
Approved By _____ Date: _____

If license covers several major product lines, please prepare a separate report
for each line. Then combine all product lines into a summary report.

Report Type: Single Product Line Report: _____

Multiproduct Summary Report. Page 1 of _____ Pages

Product Line Detail. Line: _____ Tradename: _____ Page: _____

Report Currency: U. S. Dollars Other _____

Country	Unit	Gross	* Less:	Net	Royalty	Period Royalty Amount	
	Sales	\$\$ Sales	Allowances	\$\$ Sales	Rate	This Year	Last Year
U.S.A.							
Canada							
Europe:							

Japan

Other:

TOTAL:

Total Royalty: _____ Conversion Rate: _____ Royalty in U.S. Dollars: \$ _____

The following royalty forecast is non-binding and for UFRF's internal planning purposes only:

Royalty Forecast Under This Agreement: Next Quarter: _____ Q2: _____ Q3: _____ Q4: _____

* On a separate page, please indicate the reasons for returns or other adjustments if significant.

Also note any unusual occurrences that affected royalty amounts during this period.

To assist UFRF's forecasting, please comment on any significant expected trends in sales volume.

Appendix D - Milestones

Milestones are subject to review on an annual basis and amendment upon mutual consent of the parties.

1	Seed Funding and Sponsored Research at UF	2008	Raise a total of \$450,000 from Grants and private financing
2	Sponsored Research at UF	2009	Raise and Sponsor a minimum of \$350K from Grants and/or private financing for Year 2 Research at UF
3	Sponsored Research at UF	2010	Raise and Sponsor a minimum of \$350K from Grants and/or private financing for Year 3 Research at UF
4	Update Development Plan	2011	Deliver to OTL an updated Development Plan and Milestones by the end of the 2nd quarter. Milestones below may be modified to reflect the updated Development Plan.
5	Raise Funding for Business Operation	2011	Raise sufficient funding from commercial, private or public sources by 4 th Quarter to support progress toward Milestones described below.
6	Enter into a Strategic Alliance with an Outside Company	2012	Enter into strategic alliance (sublicensing agreement) with an outside company to manufacture and/or sell product by the end of the second quarter
7.	Product manufacturing, distribution and marketing plan	2013	Adopt and commence implementation of detailed product manufacturing, distribution and marketing plan by the end of the 2 nd quarter
8	First Commercial Sale	2014	Sale of a complete or partial system that collects sunlight and powers or charges an electronic device by the end of 4 th quarter

In order to achieve primary company milestones, SPG will partner with early stage investors to raise the required seed capital for success. The company will raise seed funding in the amount of \$450,000, plus a sufficient amount to fund any shortfall in net income caused either by the Company having expenses in excess of the amounts shown or income less than the amount shown on the Capital Requirements chart set forth below. Investment will be raised from accredited investors and the company will use the proceeds as outlined in the Financial Projections below to fund the first three years of research and develop a working prototype.

SPG, LLC					
Financial Projections					
Five Years Commencing With Florida Research Agreement					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue:					
Gross Sales (Royalties)	\$0	\$111,000	\$348,000	\$1,021,900	\$8,391,000
Less: Florida Royalties	0	55,500	174,000	510,950	4,195,500
Gross Profit (Loss)	\$0	\$55,500	\$174,000	\$510,950	\$4,195,500
Expenses:					
Corporate Advertising/PR	0	25,000	45,000	60,000	100,000
Consulting	5,000	10,000	15,000	20,000	25,000
Insurance	2,000	2,500	3,500	3,500	4,000
Management Fee	150,000	150,000	150,000	200,000	250,000
Rent and Office Expenses	15,000	15,000	15,000	15,000	15,000
Payroll Taxes	0	2,050	7,852	10,137	10,441
Professional Fees	15,000	15,000	15,000	15,000	15,000
Scale up/Manufacturing	50,000	100,000	100,000	0	0
Research (Florida)	400,000	400,000	450,000	0	0
Travel	6,000	20,000	25,000	25,000	25,000
Wages	0	25,000	95,750	123,623	127,331
Total Expenses	\$643,000	\$764,550	\$922,102	\$472,260	\$571,772
Net Operating Income	(\$643,000)	(\$709,050)	(\$748,102)	\$38,690	\$3,623,728
Other Income:					
Grants	225,000	350,000	350,000	0	0
Total Other Income	\$225,000	\$350,000	\$350,000	\$0	\$0
Net Income (Loss)	(\$418,000)	(\$359,050)	(\$398,102)	\$38,690	\$3,623,728
Net Margin (%)			-114.4%	3.8%	43.2%

AMENDMENT TO LICENSE AGREEMENT
NOS. A6907, A8687, A8708, A8760, A9229, A7711, A8053, and A8686
EFFECTIVE APRIL 29, 2011

WHEREAS, the University of Florida Research Foundation, Inc., a not-for-profit corporation duly organized and existing under the laws of the State of Florida and having its principal office at 223 Grinter Hall, Gainesville, Florida 32611 U.S.A. (hereinafter referred to as "UFRFI"), and Sestar Technologies, LLC, a corporation duly organized under the laws of the State of Florida, and having its principal office at 17 NW 17th Street, Suite B201, Gainesville, FL, 32603, (hereinafter referred to as "Licensee") entered into various Options and License Agreements listed in the title above (hereinafter "License Agreements");

WHEREAS, the parties now wish to amend the License Agreements for the purpose of memorializing a payment plan to catch up past patent expenses.

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

1. At the time of the writing of this Amendment, Licensee owes a total of \$106,625.76 on the various agreements as listed on Exhibit A.
2. Licensee agrees to pay \$10,000 per month for six months, with a balloon payment in the seventh month for the balance. The first payment of \$10,000 shall be due on May 15, 2011, and additional payments will be due on the 15th of each month thereafter, as follows:

May 15, 2011	\$10,000.00
June 15, 2011	\$10,000.00
July 15, 2011	\$10,000.00
August 15, 2011	\$10,000.00
September 15, 2011	\$10,000.00
October 15, 2011	\$10,000.00
November 15, 2011	<u>\$46,625.76</u>

TOTAL: \$106,625.76

3. Licensee shall pay for future patent costs within thirty (30) days of receipt of an invoice.
4. This amendment shall be executed in duplicate and shall be referred to as the Amendment of April 29, 2011.

**UNIVERSITY OF FLORIDA
RESEARCH FOUNDATION, INC.**

By: *David L Day*
Name: David L. Day
Title: Director of Technology Licensing
Date: *5/5/11*

SESTAR TECHNOLOGIES, LLC

By: *Michael L Starks*
Name: Michael L. Starks
Title: Managing Partner
Date: *May 5, 2011*

Aged Receivables - All Revenue

Printed Date: 04/29/2011
 Settlement Date: 04/29/2011

<u>Agreement</u>	<u>Invoice No.</u>	<u>Current</u>	<u>Past Due</u>			<u>Total</u>
			<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	
A6907-SolarTurf Artificial Turf Harvesting Solar						
Sestar Technologies, LLC	27546	\$0.00	\$0.00	\$0.00	\$0.00	\$589.39
Sestar Technologies, LLC	27709	\$0.00	\$0.00	\$0.00	\$5,175.07	\$5,175.07
Sestar Technologies, LLC	27803	\$0.00	\$0.00	\$0.00	\$3,019.55	\$3,019.55
Sestar Technologies, LLC	27100	\$0.00	\$0.00	\$0.00	\$565.07	\$565.07
Sestar Technologies, LLC	26692	\$0.00	\$0.00	\$0.00	\$14,014.30	\$14,014.30
Sestar Technologies, LLC	26774	\$0.00	\$0.00	\$0.00	\$1,000.00	\$1,000.00
Sestar Technologies, LLC	26747	\$0.00	\$0.00	\$0.00	\$414.15	\$414.15
Sestar Technologies, LLC	26582	\$0.00	\$0.00	\$0.00	\$7,295.25	\$7,295.25
Sestar Technologies, LLC	26635	\$0.00	\$0.00	\$0.00	\$304.72	\$304.72
Sestar Technologies, LLC	26438	\$0.00	\$0.00	\$0.00	\$9,788.74	\$9,788.74
Sestar Technologies, LLC	27674	\$0.00	\$0.00	\$589.39	\$0.00	\$589.39
Sestar Technologies, LLC	27905	\$0.00	\$0.00	\$757.03	\$0.00	\$757.03
Sestar Technologies, LLC	27655	\$0.00	\$0.00	\$3,877.50	\$0.00	\$3,877.50
Sestar Technologies, LLC	27618	\$0.00	\$0.00	\$7,298.29	\$0.00	\$7,298.29
Sestar Technologies, LLC	28060	\$0.00	\$761.76	\$0.00	\$0.00	\$761.76
Sestar Technologies, LLC	27711	\$0.00	\$315.00	\$0.00	\$0.00	\$315.00
Sestar Technologies, LLC	28133	\$2,016.12	\$0.00	\$0.00	\$0.00	\$2,016.12
Sestar Technologies, LLC	28010	\$22.50	\$0.00	\$0.00	\$0.00	\$22.50
	Subtotal:	\$2,038.62	\$1,076.76	\$11,932.82	\$589.39	\$42,166.24
						\$57,803.83
A8687-Self-Sterilizing Device using Plasma						
Sestar Technologies, LLC	27554	\$0.00	\$0.00	\$0.00	\$311.46	\$311.46
Sestar Technologies, LLC	27232	\$0.00	\$0.00	\$0.00	\$3,418.16	\$3,418.16
Sestar Technologies, LLC	27019	\$0.00	\$0.00	\$0.00	\$5,581.17	\$5,581.17
Sestar Technologies, LLC	27107	\$0.00	\$0.00	\$0.00	\$600.32	\$600.32
Sestar Technologies, LLC	26709	\$0.00	\$0.00	\$0.00	\$10,073.80	\$10,073.80
Sestar Technologies, LLC	26760	\$0.00	\$0.00	\$0.00	\$449.97	\$449.97
Sestar Technologies, LLC	26604	\$0.00	\$0.00	\$0.00	\$1,691.00	\$1,691.00
Sestar Technologies, LLC	26646	\$0.00	\$0.00	\$0.00	\$424.60	\$424.60
Sestar Technologies, LLC	27676	\$0.00	\$0.00	\$111.46	\$0.00	\$111.46
Sestar Technologies, LLC	27911	\$0.00	\$0.00	\$320.84	\$0.00	\$320.84
Sestar Technologies, LLC	27617	\$0.00	\$0.00	\$625.00	\$0.00	\$625.00
Sestar Technologies, LLC	28064	\$0.00	\$332.55	\$0.00	\$0.00	\$332.55
Sestar Technologies, LLC	27727	\$0.00	\$780.99	\$0.00	\$0.00	\$780.99

Exhibit B



Aged Receivables - All Revenue

Printed Date: 04/29/2011
Settlement Date: 04/29/2011

Agreement	Invoice No.	Current	Past Due			Total
			0-30	31-60	61-90	
Sestar Technologies, LLC	28132	\$50.00	\$0.00	\$0.00	\$0.00	\$50.00
Sestar Technologies, LLC	28011	\$150.00	\$0.00	\$0.00	\$0.00	\$150.00
Subtotal:		\$200.00	\$1,113.54	\$945.84	\$11.46	\$22,550.48
A 8708:Black Soluble Conjugated Polymers with						
Sestar Technologies, LLC	26711	\$0.00	\$0.00	\$0.00	\$0.00	\$247.50
Sestar Technologies, LLC	26761	\$0.00	\$0.00	\$0.00	\$77.50	\$77.50
Sestar Technologies, LLC	26606	\$0.00	\$0.00	\$0.00	\$45.00	\$45.00
Sestar Technologies, LLC	27619	\$0.00	\$0.00	\$50.00	\$0.00	\$50.00
Sestar Technologies, LLC	28012	\$50.00	\$0.00	\$0.00	\$0.00	\$50.00
Subtotal:		\$50.00	\$0.00	\$50.00	\$0.00	\$370.10
A 8760:Earth-toned Photovoltaic Devices with						
Sestar Technologies, LLC	27555	\$0.00	\$0.00	\$0.00	\$66.40	\$66.40
Sestar Technologies, LLC	27234	\$0.00	\$0.00	\$0.00	\$45.00	\$45.00
Sestar Technologies, LLC	27108	\$0.00	\$0.00	\$0.00	\$65.72	\$65.72
Sestar Technologies, LLC	26712	\$0.00	\$0.00	\$0.00	\$160.00	\$160.00
Sestar Technologies, LLC	26762	\$0.00	\$0.00	\$0.00	\$64.82	\$64.82
Sestar Technologies, LLC	26464	\$0.00	\$0.00	\$0.00	\$4,171.50	\$4,171.50
Sestar Technologies, LLC	26330	\$0.00	\$0.00	\$0.00	\$50.00	\$50.00
Sestar Technologies, LLC	27677	\$0.00	\$0.00	\$0.00	\$66.40	\$66.40
Sestar Technologies, LLC	27912	\$0.00	\$0.00	\$66.40	\$0.00	\$66.40
Sestar Technologies, LLC	28065	\$0.00	\$69.77	\$0.00	\$0.00	\$69.77
Sestar Technologies, LLC	27729	\$0.00	\$225.00	\$0.00	\$0.00	\$225.00
Sestar Technologies, LLC	28013	\$202.50	\$0.00	\$0.00	\$0.00	\$202.50
Subtotal:		\$202.50	\$294.77	\$66.40	\$4,623.44	\$5,253.51
A 9229:Transparent Conducting Electrode						
Sestar Technologies, LLC	27558	\$0.00	\$0.00	\$0.00	\$11.36	\$11.36
Sestar Technologies, LLC	27242	\$0.00	\$0.00	\$0.00	\$100.00	\$100.00
Sestar Technologies, LLC	26718	\$0.00	\$0.00	\$0.00	\$50.00	\$50.00
Sestar Technologies, LLC	26468	\$0.00	\$0.00	\$0.00	\$607.50	\$607.50
Sestar Technologies, LLC	26358	\$0.00	\$0.00	\$0.00	\$1,000.00	\$1,000.00
Sestar Technologies, LLC	27666	\$0.00	\$0.00	\$11.36	\$0.00	\$11.36
Sestar Technologies, LLC	27913	\$0.00	\$0.00	\$11.36	\$0.00	\$11.36
Sestar Technologies, LLC	28066	\$0.00	\$13.05	\$0.00	\$0.00	\$13.05

Exhibit B

UR RICHMAN

Aged Receivables - All Revenue

Printed Date: 04/29/2011
 Settlement Date: 04/29/2011

<u>Agreement</u>	<u>Invoice No.</u>	<u>Current</u>	<u>Past Due</u>			<u>Total</u>
			<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	
Sestar Technologies, LLC	27731	\$0.00	\$112.50	\$0.00	\$0.00	\$112.50
Sestar Technologies, LLC	28134	\$877.50	\$0.00	\$0.00	\$0.00	\$877.50
Sestar Technologies, LLC	28014	\$337.50	\$0.00	\$0.00	\$0.00	\$337.50
	Subtotal:	\$1,215.00	\$125.55	\$11.36	\$1,768.86	\$3,132.13
A7711:Polyester-acetals						
Sestar Technologies, LLC	26702	\$0.00	\$0.00	\$0.00	\$180.00	\$180.00
Sestar Technologies, LLC	26590	\$0.00	\$0.00	\$0.00	\$45.00	\$45.00
	Subtotal:	\$0.00	\$0.00	\$0.00	\$225.00	\$225.00
A8053:Transparent Conducting Film						
Sestar Technologies, LLC	25829	\$0.00	\$0.00	\$0.00	\$45.00	\$45.00
	Subtotal:	\$0.00	\$0.00	\$0.00	\$45.00	\$45.00
A8686:Integrated PV/Battery/OLED Lighting						
Sestar Technologies, LLC	27553	\$0.00	\$0.00	\$0.00	\$199.26	\$199.26
Sestar Technologies, LLC	27231	\$0.00	\$0.00	\$0.00	\$55.93	\$55.93
Sestar Technologies, LLC	27106	\$0.00	\$0.00	\$0.00	\$198.42	\$198.42
Sestar Technologies, LLC	26708	\$0.00	\$0.00	\$0.00	\$3,369.00	\$3,369.00
Sestar Technologies, LLC	26759	\$0.00	\$0.00	\$0.00	\$149.39	\$149.39
Sestar Technologies, LLC	26603	\$0.00	\$0.00	\$0.00	\$220.00	\$220.00
Sestar Technologies, LLC	26645	\$0.00	\$0.00	\$0.00	\$146.09	\$146.09
Sestar Technologies, LLC	26461	\$0.00	\$0.00	\$0.00	\$9,589.00	\$9,589.00
Sestar Technologies, LLC	26327	\$0.00	\$0.00	\$0.00	\$50.00	\$50.00
Sestar Technologies, LLC	27675	\$0.00	\$0.00	\$199.26	\$0.00	\$199.26
Sestar Technologies, LLC	27910	\$0.00	\$0.00	\$199.26	\$0.00	\$199.26
Sestar Technologies, LLC	28063	\$0.00	\$199.26	\$0.00	\$0.00	\$199.26
	Subtotal:	\$0.00	\$199.26	\$199.26	\$199.26	\$13,977.09
	Grand Totals:	\$3,706.12	\$2,809.88	\$13,205.68	\$1,177.87	\$85,726.21
						\$106,625.76

Exhibit B

**FOURTH AMENDMENT TO
LICENSE AGREEMENT NO. A6907**

WHEREAS, the University of Florida Research Foundation, Inc., a not-for-profit corporation duly organized and existing under the laws of the State of Florida and having its principal office at 223 Grinter Hall, Gainesville, Florida 32611 U.S.A. (hereinafter referred to as "UFRFI), and Sestar Technologies, LLC, a corporation duly organized under the laws of the State of FL, and having its principal office at 17 NW 17th Street, Suite B201, Gainesville, FL, 32603, (hereinafter referred to as "Licensee") entered into a license agreement effective September 25, 2008 (hereinafter "License Agreement");

WHEREAS, the parties amended the License Agreement by a First Amendment on February 2, 2010;

WHEREAS, the parties further amended the License Agreement by a Second Amendment on July 19, 2010;

WHEREAS, the parties further amended the License Agreement by an Amendment on May 5, 2011 regarding a payment plan for past patent costs; and

WHEREAS, the parties now wish to further amend the License Agreement by this Fourth Amendment;

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

1. The following section of the license agreement shall be re-written to read as follows:

Section 1.2 "Licensed Patents" shall refer to and mean the following UFRF intellectual property:

- 1.2.1 the United States patent(s)/patent application(s) entitled "Solar Turf: Artificial Turf Harvesting Solar Energy" filed in the United States Patent Office on November 28, 2007, and assigned Serial Number 60/990,807, and all United States and foreign patents and patent applications based on this U.S. application;
- 1.2.2 United States and foreign patents issued from the applications listed in 1.2.1 above and from divisionals and continuations of this application, to the extent the claims are directed to subject matter specifically described in the application listed in 1.2.1 above and are dominated by the claims of those patent applications and patents issuing thereon or reissues thereof, and any

and all foreign patents and patent applications corresponding thereto, all to the extent owned or controlled by the University of Florida or UFRF.

The patents and patent applications previously added to this License Agreement by the First and Second Amendment are being removed and placed on separate license agreements. The removal of those patents from this License Agreement No. A6907 will occur simultaneously with the execution of the new license agreements for each patent; and shall remain on this License Agreement until such time as the execution of the new License Agreement(s) occurs.

Section 4.3 Royalty.

4.3.1 Royalty on Licensed Patents. Running Royalty is payable if Licensed Product is sold under the following Agreements: No. A6907, A11565, A11567, A11568, or A11633 with the proviso that only one royalty payment under one of the license agreements is due for sale of Licensed Product irrespective of whether such Licensed Product falls within the scope of the patents licensed under more than one of the Agreements, No. A6907, A11565, A11567, A11568, or A11633.

Licensee agrees to pay to UFRF as earned royalties a royalty calculated as a percentage of Net Sales. The royalty is deemed earned as of the earlier of the date the Licensed Product and/or Licensed Process is actually sold and paid for, the date an invoice is sent by Licensee or its Sublicensee(s), or the date a Licensed Product and/or Licensed Process is transferred to a third party for any promotional reasons. The royalty shall remain fixed while this Agreement is in effect at a rate of two percent (2%) of Net Sales Price, subject to adjustment under Section 4.3.2. For clarification, Net sales shall be calculated based on the first sale of a Licensed Product by Licensee, a Sublicensee or their respective Affiliate to a third party and in no event shall a royalty be calculated more than one time with respect to any unit of Licensed Product.

Licensee shall not be required to make any payment under this Agreement for Licensed Product sold for which a royalty is being paid under one of the other Agreements, No. A11565, A11567, A11568, or A11633.

4.3.2 Remains the same as in the original License Agreement.

4.3.3 The royalty for the affected Licensed Product is reduced by no more than one half of one percent (0.5%) per additional license required. Notwithstanding Sections 4.3.1 herein and 4.3.2 of the original License Agreement, Licensee agrees to pay the following minimum royalties to UFRF in the years so indicated:

The payments below shall be made under this License Agreement No. A6907 as long as it is active. However, if this License Agreement is terminated, the below payments shall be made under one of the other License Agreements, No. A11565, A11567, A11568, A11633.

<u>Payment</u>	<u>Year</u>
\$10,000	First, second and third Commercial Year
\$25,000	Fourth and fifth Commercial Year
\$50,000	Each Commercial Year thereafter

If in any commercial year during the term of this License Agreement the total amounts payable under Section 4.3.1, 4.3.2 and 4.4.2 hereof are less than the minimum amount indicated in the schedule above corresponding to such year, Licensee shall pay UFRF the difference between the amounts payable for such year and said minimum amount within thirty (30) days after the end of such year. Such minimum royalties will be applied to earned royalties on a calendar year basis, and sales of Licensed Products and/or Licensed Processes requiring the payment of earned royalties made during a prior or subsequent calendar year shall have no effect on the annual minimum royalty due to UFRF for other than the same calendar year in which the royalties were earned.

For clarification, it is intended that the above minimum royalty payments are due under this original License Agreement, No. A6907; however, the total royalties paid to UFRF under this Agreement can be added together with royalties paid under the other related Agreements No. A11565, A11567, A11568, or A11633 to add up to the minimum royalty payment. In other words, the one minimum royalty payment shall apply to all five related Agreements, A6907, A11565, A11567, A11568, and A11633. This amendment shall occur simultaneously with the execution of the new license agreements. This section shall remain as it is in the original License Agreement A6907 until such time as the execution of the new License Agreement(s) occurs.

2. All other provisions of the License Agreement shall remain in full force and effect and unmodified by this Amendment.

3. This amendment shall be executed in duplicate and shall be referred to as the Fourth Amendment.

**UNIVERSITY OF FLORIDA
RESEARCH FOUNDATION, INC.**

By: David L. Day
Name: David L. Day
Title: Director of Technology Licensing

Date: 5/23/12

SESTAR TECHNOLOGIES, LLC

By: Michael L. Starks
Name: Michael L. Starks
Title: Managing Partner

Date: May 22, 2012

**STANDARD EXCLUSIVE LICENSE AGREEMENT
WITH SUBLICENSING TERMS**

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This Agreement is made effective the 22nd day of May, 2012, (the "Effective Date") by and between the University of Florida Research Foundation, Inc. (hereinafter called "UFRF"), a nonstock, nonprofit Florida corporation, and SPG, LLC (hereinafter called "Licensee"), a limited liability company organized and existing under the laws of Florida;

WHEREAS, UFRF owns certain inventions that are described in the "Licensed Patents" defined below, and UFRF is willing to grant a license to Licensee under any one or all of the Licensed Patents and Licensee desires a license under all of them;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, the parties covenant and agree as follows:

Section 1 Definitions

- 1.1 “Commercial Year” shall mean the twelve month period commencing with the calendar month of the first commercial sale of a Licensed Product by the Company or by a sublicensee (excluding any sublicensee under Section 8).
- 1.2 “Licensed Patents” shall refer to and mean all of the following UFRF intellectual property:
 - 1.2.1 the PCT patent(s)/patent application(s) entitled “Interlayer for Organic Solar Cells” filed on November 02, 2010, and assigned Registration Number/Serial Number PCT/US2010/055076, and all United States patents and foreign patents and patent applications based on this U.S. application;
 - 1.2.2 United States and foreign patents issued from the application listed in 1.2.1 above and from divisionals and continuations of these applications, to the extent the claims are directed to subject matter specifically described in the applications listed in 1.2.1 above and are dominated by the claims of those patent applications and patents issuing thereon or reissues thereof, and any and all foreign patents and patent applications corresponding thereto, all to the extent owned or controlled by the University of Florida or UFRF.
- 1.3 “Licensed Product” and “Licensed Process” shall mean:
 - 1.3.1 In the case of a Licensed Product, any product or part thereof developed in whole or in part by or on behalf of Licensee that:
 - (a) is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Licensed Patents, in any country in which any product is made, used or sold; or
 - (b) is manufactured by using a process which is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Licensed Patents, in any country in which any such process is used or in which any such product is used or sold
 - 1.3.2 In the case of a Licensed Process:
 - (a) any process which is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Licensed Patents in any country in which such process is practiced
- 1.4 “Net Sales” shall mean the total dollar amount invoiced on sales of Licensed Product and/or Licensed Processes by licensee, sublicensee or affiliates, less any charges for (a) promotional discounts allowed in amounts customary in the trade, (b) sales taxes or other taxes separately stated on the invoice, (c) shipping and insurance charges, and (d) returns, rebates and chargebacks.
- 1.5 “Affiliate” shall mean: (a) any person or entity which controls at least fifty percent (50%) of the equity or voting stock of the Licensee or (b) any person or entity fifty percent (50%) of whose equity or voting stock is owned or controlled by the Licensee or (c) any person or entity of which at least fifty percent (50%) of the equity or voting stock is owned or controlled by the same person or entity owning or controlling at least fifty percent (50%)

of Licensee or (d) any entity in which any officer or employee is also an officer or employee of Licensee or any person who is an officer or employee of Licensee.

- 1.6 The term "Sublicensee" shall mean any third party to whom Licensee confers the right to make, use or sell Licensed Product and/or Licensed Processes and/or any of the intellectual property rights embodied in Licensed Patents. The term "Sublicense" shall mean the grant of such rights.
- 1.7 "Development Plan" shall mean a written report summarizing the development activities that are to be undertaken by the Licensee to bring Licensed Products and/or Licensed Processes to the market. The Development Plan is attached as Appendix A.
- 1.8 "Development Report" shall mean a written account of Licensee's progress under the Development Plan having at least the information specified on Appendix B to this Agreement, and shall be sent to the address specified on Appendix B .
- 1.9 "Licensed Field" shall mean all uses.
- 1.10 "Licensed Territory" shall be the United States and any country in which Licensee elects to pursue prosecution under Section 7.

Section 2 Grant

- 2.1 License.
 - 2.1.1 License Under Licensed Patents
UFRF hereby grants to Licensee an exclusive license, limited to the Licensed Field and the Licensed Territory, under the Licensed Patents to make, use and sell Licensed Products and/or Licensed Processes. UFRF reserves to itself and the University of Florida the right to make and use Licensed Products and/or Licensed Processes solely for their internal research and educational purposes. In addition, UFRF reserves to itself, as well as to the University of Florida and to all non-profit research institutions, the right to use materials that might be covered under Licensed Patents solely for their internal research and educational purposes and to meet all applicable governmental requirements governing the ability to transfer materials.
- 2.2 Sublicense.
 - 2.2.1 Licensee may grant written Sublicenses to third parties. Any agreement granting a Sublicense shall state either that the Sublicense is subject to the termination of this Agreement or that Licensee's rights under the Sublicense, to the extent related to the Patent Rights, shall be assigned to UFRF upon termination of this agreement, provided that UFRF shall assume no additional obligations beyond those provided for in this Agreement. Licensee shall use diligent efforts to cause any Sublicensee that violates the terms of a Sublicense to cure any such violation.
 - 2.2.2 In respect to Sublicenses granted by Licensee under 2.2.1 above, Licensee shall pay to UFRF an amount equal to what Licensee would have been required to pay

to UFRF had Licensee sold the amount of Licensed Products or Licensed Processes sold by such Sublicensee. In addition, if Licensee receives any fees, minimum royalties, or other payments in consideration for any rights granted under a Sublicense, and such payments are not based directly upon the amount or value of Licensed Products or Licensed Processes sold by the Sublicensee, then Licensee shall pay to UFRF a portion of such payments as specified in Section 4.4. Licensee shall not receive from Sublicensees anything of value in lieu of cash payments in consideration for any Sublicense under this Agreement without the express prior written permission of UFRF.4.4.3

- 2.2.3 Licensee shall provide UFRF with an unredacted copy of each sublicense agreement and any agreement which transfers intellectual property rights granted hereunder, within thirty (30) days after execution of the sublicense agreement.
- 2.2.4 If UFRF identifies a potential Licensed Product that (i) Licensee (together with its affiliates and sublicensees) is not actively researching, developing or commercializing; (ii) is in a major commercial territory (i.e., the U.S., the E.U., and Japan); (iii) an identified third party desires to develop and commercialize; and (iv) does not compete with any product which is then part of an active research, development or commercialization program of Licensee or its affiliates or collaborators, then UFRF shall provide written notice of such potential product (an “Undeveloped Product”) to Licensee. Within sixty (60) days of receipt of such notice from UFRF, Licensee shall provide written notice to UFRF that it elects to: (a) develop and commercialize such Undeveloped Product itself; (b) develop and commercialize such Undeveloped Product through an appropriate Sublicense; or (c) terminate Licensee’s rights under this Agreement solely for such Undeveloped Product. Should Licensee elect to effect development and commercialization of such Undeveloped Product itself or in collaboration with one or more other parties, Licensee and UFRF shall negotiate reasonable diligence goals, which shall be added to Appendix D within ninety (90) days of Licensee’s election. Should Licensee elect to Sublicense its rights to the Undeveloped Product to a sublicensee identified either by itself or by UFRF, Licensee shall negotiate in good faith and shall use commercially reasonable efforts to execute a commercially reasonable Sublicense. If no such Sublicense is executed within six (6) months of Licensee’s election, Licensee shall either (i) provide a written report to UFRF detailing its efforts, and continue diligent efforts to complete a Sublicense, or (ii) relinquish rights to UFRF for such Undeveloped Product. If Licensee ceases to engage in active negotiations to sublicense rights to the Undeveloped Product or fails to execute such Sublicense within an additional nine (9) months, then UFRF may terminate Licensee’s rights under this Agreement only with respect to such Undeveloped Product by providing written notice of such termination to Licensee.

Section 3 Due Diligence

3.1 Development.

3.1.1 Licensee agrees to and warrants that:

- (a) it has, or will obtain, the expertise necessary to independently evaluate the inventions of the Licensed Patents;
 - (b) it will establish and actively and diligently pursue the Development Plan (see Appendix A) to the end that the inventions of the Licensed Patents will be utilized to provide Licensed Products and/or Licensed Processes for sale within the Licensed Field;
 - (c) it will diligently seek to complete the milestones set forth on Appendix D and to develop markets for Licensed Products;
 - (d) and, until the date of first commercial sale of Licensed Products or Licensed Processes, it will supply UFRF with a written Development Report annually within sixty (60) days after the end of each calendar year (see Appendix B).
- 3.1.2 Licensee agrees that the first commercial sale of products to the retail customer shall occur on or before December 31, 2014 or UFRF shall have the right to terminate the Agreement pursuant to Section 9.3 hereto. In addition, Licensee will meet the milestones shown in Appendix D or UFRF shall have the right to terminate the Agreement pursuant to Section 9.3. Licensee will notify UFRF in writing as each milestone is met.
- 3.1.3 Upon written request by Licensee to negotiate extensions of any milestones or due dates set forth in Appendix D, such request to be received by UFRF no less than ninety (90) days prior to any of the due dates subject of such request, set forth in this Section 3.1.3, such request fully describing Licensee's diligent efforts to achieve the milestone required to be met by such due date, UFRF shall consider in good faith such requests. Upon granting such request, UFRF and Licensee shall negotiate such extensions in good faith.

Section 4 Payments

4.1 License Issue Fee.

Licensee agrees to pay to UFRF a license issue fee of N/A.

4.2 Royalty.

4.2.1 Royalty on Licensed Patents. Running Royalty is payable if Licensed Product is sold under the following Agreements: No. A6907, A11565, A11567, A11568, or A11633 with the proviso that only one royalty payment under one of the license agreements is due for sale of Licensed Product irrespective of whether such Licensed Product falls within the scope of the patents licensed under more than one of the Agreements, No. A6907, A11565, A11567, A11568, or A11633.

Licensee agrees to pay to UFRF as earned royalties a royalty calculated as a percentage of Net Sales. The royalty is deemed earned as of the earlier of the date the Licensed Product and/or Licensed Process is actually sold and paid for, the date an invoice is sent by Licensee or its Sublicensee(s), or the date a Licensed Product and/or Licensed Process is transferred to a third party for any promotional reasons. The royalty shall remain fixed while this Agreement is in

effect at a rate of two percent (2%) of Net Sales, subject to adjustment under Section 4.2.2. For clarification, Net Sales shall be calculated based on the first sale of a Licensed Product by Licensee, a Sublicensee or their respective Affiliate to a third party and in no event shall a royalty be calculated more than one time with respect to any unit of Licensed Product.

- 4.2.2 **Reduction of Royalty Rate.** If the production and/or sale of a Licensed Product by Licensee, a Sublicensee or Affiliate requires the licensing of technology (the "Additional Technology") covered by additional patents from a third party, the royalty rate provided for under Section 4.3.1 shall be reduced no more than one percent (1%) of Net Sales, under the following conditions:
- (a) Licensee notifies UFRF in writing at least thirty (30) days in advance of any licensing agreement for such additional patents;
 - (b) Any such reduction in royalty shall apply only to Licensed Products which
 - (i) are actually sold by Licensee or its Affiliate or Sublicensee to an end customer and which (ii) actually include such Additional Technology; and
- 4.2.3 The royalty for the affected Licensed Product is reduced by no more than one half of one percent (0.5%) per additional license required. Notwithstanding Sections 4.2.1 and 4.2.2, Licensee agrees to pay the following minimum royalties to UFRF in the years so indicated:

The payments below shall be made under License Agreement No. A6907 as long as it is active. However, if License Agreement No. A6907 is terminated, the below payments shall be made under one of the other License Agreements, No. A11565, A11567, A11568, or A11633.

<u>Payment</u>	<u>Year</u>
\$ 10,000	First, second and third Commercial Year
\$ 25,000	Fourth and fifth Commercial Year
\$ 50,000	Each Commercial Year thereafter

If in any commercial year during the term of this LICENSE AGREEMENT the total amounts payable under Section 4.2.1, 4.2.2 and 4.3.2 hereof are less than the minimum amount indicated in the schedule above corresponding to such year, Licensee shall pay UFRF the difference between the amounts payable for such year and said minimum amount within thirty (30) days after the end of such year. Such minimum royalties will be applied to earned royalties on a calendar year basis, and sales of Licensed Products and/or Licensed Processes requiring the payment of earned royalties made during a prior or subsequent calendar year shall have no effect on the annual minimum royalty due to UFRF for other than the same calendar year in which the royalties were earned.

For clarification, it is intended that the above minimum royalty payments are due under original License Agreement, No. A6907; however, the total royalties paid to UFRF under this Agreement can be added together with royalties paid under the other related Agreements No. A6907, A11567,

A11568, and A11633 to add up to the minimum royalty payment. In other words, the one minimum royalty payment shall apply to all five related Agreements, A6907, A11565, A11567, A11568, and A11633. This amendment shall occur simultaneously with the execution of the new license agreements for each patent. This section shall remain as it is in the original License Agreement A6907 until such time as the execution of the new License Agreement(s) occurs.

4.3 Other Payments.

4.3.1 Sublicense Revenue. If Licensee receives any fees as consideration for granting a Sublicense (“Sublicense Fees”), and such fees are not based directly upon the amount or value of Licensed Products sold by the Sublicensee, then in lieu of royalty payments under Section 4.3, Licensee shall pay to UFRF (i) forty-five percent (45%) of such Sublicense Fees received for Sublicenses entered into within the first year after the Effective Date, (ii) thirty-five percent 35% of such Sublicense Fees received for Sublicenses entered into between the first anniversary of the Effective Date and the second anniversary of the Effective Date; and (iii) twenty percent (20%) of such Sublicense Fees received for Sublicenses entered into on or after the second anniversary of the Effective Date. Licensee shall pay amounts due under this section no later than sixty (60) days after the calendar year in which the Sublicense Fees are received. To the extent that Licensee uses any Sublicense Fees to fund product development or business operations, then Licensee shall only be obligated to pay UFRF fifteen percent (15%) of such amounts pursuant to this Section 4.4.2.

4.3.2 Company may not accept any consideration for a Sublicense other than cash without the express prior written permission of UFRF, which shall not be unreasonably withheld, provided that for purposes of this Section, any payment to Licensee or its Affiliates in the form of marketable securities or similar property with a readily ascertainable fair market value shall be deemed to be cash, it being understood that, unless otherwise agreed, Licensee shall be obligated to pay UFRF its share in cash, not in the form of the securities or other property. Notwithstanding the foregoing, Licensee may accept a license (or sublicense) to third party intellectual property rights in full or partial consideration for the grant of a Sublicense if Licensee reasonably determines that such license or sublicense is necessary or helpful for the development or commercialization of Licensed Products. In such event, Licensee shall be required to pay to UFRF the percentages specified in Section 4.4.2 of the cash, if any, received by Licensee as partial consideration for the grant of the sublicensee, but shall not be required to make a payment to UFRF based on the value of the license or sublicense received.

4.4 Accounting for Payments.

4.4.1 Amounts owing to UFRF under Sections 4.3.1 shall be paid on a quarterly basis, with such amounts due and received by UFRF on or before the sixtieth day following the end of the calendar quarter ending on March 31, June 30, September 30 or December 31 in which such amounts were earned. Any

amounts which remain unpaid after the date they are due to UFRF shall accrue interest from the due date at the rate of 1.5% per month. However, in no event shall this interest provision be construed as a grant of permission for any payment delays. Licensee shall also be responsible for repayment to UFRF of any attorney, collection agency, or other out-of-pocket UFRF expenses required to collect overdue payments due under this Agreement.

- 4.4.2 Except as otherwise directed, all amounts owing to UFRF under this Agreement shall be paid in U.S. dollars to UFRF at the following address:

University of Florida Research Foundation, Inc.
223 Grinter Hall
PO Box 115500
Gainesville, Florida 32611-5500
Attention: Business Manager

All royalties owing with respect to Net Sales stated in currencies other than U.S. dollars shall be converted at the rate shown in the Federal Reserve Noon Valuation - Value of Foreign Currencies on the day preceding the payment due date. In the event that, by reason of applicable law in any country, it becomes impossible or illegal for Licensee to transfer, or have transferred on its behalf, royalties or other payments owed hereunder to UFRF, such royalties or other payments shall be deposited in local currency in the relevant country in an account in the name and control of UFRF in a recognized banking institution designated by UFRF, or, if none is designated by UFRF within a period of thirty (30) days after Licensee's written request therefor, in a recognized banking institution selected by Licensee and identified in a written notice given to UFRF.

- 4.4.3 Licensee shall submit an accounting statement showing how any amounts payable to UFRF under Section 4.3 have been calculated to UFRF on the date of each such payment. Such accounting statements shall contain a written representation signed by an executive officer of Licensee that states that the statements are true, accurate, and fairly represent all amounts payable to UFRF pursuant to this Agreement. Such accounting shall be on a per-country and product line, model or trade name basis and shall be summarized on the form shown in Appendix C - UFRF Royalty Report of this Agreement.
- 4.4.4 In the event no payment is owed to UFRF because the amount of minimum royalties paid has not been exceeded or otherwise, an accounting demonstrating that fact shall be supplied to UFRF.
- 4.4.5 All payments due hereunder shall be paid in full, without deduction of taxes or other fees which may be imposed by any government provided, however that if a law or regulation of any country of the Territory requires withholding of taxes of any type, levies or other charges with respect to the any amounts payable hereunder to UFRF, Licensee shall promptly pay such tax, levy or charge for and on behalf of UFRF to the proper governmental authority, and shall promptly furnish UFRF with receipt evidencing such payment. UFRF

agrees to assist Licensee in claiming exemption from such deductions or withholdings under double taxation or similar agreement or treaty from time to time in force and shall use reasonable efforts to minimize the amount required to be so withheld or deducted.

Section 5 Certain Warranties and Disclaimers of UFRF

- 5.1 UFRF warrants that, except as otherwise provided under Section 17.1 of this Agreement with respect to U.S. Government interests, it is the owner of the Licensed Patents or otherwise has the right to grant the licenses granted to Licensee in this Agreement. However, nothing in this Agreement shall be construed as:
 - 5.1.1 a warranty or representation by UFRF as to the validity or scope of any right included in the Licensed Patents;
 - 5.1.2 a warranty or representation that anything made, used, sold or otherwise disposed of under the license granted in this Agreement will or will not infringe patents of third parties;
 - 5.1.3 an obligation to bring or prosecute actions or suits against third parties for infringement of Licensed Patents;
 - 5.1.4 an obligation to furnish any know-how not provided in Licensed Patents or any services other than those specified in this Agreement; or
 - 5.1.5 a warranty or representation by UFRF that it will not grant licenses to others to make, use or sell products not covered by the claims of the Licensed Patents which may be similar and/or compete with products made or sold by Licensee.
- 5.2 EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, UFRF MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND VALIDITY OF PATENT RIGHTS CLAIMS, ISSUED OR PENDING. UFRF ASSUMES NO RESPONSIBILITIES WHATSOEVER WITH RESPECT TO USE, SALE, OR OTHER DISPOSITION BY LICENSEE, ITS SUBLICENSEE(S), OR THEIR VENDEES OR OTHER TRANSFEREES OF PRODUCT INCORPORATING OR MADE BY USE OF INVENTIONS LICENSED UNDER THIS AGREEMENT.

Section 6 Record Keeping

- 6.1 Licensee and its Sublicensee(s) shall keep books and records sufficient to verify the accuracy and completeness of Licensee's and its Sublicensee(s)'s accounting referred to above, including without limitation, inventory, purchase and invoice records, manufacturing records, sales analysis, general ledgers, financial statements, and tax returns relating to the Licensed Products and/or Licensed Processes. Such books and records shall be preserved for a period not less than three years after they are created or as required by federal law, both during and after the term of this Agreement.

- 6.2 Licensee and its Sublicensee(s) shall take all steps necessary so that UFRF may, within thirty (30) days of its written request, audit and/or review all of the books and records at a single U.S. location to verify the accuracy of Licensee's and its Sublicensee(s)'s accounting. Such examination and verification shall not occur more than once each calendar year and the records for any calendar year shall not be subject to such review more than once. Such review may be performed by any authorized employees of UFRF as well as by any attorneys and/or accountants designated by UFRF, upon reasonable notice and during regular business hours. If a deficiency with regard to any payment hereunder is determined, Licensee and its Sublicensee(s) shall pay the deficiency within thirty (30) days of receiving notice thereof along with applicable interest as described in Section 4.5.1. If a royalty payment deficiency for a calendar year exceeds three percent (3%) of the royalties paid for that year, then Licensee and its Sublicensee(s) shall be responsible for paying UFRF's out-of-pocket expenses incurred with respect to such review.
- 6.3 At any time during the term of this agreement, UFRF may request in writing that Licensee verify the calculation of any past payments owed to UFRF through the means of a self-audit. Within ninety (90) days of the request, Licensee shall complete a self-audit of its books and records to verify the accuracy and completeness of the payments owed. Within thirty (30) days of the completion of the self-audit, Licensee shall submit to UFRF a report detailing the findings of the self-audit and the manner in which it was conducted in order to verify the accuracy and completeness of the payments owed. If Licensee has determined through its self-audit that there is any payment deficiency, Licensee shall pay UFRF the deficiency along with applicable interest under Section 4.5.1 with the submission of the self-audit report to UFRF. Such self-audit shall not occur more than once each calendar year and the records for any calendar year shall not be subject to a self-audit more than once.

Section 7 Patent Prosecution

- 7.1 UFRF shall diligently prosecute and maintain the Licensed Patents using counsel of its choice that is reasonably acceptable to Licensee in the United States and in the foreign countries identified by Licensee under Section 7.3. UFRF shall provide Licensee with copies of all patent applications, amendments, and other filings with the United States Patent and Trademark Office and foreign patent offices. UFRF will also provide Licensee with copies of office actions and other communications received by UFRF from the United States Patent and Trademark Office and foreign patent offices relating to Licensed Patents. Licensee agrees to keep such information confidential, provided that Licensee may disclose such information to third parties under customary obligations of confidentiality and non-use. UFRF shall give due consideration to Licensee's comments, remarks or advice related to the prosecution and maintenance of the Licensed Patents. Licensee may, from time to time, inform UFRF in writing of any foreign countries, if any, in which Licensee desires patent protection.
- 7.2 Licensee shall pay to UFRF all sums to reimburse any and all expenses associated with preparation, filing, prosecution, issuance, maintenance, defense, and reporting of the Licensed Patents incurred prior to the Effective Date. Note: UFRF will update this amount based on past expenses accrued just before execution of the License Agreement.

- 7.3 Licensee shall be responsible for and pay all costs and expenses incurred by UFRF for the preparation, filing, prosecution, issuance, maintenance, defense and reporting of the Licensed Patents subsequent to and separate of those expenses cited in Section 7.2 within thirty (30) days of receipt of an invoice from UFRF. It shall be the responsibility of Licensee to keep UFRF fully apprised of the “small entity” status of Licensee and all Sublicensees with respect to the U.S. patent laws and with respect to the patent laws of any other countries, if applicable, and to inform UFRF of any changes in writing of such status, within thirty (30) days of any such change. In the event that additional licenses are granted to licensees for alternate fields-of-use, patent expenses associated with Licensed Patents will be divided proportionally between the number of existing licensees. In the case of foreign patent protection, if a licensee declines to reimburse UFRF for its proportional share of patent expenses in any particular country, then said licensee relinquishes the right to commercialize Licensed Products in the specified country.

Section 8 Infringement and Invalidity

- 8.1 Each party shall inform the other promptly in writing of any alleged infringement of the Licensed Patents by a third party and of any available evidence thereof.
- 8.2 During the term of this Agreement, UFRF shall have the right, but shall not be obligated, to prosecute at its own expense any such infringements of the Licensed Patents. If UFRF prosecutes any such infringement, Licensee agrees that UFRF may include Licensee as a co-plaintiff in any such suit, without expense to Licensee. Prior to commencing any such infringement, UFRF shall consult with Licensee regarding the risks and merits of pursuing any infringement claim. UFRF shall give due consideration to Licensee’s legitimate business interests and those of any Sublicensee and shall consider in good faith any proposal by Licensee that Licensee and/or a Sublicensee to take primary responsibility for prosecuting infringement. UFRF’s pursuit of an infringement action shall not restrict Licensee’s right to grant a Sublicense to any Third Party, including an alleged infringer. In the event that UFRF shall undertake the enforcement by litigation and/or defense of the Licensed Patents by litigation, any recovery of damages by UFRF for any such suit shall be applied first in satisfaction of any unreimbursed expenses and legal fees of UFRF relating to the suit, and next toward reimbursement of Licensee (or any Sublicensee) for any legal fees, and unreimbursed expenses. The balance remaining from any such recovery shall be divided, with UFRF retaining 80% and Licensee receiving 20%.
- 8.3 If within six (6) months after having been notified of any alleged infringement, UFRF shall have been unsuccessful in persuading the alleged infringer to desist and shall not have brought and shall not be diligently prosecuting an infringement action, or if UFRF shall notify Licensee at any time prior thereto of its intention not to bring suit against any alleged infringer, then, and in those events only, Licensee shall have the right, but shall not be obligated, to prosecute at its own expense any infringement of the Licensed Patents, and Licensee may, for such purposes, use the name of UFRF as party plaintiff. No settlement, consent judgment or other voluntary final disposition of the suit may be entered into without the consent of UFRF, which consent shall not be unreasonably withheld. Licensee shall indemnify UFRF against any order for costs that may be made against UFRF in such proceedings.

- 8.4 In the event that Licensee shall undertake the enforcement by litigation and/or defense of the Licensed Patents by litigation, any recovery of damages by Licensee for any such suit shall be applied first in satisfaction of any unreimbursed expenses and legal fees of Licensee and any Sublicensee involved in the litigation relating to the suit, and next toward reimbursement of UFRF for any legal fees, and unreimbursed expenses. The balance remaining from any such recovery shall be divided, with Licensee retaining 80% and UFRF receiving 20%.
- 8.5 In any infringement suit that either party may institute to enforce the Licensed Patents pursuant to this Agreement, the other party hereto shall, at the request and expense of the party initiating such suit, cooperate in all respects and, to the extent possible, have its employees testify when requested and make available relevant records, papers, information, samples, specimens, and the like.
- 8.6 In the event a declaratory judgment action alleging invalidity or noninfringement of any of the Licensed Patents shall be brought against Licensee, UFRF, at its option, shall have the right, within thirty (30) days after commencement of such action, to intervene and take over the sole defense of the action at its own expense.
- 8.7 In the event Licensee contests the validity of any Licensed Patents, Licensee shall continue to pay royalties and make other payments pursuant to this Agreement with respect to that patent as if such contest were not underway until the patent is adjudicated invalid or unenforceable by a court of last resort.
- 8.8 Each party has the sole discretion whether to pursue or enforce any patents not licensed pursuant to this Agreement and to retain 100% of any amounts paid in respect of the infringement of such other patent rights.

Section 9 Term and Termination

- 9.1 The term of this license shall begin on the Effective Date of this Agreement and continue until the date that no Licensed Patent remains an enforceable patent.
- 9.2 Licensee may terminate this Agreement at any time by giving at least sixty (60) days written notice of such termination to UFRF. Such a notice shall be accompanied by a statement of the reasons for termination.
- 9.3 UFRF may terminate this Agreement by giving Licensee at least thirty (30) days written notice if Licensee:
 - 9.3.1 is delinquent on any report or payment;
 - 9.3.2 is not diligently developing and commercializing Licensed Product and/or Licensed Process;
 - 9.3.3 misses a milestone described in Appendix D;
 - 9.3.4 is in material breach of this Agreement;

- 9.3.5 knowingly provides any false report;
- 9.3.6 goes into bankruptcy, liquidation or proposes having a receiver control any assets;
- 9.3.7 develops or commercializes Licensed Product in a manner than constitutes a material violation of applicable laws or regulations;
- 9.3.8 ceases to carry on its business pertaining to Licensed Patents; or
- 9.3.9 has not received, in the aggregate, at least three hundred thousand dollars (\$300,000) of investment within 12 months of the Effective Date (including, but not limited to, any investment occurring during the 90 day period preceding the Effective Date).

Termination under this Section 9.3 will take effect 30 days after written notice by UFRF unless Licensee remedies the problem in that 30-day period, provided that with regard to any breach that, by its nature, cannot reasonably be cured within 30 days, then LICENSEE may be granted by UFRF such longer period of time as mutually agreed upon in writing by the parties acting in good faith to cure such breach.

- 9.4 UFRF may immediately terminate this Agreement upon the occurrence of the second separate default by Licensee within any consecutive three-year period for failure to pay royalties, patent or any other expenses when due.
- 9.5 Upon the termination of this Agreement for any reason, nothing herein shall be construed to release either party from any obligation that matured prior to the effective date of such termination. Licensee shall remain obligated to provide an accounting for and to pay royalties earned to the date of termination, and any minimum royalties shall be prorated as of the date of termination by the number of days elapsed in the applicable calendar year. Licensee may, however, after the effective date of such termination, sell all Licensed Products, and complete Licensed Products in the process of manufacture at the time of such termination and sell the same, provided that Licensee shall remain obligated to provide an accounting for and to pay running royalties thereon.
- 9.6 Licensee shall be obligated to deliver to UFRF, within ninety days of the date of termination of this agreement, complete and unredacted copies of all documentation prepared for or submitted for all regulatory approvals of Licensed Products or Licensed Processes.

Section 10 Assignability

This Agreement may not be transferred or assigned by Licensee without the prior written consent of UFRF, which consent shall not be unreasonably withheld, provided that Licensee may assign this Agreement in connection with a merger or the sale or other transfer of Licensee's entire business or that part of Licensee's business to which this Agreement relates. Licensee shall promptly notify of any such assignment or transfer. In any assignment, assignee shall assume all of Licensee's responsibilities under this Agreement (excluding any obligations with respect to the Equity Agreement).

Section 11 Dispute Resolution Procedures

11.1 Mandatory Procedures.

In the event either party intends to file a lawsuit against the other with respect to any matter in connection with this Agreement, compliance with the procedures set forth in this Section shall be a condition precedent to the filing of such lawsuit, other than for injunctive relief. Either party may terminate this Agreement as provided in this Agreement without following the procedures set forth in this section.

- 11.1.1 When a party intends to invoke the procedures set forth in this section, written notice shall be provided to the other party. Within thirty (30) days of the date of such notice, the parties agree that representatives designated by the parties shall meet at mutually agreeable times and engage in good faith negotiations at a mutually convenient location to resolve such dispute.
- 11.1.2 If the parties fail to meet within the time period set forth in section 11.1.1 above or if either party subsequently determines that negotiations between the representatives of the parties are at an impasse, the party declaring that the negotiations are at an impasse shall give notice to the other party stating with particularity the issues that remain in dispute.
- 11.1.3 Not more than 15 days after the giving of such notice of issues, each party shall deliver to the other party a list of the names and addresses of at least three individuals, any one of whom would be acceptable as a neutral advisor in the dispute (the “Neutral Advisor”) to the party delivering the list. Any individual proposed as a Neutral Advisor shall have experience in determining, mediating, evaluating, or trying intellectual property litigation and shall not be affiliated with the party that is proposing such individual.
- 11.1.4 Within 10 days after delivery of such lists, the parties shall agree on a Neutral Advisor. If they are unable to so agree within that time, within 5 days, they shall each select one individual from the lists. Within 5 days, the individuals so selected shall meet and appoint a third individual from the lists to serve as the Neutral Advisor. Within 30 days after the selection of a Neutral Advisor:
 - (a) The parties shall each provide a written statement of the issues in dispute to the Neutral Advisor.
 - (b) The parties shall meet with the Neutral Advisor in Gainesville, Florida on a date and time established by the Neutral Advisor. The meeting must be attended by persons authorized to make final decisions on behalf of each party with respect to the dispute. At the meeting, each party shall make a presentation with respect to its position concerning the dispute. The Neutral Advisor will then discuss the issues separately with each party and attempt to resolve all issues in the dispute. At the meeting, the parties will enter into a written settlement agreement with respect to all issues that are resolved. Such settlement agreement shall be final and binding with respect to such resolved issues and may not be the subject of any lawsuit between

the parties, other than a suit for enforcement of the settlement agreement.

- 11.1.5 The expenses of the neutral advisor shall be shared by the parties equally. All other out-of-pocket costs and expenses for the alternative dispute resolution procedure required under this Section shall be paid by the party incurring the same.
- 11.1.6 Positions taken and statements made during this alternative dispute resolution procedure shall be deemed settlement negotiations and shall not be admissible for any purpose in any subsequent proceeding.

11.2 Failure to Resolve Dispute.

If any issue is not resolved at the meeting with the Neutral Advisor, either party may file appropriate administrative or judicial proceedings with respect to the issue that remains in dispute. No new issues may be included in the lawsuit without the mandatory procedures set forth in this section having first been followed.

Section 12 Product Liability; Conduct of Business

- 12.1 Licensee and its Sublicensee(s) shall, at all times during the term of this Agreement and thereafter, indemnify, defend and hold UFRF, the Florida Board of Governors, the University of Florida Board of Trustees, the University of Florida, and each of their directors, officers, employees, and agents, and the inventors of the Licensed Patents, regardless of whether such inventors are employed by the University of Florida at the time of the claim, harmless against all claims and expenses, including legal expenses and reasonable attorneys fees, whether arising from a third party claim or resulting from UFRF's enforcing this indemnification clause against Licensee, arising out of the death of or injury to any person or persons or out of any damage to property and against any other claim, proceeding, demand, expense and liability of any kind whatsoever (other than patent infringement claims) resulting from the production, manufacture, sale, use, lease, consumption, marketing, or advertisement of Licensed Products or Licensed Process(es) or arising from any right or obligation of Licensee hereunder. Notwithstanding the above, UFRF at all times reserves the right to retain counsel of its own to defend UFRF's, the Florida Board of Governors', the University of Florida Board of Trustees', the University of Florida's, and the inventor's interests.
- 12.2 Licensee warrants that it now maintains and will continue to maintain liability insurance coverage appropriate to the risk involved in producing, manufacturing, selling, marketing, using, leasing, consuming, or advertising the products subject to this Agreement and that, no later than the first commercial sale of a Licensed Product, such insurance coverage shall list UFRF, the Florida Board of Governors, the University of Florida Board of Trustees and the University of Florida as additional insureds. Within ninety (90) days after the execution of this Agreement and thereafter annually between January 1 and January 31 of each year, Licensee will present evidence to UFRF that the coverage is being maintained as described above. In addition, Licensee shall provide UFRF with at least thirty (30) days prior written notice of any change in or cancellation of the insurance coverage.

Section 13 Use of Names

Licensee and its Sublicensee(s) shall not use the names of UFRF, or of the University of Florida, nor of any of either institution's employees, agents, or affiliates, nor the name of any inventor of Licensed Patents, nor any adaptation of such names, in any promotional, advertising or marketing materials or any other similar form of publicity, or to suggest any endorsement by the such entities or individuals, without the prior written approval of UFRF in each case.

Section 14 Miscellaneous

- 14.1 This Agreement shall be construed in accordance with the internal laws of the State of Florida
- 14.2 The parties hereto are independent contractors and not joint venturers or partners.
- 14.3 Licensee shall ensure that it applies patent markings that meet all requirements of U.S. law, 35 U.S.C. §287, with respect to all Licensed Products subject to this Agreement.
- 14.4 This Agreement and the Exhibits hereto constitutes the full understanding between the parties with reference to the subject matter hereof, and no statements or agreements by or between the parties, whether orally or in writing, shall vary or modify the written terms of this Agreement. Neither party shall claim any amendment, modification, or release from any provisions of this Agreement by mutual agreement, acknowledgment, or otherwise, unless such mutual agreement is in writing, signed by the other party, and specifically states that it is an amendment to this Agreement.
- 14.5 Licensee shall not grant a security interest in any of the rights granted hereunder to any third party.
- 14.6 Licensee acknowledges that it is subject to and agrees to abide by the United States laws and regulations (including the Export Administration Act of 1979 and Arms Export Contract Act) controlling the export of technical data, computer software, laboratory prototypes, biological material, and other commodities. The transfer of such items may require a license from the cognizant agency of the U.S. Government or written assurances by Licensee that it shall not export such items to certain foreign countries without prior approval of such agency. UFRF neither represents that a license is or is not required or that, if required, it shall be issued.
- 14.7 Licensee is responsible for any and all wire/bank fees associated with all payments due to UFRF pursuant to this agreement.
- 14.8 Survival.

The provisions of this Section shall survive termination of this Agreement. Upon termination of the Agreement for any reason, the following sections of the License Agreement will remain in force as non-cancelable obligations:

- Section 6 Record Keeping
- Section 9 Requirement to pay royalties on sale of Licensed Products made, and in

- process, at time of License Agreement termination
- Section 12 Product Liability; Conduct of Business
 - Section 13 Use of Names
 - Section 18 Confidentiality

Section 15 Notices

Any notice required to be given pursuant to the provisions of this Agreement shall be in writing and shall be deemed to have been given

- when delivered personally, **or**
- if sent by facsimile transmission, when receipt thereof is acknowledged at the facsimile number of the recipient as set forth below, **or**
- the second day following the day on which the notice has been delivered prepaid to a national air courier service, **or**
- five (5) business days following deposit in the U.S. mail if sent certified mail, (**return receipt acknowledgement is not required to certify delivery**).

15.1 If to the University of Florida Research Foundation, Inc.:

President
University of Florida Research Foundation, Inc.
223 Grinter Hall
University of Florida
Post Office Box 115500
Gainesville, FL 32611-5500
Facsimile Number: 352-846-0491

with a copy to:
Office of Technology Licensing
Attn: Director
308 Walker Hall
University of Florida
Post Office Box 115500
Gainesville, Florida 32611-5500
Facsimile Number: 352-392-6600

15.2 If to Licensee:

Sestar, LLC
Attn: President
17 NW 17th Street
Suite B201
Gainesville, FL 32603

with a copy to:
Hutchison Law Group PLLC
5410 Trinity Road, Suite 400

Raleigh, NC 27607
Attn: William Wofford
Facsimile Number: 919-829-9696

Section 16 Contract Formation and Authority

The submission of this Agreement does not constitute an offer, and this document shall become effective and binding only upon the execution by duly authorized representatives of both Licensee and UFRF. Copies of this Agreement that have not been executed and delivered by both UFRF and Licensee shall not serve as a memorandum or other writing evidencing an agreement between the parties. This Agreement shall automatically terminate and be of no further force and effect, without the requirement of any notice from UFRF to Licensee, if UFRF does not receive the License Issue Fee provided for under Section 4.1 within thirty (30) days of the Effective Date.

- 16.1 UFRF and Licensee hereby warrant and represent that the persons signing this Agreement have authority to execute this Agreement on behalf of the party for whom they have signed.
- 16.2 Force Majeure.

No default, delay, or failure to perform on the part of Licensee or UFRF shall be considered a default, delay or failure to perform otherwise chargeable hereunder, if such default, delay or failure to perform is due to causes beyond either party's reasonable control including, but not limited to: strikes, lockouts, or inactions of governmental authorities, epidemics, war, embargoes, fire, earthquake, hurricane, flood, acts of God, or default of common carrier. In the event of such default, delay or failure to perform, any date or times by which either party is otherwise scheduled to perform shall be extended automatically for a period of time equal in duration to the time lost by reason of the excused default, delay or failure to perform.

Section 17 United States Government Interests

- 17.1 It is understood that the United States Government (through any of its agencies or otherwise) has funded research, AFOSR Grant No. FA9550-06-1-0192, during the course of or under which any of the inventions of the Licensed Patents were conceived or made. The United States Government is entitled, as a right, under the provisions of 35 U.S.C. §202-212 and applicable regulations of Title 37 of the Code of Federal Regulations, to a non-exclusive, nontransferable, irrevocable, paid-up license to practice or have practiced the inventions of such Licensed Patents for governmental purposes. Any license granted to Licensee in this Agreement shall be subject to such right.
- 17.2 Licensee agrees that for Licensed Products covered by the Licensed Patents that are subject to the non-exclusive royalty-free license to the United States Government, said Licensed Products will be manufactured substantially in the United States. Licensee further agrees that it shall abide by all the requirements and limitations of U.S. Code, Title 35, Chapter 18, and implementing regulations thereof, for all patent applications and patents invented in whole or in part with federal money.

Section 18 Confidentiality

- 18.1 Each Party shall maintain all information of the other Party which is treated by such other Party as proprietary or confidential (referred to herein as "Confidential Information") in confidence, and shall not disclose, divulge or otherwise communicate such confidential information to others, or use it for any purpose, except pursuant to, and in order to carry out, the terms and objectives of this Agreement, and each party hereby agrees to exercise every reasonable precaution to prevent and restrain the unauthorized disclosure of such confidential information by any of its Affiliates, directors, officers, employees, consultants, subcontractors, Sublicensees or agents. The parties agree to keep the terms of this Agreement confidential, provided that each party may disclose this Agreement to their authorized agents and investors who are bound by similar confidentiality provisions. Notwithstanding the foregoing, Confidential Information of a party shall not include information which: (a) was lawfully known by the receiving party prior to disclosure of such information by the disclosing party to the receiving party; (b) was or becomes generally available in the public domain, without the fault of the receiving party; (c) is subsequently disclosed to the receiving party by a third party having a lawful right to make such disclosure; (d) is required by law, rule, regulation or legal process to be disclosed, provided that the receiving party making such disclosure shall take all reasonable steps to restrict and maintain to the extent possible confidentiality of such disclosure and shall provide reasonable notice to the other party to allow such party the opportunity to oppose the required disclosure; or (e) has been independently developed by employees or others on behalf of the receiving party without access to or use of disclosing party's information as demonstrated by written record. Each party's obligations under this Section 18 shall extend for a period of five (5) years from termination or expiration of this Agreement. Notwithstanding the foregoing, Licensee acknowledges that the University of Florida Intellectual Property Policy (the "Policy") a copy of which as in effect on the Effective Date is available at <http://www.rgp.ufl.edu/otl/pdf/ipp.pdf>, as it may be amended from time to time, may apply to any works or inventions made by "University personnel" (as that term is defined in the policy), and in the event of any conflict between this section and the Policy, the Policy shall prevail.

Section 19 University Rules and Regulations

- 19.1 Licensee understands and agrees that University of Florida personnel who are engaged by Licensee, whether as consultants, employees or otherwise, or who possess a material financial interest in Licensee, are subject to the University of Florida's rule regarding outside activities and financial interests set forth in Florida Administrative Code Rule 6C1-1.011, the University of Florida's Intellectual Property Policy, and a monitoring plan which addresses conflicts of interests associated therewith. Any term or condition of an agreement between Licensee and such University of Florida personnel which seeks to vary or override such personnel's obligations to the University of Florida may not be enforced against such personnel, the University of Florida or UFRF, without the express written consent of an individual authorized to vary or waive such obligations on behalf of the University of Florida and UFRF. Furthermore, should an interest of Licensee conflict with the interest of the University of Florida, University of Florida personnel are obligated to resolve such conflicts according to the guidelines and policies set forth by the University of Florida.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the dates indicated below.

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.

David L Day Date: 5/23, 2012
David L. Day
Director, Office of Technology Licensing

SESTAR, LLC

By: Mike Starks Date: 5/22, 2012
Name and Office: Mike Starks, Managing Partner

Appendix A - Development Plan

2012 Plan

- ❖ Form strategic partnerships for commercialization of SPG technology by June 30, 2012
- ❖ Identify specific products to be commercialized and develop marketing plans by December 31, 2012

2013 Plan

- ❖ Implement product manufacturing, distribution and marketing plan by June 30, 2013

2014 Plan

- ❖ Begin manufacturing and sales of solar systems by June 30, 2014
- ❖ Achieve first sale of an SPG solar system by December 31, 2014

Appendix B - Development Report

When appropriate, indicate estimated start date and finish date for activities.

- I. Date Development Plan Initiated and Time Period Covered by this Report.
- II. Development Report (4-8 paragraphs).
 - A. Activities completed since last report including the object and parameters of the development, when initiated, when completed and the results.
 - B. Activities currently under investigation, i.e., ongoing activities including object and parameters of such activities, when initiated, and projected date of completion.
- III. Future Development Activities (4-8 paragraphs).
 - A. Activities to be undertaken before next report including, but not limited to, the type and object of any studies conducted and their projected starting and completion dates.
 - B. Estimated total development time remaining before a product will be commercialized.
- IV. Changes to Initial Development Plan (2-4 paragraphs).
 - A. Reasons for change.
 - B. Variables that may cause additional changes.
- V. Items to be Provided if Applicable:
 - A. Information relating to Licensed Products or Licensed Processes that has become publicly available, e.g., published articles, competing products, patents, etc.
 - B. Development work being performed by third parties, other than Licensee, to include name of third party, reasons for use of third party, planned future uses of third parties including reasons why and type of work.
 - C. Update of competitive information trends in industry, government compliance (if applicable) and market plan.
 - D. Information and copies of relevant materials evidencing the status of any patent applications or other protection relating to Licensed Products, or Licensed Processes or the Licensed Patents.

PLEASE SEND DEVELOPMENT REPORTS TO:

University of Florida Research Foundation, Inc.
Attn: Director
308 Walker Hall
P.O. Box 115500
Gainesville, FL 32611-5500
Facsimile: 352-392-6600

UFRF

Appendix C - UFRF Royalty Report

Licensee: SPG, LLC Agreement No.: _____

Inventor: _____ P#: P

Period Covered: From: / /2 Through: / /2

Prepared By _____ Date: _____

Approved By: _____ Date: _____

If license covers several major product lines, please prepare a separate report
for each line. Then combine all product lines into a summary report.

Report Type: Single Product Line Report: _____

Multiproduct Summary Report. Page 1 of _____ Pages

Product Line Detail. Line: _____ Tradename: _____ Page: _____

Report Currency: U. S. Dollars Other _____

Country	Unit	Gross	* Less:	Net	Royalty	Period Royalty Amount	
	Sales	\$\$ Sales	Allowances	\$\$ Sales	Rate	This Year	Last Year
U.S.A.							
Canada							
Europe:							

Japan

Other:

TOTAL:

Total Royalty: _____ Conversion Rate: _____ Royalty in U.S. Dollars: \$

The following royalty forecast is non-binding and for UFRF's internal planning purposes only:

Royalty Forecast Under This Agreement: Next Quarter: _____ Q2: _____ Q3: _____ Q4: _____

* On a separate page, please indicate the reasons for returns or other adjustments if significant.

Also note any unusual occurrences that affected royalty amounts during this period.

To assist UFRF's forecasting, please comment on any significant expected trends in sales volume.

Appendix D - Milestones

Milestones are subject to review on an annual basis and amendment upon mutual consent of the parties.

1	Enter into a Strategic Alliance with an Outside Company	2012	Enter into strategic alliance (sublicensing agreement) with an outside company to manufacture and/or sell product by the end of the second quarter
2	Product manufacturing, distribution and marketing plan	2013	Adopt and commence implementation of detailed product manufacturing, distribution and marketing plan by the end of the 2 nd quarter
3	First Commercial Sale	2014	Sale of a complete or partial system that collects sunlight and powers or charges an electronic device by the end of 4 th quarter

**STANDARD EXCLUSIVE LICENSE AGREEMENT
WITH SUBLICENSING TERMS**

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This Agreement is made effective the 22nd day of May, 2012, (the "Effective Date") by and between the University of Florida Research Foundation, Inc. (hereinafter called "UFRF"), a nonstock, nonprofit Florida corporation, and SPG, LLC (hereinafter called "Licensee"), a limited liability company organized and existing under the laws of Florida;

WHEREAS, UFRF owns certain inventions that are described in the "Licensed Patents" defined below, and UFRF is willing to grant a license to Licensee under any one or all of the Licensed Patents and Licensee desires a license under all of them;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, the parties covenant and agree as follows:

Section 1 Definitions

- 1.1 “Commercial Year” shall mean the twelve month period commencing with the calendar month of the first commercial sale of a Licensed Product by the Company or by a sublicensee (excluding any sublicensee under Section 8).
- 1.2 “Licensed Patents” shall refer to and mean all of the following UFRF intellectual property:
 - 1.2.1 the United States patent(s)/patent application(s) entitled “Green Soluble Conjugated Polymers with High Charge Carrier Mobilities” filed in the United States Patent Office on November 22, 2011, and assigned Registration Number/Serial Number 13/321,880, and all United States patents and foreign patents and patent applications based on this U.S. application;
 - 1.2.2 United States and foreign patents issued from the application listed in 1.2.1 above and from divisionals and continuations of these applications, to the extent the claims are directed to subject matter specifically described in the applications listed in 1.2.1 above and are dominated by the claims of those patent applications and patents issuing thereon or reissues thereof, and any and all foreign patents and patent applications corresponding thereto, all to the extent owned or controlled by the University of Florida or UFRF.
- 1.3 “Licensed Product” and “Licensed Process” shall mean:
 - 1.3.1 In the case of a Licensed Product, any product or part thereof developed in whole or in part by or on behalf of Licensee that:
 - (a) is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Licensed Patents, in any country in which any product is made, used or sold; or
 - (b) is manufactured by using a process which is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Licensed Patents, in any country in which any such process is used or in which any such product is used or sold
 - 1.3.2 In the case of a Licensed Process:
 - (a) any process which is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Licensed Patents in any country in which such process is practiced
- 1.4 “Net Sales” shall mean the total dollar amount invoiced on sales of Licensed Product and/or Licensed Processes by licensee, sublicensee or affiliates, less any charges for (a) promotional discounts allowed in amounts customary in the trade, (b) sales taxes or other taxes separately stated on the invoice, (c) shipping and insurance charges, and (d) returns, rebates and chargebacks.
- 1.5 “Affiliate” shall mean: (a) any person or entity which controls at least fifty percent (50%) of the equity or voting stock of the Licensee or (b) any person or entity fifty percent (50%) of whose equity or voting stock is owned or controlled by the Licensee or (c) any person or entity of which at least fifty percent (50%) of the equity or voting stock is owned or

- controlled by the same person or entity owning or controlling at least fifty percent (50%) of Licensee or (d) any entity in which any officer or employee is also an officer or employee of Licensee or any person who is an officer or employee of Licensee.
- 1.6 The term "Sublicensee" shall mean any third party to whom Licensee confers the right to make, use or sell Licensed Product and/or Licensed Processes and/or any of the intellectual property rights embodied in Licensed Patents. The term "Sublicense" shall mean the grant of such rights.
- 1.7 "Development Plan" shall mean a written report summarizing the development activities that are to be undertaken by the Licensee to bring Licensed Products and/or Licensed Processes to the market. The Development Plan is attached as Appendix A.
- 1.8 "Development Report" shall mean a written account of Licensee's progress under the Development Plan having at least the information specified on Appendix B to this Agreement, and shall be sent to the address specified on Appendix B .
- 1.9 "Licensed Field" shall mean all uses.
- 1.10 "Licensed Territory" shall be the United States and any country in which Licensee elects to pursue prosecution under Section 7.

Section 2 Grant

2.1 License.

2.1.1 License Under Licensed Patents

UFRF hereby grants to Licensee an exclusive license, limited to the Licensed Field and the Licensed Territory, under the Licensed Patents to make, use and sell Licensed Products and/or Licensed Processes. UFRF reserves to itself and the University of Florida the right to make and use Licensed Products and/or Licensed Processes solely for their internal research and educational purposes. In addition, UFRF reserves to itself, as well as to the University of Florida and to all non-profit research institutions, the right to use materials that might be covered under Licensed Patents solely for their internal research and educational purposes and to meet all applicable governmental requirements governing the ability to transfer materials.

2.2 Sublicense.

2.2.1 Licensee may grant written Sublicenses to third parties. Any agreement granting a Sublicense shall state either that the Sublicense is subject to the termination of this Agreement or that Licensee's rights under the Sublicense, to the extent related to the Patent Rights, shall be assigned to UFRF upon termination of this agreement, provided that UFRF shall assume no additional obligations beyond those provided for in this Agreement. Licensee shall use diligent efforts to cause any Sublicensee that violates the terms of a Sublicense to cure any such violation.

- 2.2.2 In respect to Sublicenses granted by Licensee under 2.2.1 above, Licensee shall pay to UFRF an amount equal to what Licensee would have been required to pay to UFRF had Licensee sold the amount of Licensed Products or Licensed Processes sold by such Sublicensee. In addition, if Licensee receives any fees, minimum royalties, or other payments in consideration for any rights granted under a Sublicense, and such payments are not based directly upon the amount or value of Licensed Products or Licensed Processes sold by the Sublicensee, then Licensee shall pay to UFRF a portion of such payments as specified in Section 4.4. Licensee shall not receive from Sublicensees anything of value in lieu of cash payments in consideration for any Sublicense under this Agreement without the express prior written permission of UFRF.
- 2.2.3 Licensee shall provide UFRF with an unredacted copy of each sublicense agreement and any agreement which transfers intellectual property rights granted hereunder, within thirty (30) days after execution of the sublicense agreement.
- 2.2.4 If UFRF identifies a potential Licensed Product that (i) Licensee (together with its affiliates and sublicensees) is not actively researching, developing or commercializing; (ii) is in a major commercial territory (i.e., the U.S., the E.U., and Japan); (iii) an identified third party desires to develop and commercialize; and (iv) does not compete with any product which is then part of an active research, development or commercialization program of Licensee or its affiliates or collaborators, then UFRF shall provide written notice of such potential product (an “Undeveloped Product”) to Licensee. Within sixty (60) days of receipt of such notice from UFRF, Licensee shall provide written notice to UFRF that it elects to: (a) develop and commercialize such Undeveloped Product itself; (b) develop and commercialize such Undeveloped Product through an appropriate Sublicense; or (c) terminate Licensee’s rights under this Agreement solely for such Undeveloped Product. Should Licensee elect to effect development and commercialization of such Undeveloped Product itself or in collaboration with one or more other parties, Licensee and UFRF shall negotiate reasonable diligence goals, which shall be added to Appendix D within ninety (90) days of Licensee’s election. Should Licensee elect to Sublicense its rights to the Undeveloped Product to a sublicensee identified either by itself or by UFRF, Licensee shall negotiate in good faith and shall use commercially reasonable efforts to execute a commercially reasonable Sublicense. If no such Sublicense is executed within six (6) months of Licensee’s election, Licensee shall either (i) provide a written report to UFRF detailing its efforts, and continue diligent efforts to complete a Sublicense, or (ii) relinquish rights to UFRF for such Undeveloped Product. If Licensee ceases to engage in active negotiations to sublicense rights to the Undeveloped Product or fails to execute such Sublicense within an additional nine (9) months, then UFRF may terminate Licensee’s rights under this Agreement only with respect to

such Undeveloped Product by providing written notice of such termination to Licensee.

Section 3 Due Diligence

3.1 Development.

3.1.1 Licensee agrees to and warrants that:

- (a) it has, or will obtain, the expertise necessary to independently evaluate the inventions of the Licensed Patents;
- (b) it will establish and actively and diligently pursue the Development Plan (see Appendix A) to the end that the inventions of the Licensed Patents will be utilized to provide Licensed Products and/or Licensed Processes for sale within the Licensed Field;
- (c) it will diligently seek to complete the milestones set forth on Appendix D and to develop markets for Licensed Products;
- (d) and, until the date of first commercial sale of Licensed Products or Licensed Processes, it will supply UFRF with a written Development Report annually within sixty (60) days after the end of each calendar year (see Appendix B).

3.1.2 Licensee agrees that the first commercial sale of products to the retail customer shall occur on or before December 31, 2014 or UFRF shall have the right to terminate the Agreement pursuant to Section 9.3 hereto. In addition, Licensee will meet the milestones shown in Appendix D or UFRF shall have the right to terminate the Agreement pursuant to Section 9.3. Licensee will notify UFRF in writing as each milestone is met.

3.1.3 Upon written request by Licensee to negotiate extensions of any milestones or due dates set forth in Appendix D, such request to be received by UFRF no less than ninety (90) days prior to any of the due dates subject of such request, set forth in this Section 3.1.3, such request fully describing Licensee's diligent efforts to achieve the milestone required to be met by such due date, UFRF shall consider in good faith such requests. Upon granting such request, UFRF and Licensee shall negotiate such extensions in good faith.

Section 4 Payments

4.1 License Issue Fee.

Licensee agrees to pay to UFRF a license issue fee of N/A.

4.2 Royalty.

4.2.1 Royalty on Licensed Patents. Running Royalty is payable if Licensed Product is sold under the following Agreements: No. A6907, A11565, A11567, A11568, or A11633 with the proviso that only one royalty payment under one of the license agreements is due for

sale of Licensed Product irrespective of whether such Licensed Product falls within the scope of the patents licensed under more than one of the Agreements, No. A6907, A11565, A11567, A11568, or A11633.

Licensee agrees to pay to UFRF as earned royalties a royalty calculated as a percentage of Net Sales. The royalty is deemed earned as of the earlier of the date the Licensed Product and/or Licensed Process is actually sold and paid for, the date an invoice is sent by Licensee or its Sublicensee(s), or the date a Licensed Product and/or Licensed Process is transferred to a third party for any promotional reasons. The royalty shall remain fixed while this Agreement is in effect at a rate of two percent (2%) of Net Sales, subject to adjustment under Section 4.2.2. For clarification, Net Sales shall be calculated based on the first sale of a Licensed Product by Licensee, a Sublicensee or their respective Affiliate to a third party and in no event shall a royalty be calculated more than one time with respect to any unit of Licensed Product.

4.2.2 Reduction of Royalty Rate. If the production and/or sale of a Licensed Product by Licensee, a Sublicensee or Affiliate requires the licensing of technology (the “Additional Technology”) covered by additional patents from a third party, the royalty rate provided for under Section 4.3.1 shall be reduced no more than one percent (1%) of Net Sales, under the following conditions:

- (a) Licensee notifies UFRF in writing at least thirty (30) days in advance of any licensing agreement for such additional patents;
- (b) Any such reduction in royalty shall apply only to Licensed Products which (i) are actually sold by Licensee or its Affiliate or Sublicensee to an end customer and which (ii) actually include such Additional Technology; and

4.2.3 The royalty for the affected Licensed Product is reduced by no more than one half of one percent (0.5%) per additional license required. Notwithstanding Sections 4.2.1 and 4.2.2, Licensee agrees to pay the following minimum royalties to UFRF in the years so indicated:

The payments below shall be made under License Agreement No. A6907 as long as it is active. However, if License Agreement No. A6907 is terminated, the below payments shall be made under one of the other License Agreements, No. A11565, A11567, A11568, or A11633.

<u>Payment</u>	<u>Year</u>
\$ 10,000	First, second and third Commercial Year
\$ 25,000	Fourth and fifth Commercial Year
\$ 50,000	Each Commercial Year thereafter

If in any commercial year during the term of this LICENSE AGREEMENT the total amounts payable under Section 4.2.1, 4.2.2 and 4.3.2 hereof are less than the minimum amount indicated in the schedule above corresponding to such year, Licensee shall pay UFRF the difference between the amounts payable for

such year and said minimum amount within thirty (30) days after the end of such year. Such minimum royalties will be applied to earned royalties on a calendar year basis, and sales of Licensed Products and/or Licensed Processes requiring the payment of earned royalties made during a prior or subsequent calendar year shall have no effect on the annual minimum royalty due to UFRF for other than the same calendar year in which the royalties were earned.

For clarification, it is intended that the above minimum royalty payments are due under original License Agreement, No. A6907; however, the total royalties paid to UFRF under this Agreement can be added together with royalties paid under the other related Agreements No. A6907, A11565, A11568, and A11633 to add up to the minimum royalty payment. In other words, the one minimum royalty payment shall apply to all five related Agreements, A6907, A11565, A11567, A11568, and A11633. This amendment shall occur simultaneously with the execution of the new license agreements for each patent. This section shall remain as it is in the original License Agreement A6907 until such time as the execution of the new License Agreement(s) occurs.

4.3 Other Payments.

4.3.1 Sublicense Revenue. If Licensee receives any fees as consideration for granting a Sublicense ("Sublicense Fees"), and such fees are not based directly upon the amount or value of Licensed Products sold by the Sublicensee, then in lieu of royalty payments under Section 4.3, Licensee shall pay to UFRF (i) forty-five percent (45%) of such Sublicense Fees received for Sublicenses entered into within the first year after the Effective Date, (ii) thirty-five percent 35% of such Sublicense Fees received for Sublicenses entered into between the first anniversary of the Effective Date and the second anniversary of the Effective Date; and (iii) twenty percent (20%) of such Sublicense Fees received for Sublicenses entered into on or after the second anniversary of the Effective Date. Licensee shall pay amounts due under this section no later than sixty (60) days after the calendar year in which the Sublicense Fees are received. To the extent that Licensee uses any Sublicense Fees to fund product development or business operations, then Licensee shall only be obligated to pay UFRF fifteen percent (15%) of such amounts pursuant to this Section 4.4.2.

4.3.2 Company may not accept any consideration for a Sublicense other than cash without the express prior written permission of UFRF, which shall not be unreasonably withheld, provided that for purposes of this Section, any payment to Licensee or its Affiliates in the form of marketable securities or similar property with a readily ascertainable fair market value shall be deemed to be cash, it being understood that, unless otherwise agreed, Licensee shall be obligated to pay UFRF its share in cash, not in the form of the securities or other property. Notwithstanding the foregoing, Licensee may accept a license (or sublicense) to third party intellectual property rights in full or partial consideration for the

grant of a Sublicense if Licensee reasonably determines that such license or sublicense is necessary or helpful for the development or commercialization of Licensed Products. In such event, Licensee shall be required to pay to UFRF the percentages specified in Section 4.4.2 of the cash, if any, received by Licensee as partial consideration for the grant of the sublicensee, but shall not be required to make a payment to UFRF based on the value of the license or sublicense received.

4.4 Accounting for Payments.

- 4.4.1** Amounts owing to UFRF under Sections 4.3.1 shall be paid on a quarterly basis, with such amounts due and received by UFRF on or before the sixtieth day following the end of the calendar quarter ending on March 31, June 30, September 30 or December 31 in which such amounts were earned. Any amounts which remain unpaid after the date they are due to UFRF shall accrue interest from the due date at the rate of 1.5% per month. However, in no event shall this interest provision be construed as a grant of permission for any payment delays. Licensee shall also be responsible for repayment to UFRF of any attorney, collection agency, or other out-of-pocket UFRF expenses required to collect overdue payments due under this Agreement.
- 4.4.2** Except as otherwise directed, all amounts owing to UFRF under this Agreement shall be paid in U.S. dollars to UFRF at the following address:

University of Florida Research Foundation, Inc.
223 Grinter Hall
PO Box 115500
Gainesville, Florida 32611-5500
Attention: Business Manager

All royalties owing with respect to Net Sales stated in currencies other than U.S. dollars shall be converted at the rate shown in the Federal Reserve Noon Valuation - Value of Foreign Currencies on the day preceding the payment due date. In the event that, by reason of applicable law in any country, it becomes impossible or illegal for Licensee to transfer, or have transferred on its behalf, royalties or other payments owed hereunder to UFRF, such royalties or other payments shall be deposited in local currency in the relevant country in an account in the name and control of UFRF in a recognized banking institution designated by UFRF, or, if none is designated by UFRF within a period of thirty (30) days after Licensee's written request therefor, in a recognized banking institution selected by Licensee and identified in a written notice given to UFRF.

- 4.4.3** Licensee shall submit an accounting statement showing how any amounts payable to UFRF under Section 4.3 have been calculated to UFRF on the date of each such payment. Such accounting statements shall contain a written representation signed by an executive officer of Licensee that states that the statements are true, accurate, and fairly

represent all amounts payable to UFRF pursuant to this Agreement. Such accounting shall be on a per-country and product line, model or trade name basis and shall be summarized on the form shown in Appendix C - UFRF Royalty Report of this Agreement.

- 4.4.4 In the event no payment is owed to UFRF because the amount of minimum royalties paid has not been exceeded or otherwise, an accounting demonstrating that fact shall be supplied to UFRF.
- 4.4.5 All payments due hereunder shall be paid in full, without deduction of taxes or other fees which may be imposed by any government provided, however that if a law or regulation of any country of the Territory requires withholding of taxes of any type, levies or other charges with respect to the any amounts payable hereunder to UFRF, Licensee shall promptly pay such tax, levy or charge for and on behalf of UFRF to the proper governmental authority, and shall promptly furnish UFRF with receipt evidencing such payment. UFRF agrees to assist Licensee in claiming exemption from such deductions or withholdings under double taxation or similar agreement or treaty from time to time in force and shall use reasonable efforts to minimize the amount required to be so withheld or deducted.

Section 5 Certain Warranties and Disclaimers of UFRF

- 5.1 UFRF warrants that, except as otherwise provided under Section 17.1 of this Agreement with respect to U.S. Government interests, it is the owner of the Licensed Patents or otherwise has the right to grant the licenses granted to Licensee in this Agreement. However, nothing in this Agreement shall be construed as:
 - 5.1.1 a warranty or representation by UFRF as to the validity or scope of any right included in the Licensed Patents;
 - 5.1.2 a warranty or representation that anything made, used, sold or otherwise disposed of under the license granted in this Agreement will or will not infringe patents of third parties;
 - 5.1.3 an obligation to bring or prosecute actions or suits against third parties for infringement of Licensed Patents;
 - 5.1.4 an obligation to furnish any know-how not provided in Licensed Patents or any services other than those specified in this Agreement; or
 - 5.1.5 a warranty or representation by UFRF that it will not grant licenses to others to make, use or sell products not covered by the claims of the Licensed Patents which may be similar and/or compete with products made or sold by Licensee.

5.2 EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, UFRF MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND VALIDITY OF PATENT RIGHTS CLAIMS, ISSUED OR PENDING. UFRF ASSUMES NO RESPONSIBILITIES WHATSOEVER WITH RESPECT TO USE, SALE, OR OTHER DISPOSITION BY LICENSEE, ITS SUBLICENSEE(S), OR THEIR VENDEES OR OTHER TRANSFEREES OF PRODUCT INCORPORATING OR MADE BY USE OF INVENTIONS LICENSED UNDER THIS AGREEMENT.

Section 6 Record Keeping

- 6.1 Licensee and its Sublicensee(s) shall keep books and records sufficient to verify the accuracy and completeness of Licensee's and its Sublicensee(s)'s accounting referred to above, including without limitation, inventory, purchase and invoice records, manufacturing records, sales analysis, general ledgers, financial statements, and tax returns relating to the Licensed Products and/or Licensed Processes. Such books and records shall be preserved for a period not less than three years after they are created or as required by federal law, both during and after the term of this Agreement.
- 6.2 Licensee and its Sublicensee(s) shall take all steps necessary so that UFRF may, within thirty (30) days of its written request, audit and/or review all of the books and records at a single U.S. location to verify the accuracy of Licensee's and its Sublicensee(s)'s accounting. Such examination and verification shall not occur more than once each calendar year and the records for any calendar year shall not be subject to such review more than once. Such review may be performed by any authorized employees of UFRF as well as by any attorneys and/or accountants designated by UFRF, upon reasonable notice and during regular business hours. If a deficiency with regard to any payment hereunder is determined, Licensee and its Sublicensee(s) shall pay the deficiency within thirty (30) days of receiving notice thereof along with applicable interest as described in Section 4.5.1. If a royalty payment deficiency for a calendar year exceeds three percent (3%) of the royalties paid for that year, then Licensee and its Sublicensee(s) shall be responsible for paying UFRF's out-of-pocket expenses incurred with respect to such review.
- 6.3 At any time during the term of this agreement, UFRF may request in writing that Licensee verify the calculation of any past payments owed to UFRF through the means of a self-audit. Within ninety (90) days of the request, Licensee shall complete a self-audit of its books and records to verify the accuracy and completeness of the payments owed. Within thirty (30) days of the completion of the self-audit, Licensee shall submit to UFRF a report detailing the findings of the self-audit and the manner in which it was conducted in order to verify the accuracy and completeness of the payments owed. If Licensee has determined through its self-audit that there is any payment deficiency, Licensee shall pay UFRF the deficiency along with applicable interest under Section 4.5.1 with the submission of the self-audit report to UFRF. Such self-audit shall not occur more than once each calendar year and the records for any calendar year shall not be subject to a self-audit more than once.

Section 7 Patent Prosecution

- 7.1 UFRF shall diligently prosecute and maintain the Licensed Patents using counsel of its choice that is reasonably acceptable to Licensee in the United States and in the foreign countries identified by Licensee under Section 7.3. UFRF shall provide Licensee with copies of all patent applications, amendments, and other filings with the United States Patent and Trademark Office and foreign patent offices. UFRF will also provide Licensee with copies of office actions and other communications received by UFRF from the United States Patent and Trademark Office and foreign patent offices relating to Licensed Patents. Licensee agrees to keep such information confidential, provided that Licensee may disclose such information to third parties under customary obligations of confidentiality and non-use. UFRF shall give due consideration to Licensee's comments, remarks or advice related to the prosecution and maintenance of the Licensed Patents. Licensee may, from time to time, inform UFRF in writing of any foreign countries, if any, in which Licensee desires patent protection.
- 7.2 Licensee shall pay to UFRF all sums to reimburse any and all expenses associated with preparation, filing, prosecution, issuance, maintenance, defense, and reporting of the Licensed Patents incurred prior to the Effective Date. Note: UFRF will update this amount based on past expenses accrued just before execution of the License Agreement.
- 7.3 Licensee shall be responsible for and pay all costs and expenses incurred by UFRF for the preparation, filing, prosecution, issuance, maintenance, defense and reporting of the Licensed Patents subsequent to and separate of those expenses cited in Section 7.2 within thirty (30) days of receipt of an invoice from UFRF. It shall be the responsibility of Licensee to keep UFRF fully apprised of the "small entity" status of Licensee and all Sublicensees with respect to the U.S. patent laws and with respect to the patent laws of any other countries, if applicable, and to inform UFRF of any changes in writing of such status, within thirty (30) days of any such change. In the event that additional licenses are granted to licensees for alternate fields-of-use, patent expenses associated with Licensed Patents will be divided proportionally between the number of existing licensees. In the case of foreign patent protection, if a licensee declines to reimburse UFRF for its proportional share of patent expenses in any particular country, then said licensee relinquishes the right to commercialize Licensed Products in the specified country.

Section 8 Infringement and Invalidity

- 8.1 Each party shall inform the other promptly in writing of any alleged infringement of the Licensed Patents by a third party and of any available evidence thereof.
- 8.2 During the term of this Agreement, UFRF shall have the right, but shall not be obligated, to prosecute at its own expense any such infringements of the Licensed Patents. If UFRF prosecutes any such infringement, Licensee agrees that UFRF may include Licensee as a co-plaintiff in any such suit, without expense to Licensee. Prior to commencing any such infringement, UFRF shall consult with Licensee regarding the risks and merits of pursuing any infringement claim. UFRF shall give due consideration to Licensee's legitimate business interests and those of any Sublicensee and shall consider in good faith any proposal by Licensee that Licensee and/or a Sublicensee to take primary responsibility for

prosecuting infringement. UFRF's pursuit of an infringement action shall not restrict Licensee's right to grant a Sublicense to any Third Party, including an alleged infringer. In the event that UFRF shall undertake the enforcement by litigation and/or defense of the Licensed Patents by litigation, any recovery of damages by UFRF for any such suit shall be applied first in satisfaction of any unreimbursed expenses and legal fees of UFRF relating to the suit, and next toward reimbursement of Licensee (or any Sublicensee) for any legal fees, and unreimbursed expenses. The balance remaining from any such recovery shall be divided, with UFRF retaining 80% and Licensee receiving 20%.

- 8.3 If within six (6) months after having been notified of any alleged infringement, UFRF shall have been unsuccessful in persuading the alleged infringer to desist and shall not have brought and shall not be diligently prosecuting an infringement action, or if UFRF shall notify Licensee at any time prior thereto of its intention not to bring suit against any alleged infringer, then, and in those events only, Licensee shall have the right, but shall not be obligated, to prosecute at its own expense any infringement of the Licensed Patents, and Licensee may, for such purposes, use the name of UFRF as party plaintiff. No settlement, consent judgment or other voluntary final disposition of the suit may be entered into without the consent of UFRF, which consent shall not be unreasonably withheld. Licensee shall indemnify UFRF against any order for costs that may be made against UFRF in such proceedings.
- 8.4 In the event that Licensee shall undertake the enforcement by litigation and/or defense of the Licensed Patents by litigation, any recovery of damages by Licensee for any such suit shall be applied first in satisfaction of any unreimbursed expenses and legal fees of Licensee and any Sublicensee involved in the litigation relating to the suit, and next toward reimbursement of UFRF for any legal fees, and unreimbursed expenses. The balance remaining from any such recovery shall be divided, with Licensee retaining 80% and UFRF receiving 20%.
- 8.5 In any infringement suit that either party may institute to enforce the Licensed Patents pursuant to this Agreement, the other party hereto shall, at the request and expense of the party initiating such suit, cooperate in all respects and, to the extent possible, have its employees testify when requested and make available relevant records, papers, information, samples, specimens, and the like.
- 8.6 In the event a declaratory judgment action alleging invalidity or noninfringement of any of the Licensed Patents shall be brought against Licensee, UFRF, at its option, shall have the right, within thirty (30) days after commencement of such action, to intervene and take over the sole defense of the action at its own expense.
- 8.7 In the event Licensee contests the validity of any Licensed Patents, Licensee shall continue to pay royalties and make other payments pursuant to this Agreement with respect to that patent as if such contest were not underway until the patent is adjudicated invalid or unenforceable by a court of last resort.
- 8.8 Each party has the sole discretion whether to pursue or enforce any patents not licensed pursuant to this Agreement and to retain 100% of any amounts paid in respect of the infringement of such other patent rights.

Section 9 Term and Termination

- 9.1 The term of this license shall begin on the Effective Date of this Agreement and continue until the date that no Licensed Patent remains an enforceable patent.
- 9.2 Licensee may terminate this Agreement at any time by giving at least sixty (60) days written notice of such termination to UFRF. Such a notice shall be accompanied by a statement of the reasons for termination.
- 9.3 UFRF may terminate this Agreement by giving Licensee at least thirty (30) days written notice if Licensee:
 - 9.3.1 is delinquent on any report or payment;
 - 9.3.2 is not diligently developing and commercializing Licensed Product and/or Licensed Process;
 - 9.3.3 misses a milestone described in Appendix D;
 - 9.3.4 is in material breach of this Agreement;
 - 9.3.5 knowingly provides any false report;
 - 9.3.6 goes into bankruptcy, liquidation or proposes having a receiver control any assets;
 - 9.3.7 develops or commercializes Licensed Product in a manner than constitutes a material violation of applicable laws or regulations;
 - 9.3.8 ceases to carry on its business pertaining to Licensed Patents; or
 - 9.3.9 has not received, in the aggregate, at least three hundred thousand dollars (\$300,000) of investment within 12 months of the Effective Date (including, but not limited to, any investment occurring during the 90 day period preceding the Effective Date).

Termination under this Section 9.3 will take effect 30 days after written notice by UFRF unless Licensee remedies the problem in that 30-day period, provided that with regard to any breach that, by its nature, cannot reasonably be cured within 30 days, then LICENSEE may be granted by UFRF such longer period of time as mutually agreed upon in writing by the parties acting in good faith to cure such breach.

- 9.4 UFRF may immediately terminate this Agreement upon the occurrence of the second separate default by Licensee within any consecutive three-year period for failure to pay royalties, patent or any other expenses when due.
- 9.5 Upon the termination of this Agreement for any reason, nothing herein shall be construed to release either party from any obligation that matured prior to the effective date of such

termination. Licensee shall remain obligated to provide an accounting for and to pay royalties earned to the date of termination, and any minimum royalties shall be prorated as of the date of termination by the number of days elapsed in the applicable calendar year. Licensee may, however, after the effective date of such termination, sell all Licensed Products, and complete Licensed Products in the process of manufacture at the time of such termination and sell the same, provided that Licensee shall remain obligated to provide an accounting for and to pay running royalties thereon.

- 9.6 Licensee shall be obligated to deliver to UFRF, within ninety days of the date of termination of this agreement, complete and unredacted copies of all documentation prepared for or submitted for all regulatory approvals of Licensed Products or Licensed Processes.

Section 10 Assignability

This Agreement may not be transferred or assigned by Licensee without the prior written consent of UFRF, which consent shall not be unreasonably withheld, provided that Licensee may assign this Agreement in connection with a merger or the sale or other transfer of Licensee's entire business or that part of Licensee's business to which this Agreement relates. Licensee shall promptly notify of any such assignment or transfer. In any assignment, assignee shall assume all of Licensee's responsibilities under this Agreement (excluding any obligations with respect to the Equity Agreement).

Section 11 Dispute Resolution Procedures

- 11.1 Mandatory Procedures.

In the event either party intends to file a lawsuit against the other with respect to any matter in connection with this Agreement, compliance with the procedures set forth in this Section shall be a condition precedent to the filing of such lawsuit, other than for injunctive relief. Either party may terminate this Agreement as provided in this Agreement without following the procedures set forth in this section.

- 11.1.1 When a party intends to invoke the procedures set forth in this section, written notice shall be provided to the other party. Within thirty (30) days of the date of such notice, the parties agree that representatives designated by the parties shall meet at mutually agreeable times and engage in good faith negotiations at a mutually convenient location to resolve such dispute.

- 11.1.2 If the parties fail to meet within the time period set forth in section 11.1.1 above or if either party subsequently determines that negotiations between the representatives of the parties are at an impasse, the party declaring that the negotiations are at an impasse shall give notice to the other party stating with particularity the issues that remain in dispute.

- 11.1.3 Not more than 15 days after the giving of such notice of issues, each party shall deliver to the other party a list of the names and addresses of at least three individuals, any one of whom would be acceptable as a

neutral advisor in the dispute (the “Neutral Advisor”) to the party delivering the list. Any individual proposed as a Neutral Advisor shall have experience in determining, mediating, evaluating, or trying intellectual property litigation and shall not be affiliated with the party that is proposing such individual.

- 11.1.4 Within 10 days after delivery of such lists, the parties shall agree on a Neutral Advisor. If they are unable to so agree within that time, within 5 days, they shall each select one individual from the lists. Within 5 days, the individuals so selected shall meet and appoint a third individual from the lists to serve as the Neutral Advisor. Within 30 days after the selection of a Neutral Advisor:
 - (a) The parties shall each provide a written statement of the issues in dispute to the Neutral Advisor.
 - (b) The parties shall meet with the Neutral Advisor in Gainesville, Florida on a date and time established by the Neutral Advisor. The meeting must be attended by persons authorized to make final decisions on behalf of each party with respect to the dispute. At the meeting, each party shall make a presentation with respect to its position concerning the dispute. The Neutral Advisor will then discuss the issues separately with each party and attempt to resolve all issues in the dispute. At the meeting, the parties will enter into a written settlement agreement with respect to all issues that are resolved. Such settlement agreement shall be final and binding with respect to such resolved issues and may not be the subject of any lawsuit between the parties, other than a suit for enforcement of the settlement agreement.
- 11.1.5 The expenses of the neutral advisor shall be shared by the parties equally. All other out-of-pocket costs and expenses for the alternative dispute resolution procedure required under this Section shall be paid by the party incurring the same.
- 11.1.6 Positions taken and statements made during this alternative dispute resolution procedure shall be deemed settlement negotiations and shall not be admissible for any purpose in any subsequent proceeding.

11.2 Failure to Resolve Dispute.

If any issue is not resolved at the meeting with the Neutral Advisor, either party may file appropriate administrative or judicial proceedings with respect to the issue that remains in dispute. No new issues may be included in the lawsuit without the mandatory procedures set forth in this section having first been followed.

Section 12 Product Liability; Conduct of Business

- 12.1 Licensee and its Sublicensee(s) shall, at all times during the term of this Agreement and thereafter, indemnify, defend and hold UFRF, the Florida Board of Governors, the University of Florida Board of Trustees, the University of Florida, and each of their directors, officers, employees, and agents, and the inventors of the Licensed Patents,

regardless of whether such inventors are employed by the University of Florida at the time of the claim, harmless against all claims and expenses, including legal expenses and reasonable attorneys' fees, whether arising from a third party claim or resulting from UFRF's enforcing this indemnification clause against Licensee, arising out of the death of or injury to any person or persons or out of any damage to property and against any other claim, proceeding, demand, expense and liability of any kind whatsoever (other than patent infringement claims) resulting from the production, manufacture, sale, use, lease, consumption, marketing, or advertisement of Licensed Products or Licensed Process(es) or arising from any right or obligation of Licensee hereunder. Notwithstanding the above, UFRF at all times reserves the right to retain counsel of its own to defend UFRF's, the Florida Board of Governors', the University of Florida Board of Trustees', the University of Florida's, and the inventor's interests.

- 12.2 Licensee warrants that it now maintains and will continue to maintain liability insurance coverage appropriate to the risk involved in producing, manufacturing, selling, marketing, using, leasing, consuming, or advertising the products subject to this Agreement and that, no later than the first commercial sale of a Licensed Product, such insurance coverage shall list UFRF, the Florida Board of Governors, the University of Florida Board of Trustees and the University of Florida as additional insureds. Within ninety (90) days after the execution of this Agreement and thereafter annually between January 1 and January 31 of each year, Licensee will present evidence to UFRF that the coverage is being maintained as described above. In addition, Licensee shall provide UFRF with at least thirty (30) days prior written notice of any change in or cancellation of the insurance coverage.

Section 13 Use of Names

Licensee and its Sublicensee(s) shall not use the names of UFRF, or of the University of Florida, nor of any of either institution's employees, agents, or affiliates, nor the name of any inventor of Licensed Patents, nor any adaptation of such names, in any promotional, advertising or marketing materials or any other similar form of publicity, or to suggest any endorsement by the such entities or individuals, without the prior written approval of UFRF in each case.

Section 14 Miscellaneous

- 14.1 This Agreement shall be construed in accordance with the internal laws of the State of Florida
- 14.2 The parties hereto are independent contractors and not joint venturers or partners.
- 14.3 Licensee shall ensure that it applies patent markings that meet all requirements of U.S. law, 35 U.S.C. §287, with respect to all Licensed Products subject to this Agreement.
- 14.4 This Agreement and the Exhibits hereto constitutes the full understanding between the parties with reference to the subject matter hereof, and no statements or agreements by or between the parties, whether orally or in writing, shall vary or modify the written terms of this Agreement. Neither party shall claim any amendment, modification, or release from any provisions of this Agreement by mutual agreement, acknowledgment, or otherwise, unless such mutual agreement is in writing, signed by the other party, and specifically states that it is an amendment to this Agreement.

- 14.5 Licensee shall not grant a security interest in any of the rights granted hereunder to any third party.
- 14.6 Licensee acknowledges that it is subject to and agrees to abide by the United States laws and regulations (including the Export Administration Act of 1979 and Arms Export Contract Act) controlling the export of technical data, computer software, laboratory prototypes, biological material, and other commodities. The transfer of such items may require a license from the cognizant agency of the U.S. Government or written assurances by Licensee that it shall not export such items to certain foreign countries without prior approval of such agency. UFRF neither represents that a license is or is not required or that, if required, it shall be issued.
- 14.7 Licensee is responsible for any and all wire/bank fees associated with all payments due to UFRF pursuant to this agreement.
- 14.8 Survival.

The provisions of this Section shall survive termination of this Agreement. Upon termination of the Agreement for any reason, the following sections of the License Agreement will remain in force as non-cancelable obligations:

- Section 6 Record Keeping
- Section 9 Requirement to pay royalties on sale of Licensed Products made, and in process, at time of License Agreement termination
- Section 12 Product Liability; Conduct of Business
- Section 13 Use of Names
- Section 18 Confidentiality

Section 15 Notices

Any notice required to be given pursuant to the provisions of this Agreement shall be in writing and shall be deemed to have been given

- when delivered personally, **or**
- if sent by facsimile transmission, when receipt thereof is acknowledged at the facsimile number of the recipient as set forth below, **or**
- the second day following the day on which the notice has been delivered prepaid to a national air courier service, **or**
- five (5) business days following deposit in the U.S. mail if sent certified mail, (**return receipt acknowledgement is not required to certify delivery**).

- 15.1 If to the University of Florida Research Foundation, Inc.:

President
University of Florida Research Foundation, Inc.
223 Grinter Hall
University of Florida
Post Office Box 115500
Gainesville, FL 32611-5500
Facsimile Number: 352-846-0491

with a copy to:
Office of Technology Licensing
Attn: Director
308 Walker Hall
University of Florida
Post Office Box 115500
Gainesville, Florida 32611-5500
Facsimile Number: 352-392-6600

15.2 If to Licensee:

Sestar, LLC
Attn: President
17 NW 17th Street
Suite B201
Gainesville, FL 32603

with a copy to:
Hutchison Law Group PLLC
5410 Trinity Road, Suite 400
Raleigh, NC 27607
Attn: William Wofford
Facsimile Number: 919-829-9696

Section 16 Contract Formation and Authority

The submission of this Agreement does not constitute an offer, and this document shall become effective and binding only upon the execution by duly authorized representatives of both Licensee and UFRF. Copies of this Agreement that have not been executed and delivered by both UFRF and Licensee shall not serve as a memorandum or other writing evidencing an agreement between the parties. This Agreement shall automatically terminate and be of no further force and effect, without the requirement of any notice from UFRF to Licensee, if UFRF does not receive the License Issue Fee provided for under Section 4.1 within thirty (30) days of the Effective Date.

16.1 UFRF and Licensee hereby warrant and represent that the persons signing this Agreement have authority to execute this Agreement on behalf of the party for whom they have signed.

16.2 Force Majeure.

No default, delay, or failure to perform on the part of Licensee or UFRF shall be considered a default, delay or failure to perform otherwise chargeable hereunder, if such default, delay or failure to perform is due to causes beyond either party's reasonable control including, but not limited to: strikes, lockouts, or inactions of governmental authorities, epidemics, war, embargoes, fire, earthquake, hurricane, flood, acts of God, or default of common carrier. In the event of such default, delay or failure to perform, any

date or times by which either party is otherwise scheduled to perform shall be extended automatically for a period of time equal in duration to the time lost by reason of the excused default, delay or failure to perform.

Section 17 United States Government Interests

- 17.1 It is understood that the United States Government (through any of its agencies or otherwise) has funded research, AFOSR Grant No. FA9550-06-1-0192, during the course of or under which any of the inventions of the Licensed Patents were conceived or made. The United States Government is entitled, as a right, under the provisions of 35 U.S.C. §202-212 and applicable regulations of Title 37 of the Code of Federal Regulations, to a non-exclusive, nontransferable, irrevocable, paid-up license to practice or have practiced the inventions of such Licensed Patents for governmental purposes. Any license granted to Licensee in this Agreement shall be subject to such right.
- 17.2 Licensee agrees that for Licensed Products covered by the Licensed Patents that are subject to the non-exclusive royalty-free license to the United States Government, said Licensed Products will be manufactured substantially in the United States. Licensee further agrees that it shall abide by all the requirements and limitations of U.S. Code, Title 35, Chapter 18, and implementing regulations thereof, for all patent applications and patents invented in whole or in part with federal money.

Section 18 Confidentiality

- 18.1 Each Party shall maintain all information of the other Party which is treated by such other Party as proprietary or confidential (referred to herein as "Confidential Information") in confidence, and shall not disclose, divulge or otherwise communicate such confidential information to others, or use it for any purpose, except pursuant to, and in order to carry out, the terms and objectives of this Agreement, and each party hereby agrees to exercise every reasonable precaution to prevent and restrain the unauthorized disclosure of such confidential information by any of its Affiliates, directors, officers, employees, consultants, subcontractors, Sublicensees or agents. The parties agree to keep the terms of this Agreement confidential, provided that each party may disclose this Agreement to their authorized agents and investors who are bound by similar confidentiality provisions. Notwithstanding the foregoing, Confidential Information of a party shall not include information which: (a) was lawfully known by the receiving party prior to disclosure of such information by the disclosing party to the receiving party; (b) was or becomes generally available in the public domain, without the fault of the receiving party; (c) is subsequently disclosed to the receiving party by a third party having a lawful right to make such disclosure; (d) is required by law, rule, regulation or legal process to be disclosed, provided that the receiving party making such disclosure shall take all reasonable steps to restrict and maintain to the extent possible confidentiality of such disclosure and shall provide reasonable notice to the other party to allow such party the opportunity to oppose the required disclosure; or (e) has been independently developed by employees or others on behalf of the receiving party without access to or use of disclosing party's information as demonstrated by written record. Each party's obligations under this Section 18 shall extend for a period of five (5) years from termination or expiration of this Agreement. Notwithstanding the foregoing, Licensee acknowledges that the University of Florida Intellectual Property Policy (the "Policy") a copy of which is in effect on the Effective

Date is available at <http://www.rgp.ufl.edu/otl/pdf/ipp.pdf>, as it may be amended from time to time, may apply to any works or inventions made by "University personnel" (as that term is defined in the policy), and in the event of any conflict between this section and the Policy, the Policy shall prevail.

Section 19 University Rules and Regulations

- 19.1 Licensee understands and agrees that University of Florida personnel who are engaged by Licensee, whether as consultants, employees or otherwise, or who possess a material financial interest in Licensee, are subject to the University of Florida's rule regarding outside activities and financial interests set forth in Florida Administrative Code Rule 6C1-1.011, the University of Florida's Intellectual Property Policy, and a monitoring plan which addresses conflicts of interests associated therewith. Any term or condition of an agreement between Licensee and such University of Florida personnel which seeks to vary or override such personnel's obligations to the University of Florida may not be enforced against such personnel, the University of Florida or UFRF, without the express written consent of an individual authorized to vary or waive such obligations on behalf of the University of Florida and UFRF. Furthermore, should an interest of Licensee conflict with the interest of the University of Florida, University of Florida personnel are obligated to resolve such conflicts according to the guidelines and policies set forth by the University of Florida.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the dates indicated below.

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.



David L. Day
Director, Office of Technology Licensing

Date: 5/23, 2012

SESTAR, LLC

By: 

Mike Starks
Name and Office: Mike Starks, Managing Partner

Date: May 22, 2012

Appendix A - Development Plan

2012 Plan

- ❖ Form strategic partnerships for commercialization of SPG technology by June 30, 2012
- ❖ Identify specific products to be commercialized and develop marketing plans by December 31, 2012

2013 Plan

- ❖ Implement product manufacturing, distribution and marketing plan by June 30, 2013

2014 Plan

- ❖ Begin manufacturing and sales of solar systems by June 30, 2014
- ❖ Achieve first sale of an SPG solar system by December 31, 2014

Appendix B - Development Report

When appropriate, indicate estimated start date and finish date for activities.

- I. Date Development Plan Initiated and Time Period Covered by this Report.
- II. Development Report (4-8 paragraphs).
 - A. Activities completed since last report including the object and parameters of the development, when initiated, when completed and the results.
 - B. Activities currently under investigation, i.e., ongoing activities including object and parameters of such activities, when initiated, and projected date of completion.
- III. Future Development Activities (4-8 paragraphs).
 - A. Activities to be undertaken before next report including, but not limited to, the type and object of any studies conducted and their projected starting and completion dates.
 - B. Estimated total development time remaining before a product will be commercialized.
- IV. Changes to Initial Development Plan (2-4 paragraphs).
 - A. Reasons for change.
 - B. Variables that may cause additional changes.
- V. Items to be Provided if Applicable:
 - A. Information relating to Licensed Products or Licensed Processes that has become publicly available, e.g., published articles, competing products, patents, etc.
 - B. Development work being performed by third parties, other than Licensee, to include name of third party, reasons for use of third party, planned future uses of third parties including reasons why and type of work.
 - C. Update of competitive information trends in industry, government compliance (if applicable) and market plan.
 - D. Information and copies of relevant materials evidencing the status of any patent applications or other protection relating to Licensed Products, or Licensed Processes or the Licensed Patents.

PLEASE SEND DEVELOPMENT REPORTS TO:

University of Florida Research Foundation, Inc.
Attn: Director
308 Walker Hall
P.O. Box 115500
Gainesville, FL 32611-5500
Facsimile: 352-392-6600

Appendix C - UFRF Royalty Report

Licensee: SPG, LLC Agreement No.: _____

Inventor: _____ P#: P _____

Period Covered: From: / /2 Through: / /2

Prepared By _____ Date: _____

Approved By _____ Date: _____

If license covers several major product lines, please prepare a separate report
for each line. Then combine all product lines into a summary report.

Report Type: Single Product Line Report: _____

Multiproduct Summary Report. Page 1 of _____ Pages

Product Line Detail. Line: _____ Tradename: _____ Page: _____

Report Currency: U. S. Dollars Other _____

Country	Unit	Gross	* Less:	Net	Royalty	Period Royalty Amount	
	Sales	\$\$ Sales	Allowances	\$\$ Sales	Rate	This Year	Last Year
U.S.A.							
Canada							
Europe:							

Japan

Other:

TOTAL:

Total Royalty: _____ Conversion Rate: _____ Royalty in U.S. Dollars: \$

The following royalty forecast is non-binding and for UFRF's internal planning purposes only:

Royalty Forecast Under This Agreement: Next Quarter: _____ Q2: _____ Q3: _____ Q4: _____

* On a separate page, please indicate the reasons for returns or other adjustments if significant.

Also note any unusual occurrences that affected royalty amounts during this period.

To assist UFRF's forecasting, please comment on any significant expected trends in sales volume.

Appendix D - Milestones

Milestones are subject to review on an annual basis and amendment upon mutual consent of the parties.

1	Enter into a Strategic Alliance with an Outside Company	2012	Enter into strategic alliance (sublicensing agreement) with an outside company to manufacture and/or sell product by the end of the second quarter
2	Product manufacturing, distribution and marketing plan	2013	Adopt and commence implementation of detailed product manufacturing, distribution and marketing plan by the end of the 2 nd quarter
3	First Commercial Sale	2014	Sale of a complete or partial system that collects sunlight and powers or charges an electronic device by the end of 4 th quarter

**STANDARD EXCLUSIVE LICENSE AGREEMENT
WITH SUBLICENSING TERMS**

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This Agreement is made effective the 22nd day of May, 2012, (the "Effective Date") by and between the University of Florida Research Foundation, Inc. (hereinafter called "UFRF"), a nonstock, nonprofit Florida corporation, and SPG, LLC (hereinafter called "Licensee"), a limited liability company organized and existing under the laws of Florida;

WHEREAS, UFRF owns certain inventions that are described in the "Licensed Patents" defined below, and UFRF is willing to grant a license to Licensee under any one or all of the Licensed Patents and Licensee desires a license under all of them;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, the parties covenant and agree as follows:

Section 1 Definitions

- 1.1 “Commercial Year” shall mean the twelve month period commencing with the calendar month of the first commercial sale of a Licensed Product by the Company or by a sublicensee (excluding any sublicensee under Section 8).
- 1.2 “Licensed Patents” shall refer to and mean all of the following UFRF intellectual property:
 - 1.2.1 the United States patent(s)/patent application(s) entitled “Black Soluble Conjugated Polymers with High Charge Carrier Mobilities” filed in the United States Patent Office on May 23, 2011, and assigned Registration Number/Serial Number 13/130,697, and all United States patents and foreign patents and patent applications based on this U.S. application;
 - 1.2.2 United States and foreign patents issued from the application listed in 1.2.1 above and from divisionals and continuations of these applications, to the extent the claims are directed to subject matter specifically described in the applications listed in 1.2.1 above and are dominated by the claims of those patent applications and patents issuing thereon or reissues thereof, and any and all foreign patents and patent applications corresponding thereto, all to the extent owned or controlled by the University of Florida or UFRF.
- 1.3 “Licensed Product” and “Licensed Process” shall mean:
 - 1.3.1 In the case of a Licensed Product, any product or part thereof developed in whole or in part by or on behalf of Licensee that:
 - (a) is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Licensed Patents, in any country in which any product is made, used or sold; or
 - (b) is manufactured by using a process which is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Licensed Patents, in any country in which any such process is used or in which any such product is used or sold
 - 1.3.2 In the case of a Licensed Process:
 - (a) any process which is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Licensed Patents in any country in which such process is practiced
- 1.4 “Net Sales” shall mean the total dollar amount invoiced on sales of Licensed Product and/or Licensed Processes by licensee, sublicensee or affiliates, less any charges for (a) promotional discounts allowed in amounts customary in the trade, (b) sales taxes or other taxes separately stated on the invoice, (c) shipping and insurance charges, and (d) returns, rebates and chargebacks.
- 1.5 “Affiliate” shall mean: (a) any person or entity which controls at least fifty percent (50%) of the equity or voting stock of the Licensee or (b) any person or entity fifty percent (50%) of whose equity or voting stock is owned or controlled by the Licensee or (c) any person or entity of which at least fifty percent (50%) of the equity or voting stock is owned or

- controlled by the same person or entity owning or controlling at least fifty percent (50%) of Licensee or (d) any entity in which any officer or employee is also an officer or employee of Licensee or any person who is an officer or employee of Licensee.
- 1.6 The term "Sublicensee" shall mean any third party to whom Licensee confers the right to make, use or sell Licensed Product and/or Licensed Processes and/or any of the intellectual property rights embodied in Licensed Patents. The term "Sublicense" shall mean the grant of such rights.
- 1.7 "Development Plan" shall mean a written report summarizing the development activities that are to be undertaken by the Licensee to bring Licensed Products and/or Licensed Processes to the market. The Development Plan is attached as Appendix A.
- 1.8 "Development Report" shall mean a written account of Licensee's progress under the Development Plan having at least the information specified on Appendix B to this Agreement, and shall be sent to the address specified on Appendix B .
- 1.9 "Licensed Field" shall mean all uses.
- 1.10 "Licensed Territory" shall be the United States and any country in which Licensee elects to pursue prosecution under Section 7.

Section 2 Grant

2.1 License.

2.1.1 License Under Licensed Patents

UFRF hereby grants to Licensee an exclusive license, limited to the Licensed Field and the Licensed Territory, under the Licensed Patents to make, use and sell Licensed Products and/or Licensed Processes. UFRF reserves to itself and the University of Florida the right to make and use Licensed Products and/or Licensed Processes solely for their internal research and educational purposes. In addition, UFRF reserves to itself, as well as to the University of Florida and to all non-profit research institutions, the right to use materials that might be covered under Licensed Patents solely for their internal research and educational purposes and to meet all applicable governmental requirements governing the ability to transfer materials.

2.2 Sublicense.

2.2.1 Licensee may grant written Sublicenses to third parties. Any agreement granting a Sublicense shall state either that the Sublicense is subject to the termination of this Agreement or that Licensee's rights under the Sublicense, to the extent related to the Patent Rights, shall be assigned to UFRF upon termination of this agreement, provided that UFRF shall assume no additional obligations beyond those provided for in this Agreement. Licensee shall use diligent efforts to cause any Sublicensee that violates the terms of a Sublicense to cure any such violation.

- 2.2.2 In respect to Sublicenses granted by Licensee under 2.2.1 above, Licensee shall pay to UFRF an amount equal to what Licensee would have been required to pay to UFRF had Licensee sold the amount of Licensed Products or Licensed Processes sold by such Sublicensee. In addition, if Licensee receives any fees, minimum royalties, or other payments in consideration for any rights granted under a Sublicense, and such payments are not based directly upon the amount or value of Licensed Products or Licensed Processes sold by the Sublicensee, then Licensee shall pay to UFRF a portion of such payments as specified in Section 4.4. Licensee shall not receive from Sublicensees anything of value in lieu of cash payments in consideration for any Sublicense under this Agreement without the express prior written permission of UFRF.4.4.3
- 2.2.3 Licensee shall provide UFRF with an unredacted copy of each sublicense agreement and any agreement which transfers intellectual property rights granted hereunder, within thirty (30) days after execution of the sublicense agreement.
- 2.2.4 If UFRF identifies a potential Licensed Product that (i) Licensee (together with its affiliates and sublicensees) is not actively researching, developing or commercializing; (ii) is in a major commercial territory (i.e., the U.S., the E.U., and Japan); (iii) an identified third party desires to develop and commercialize; and (iv) does not compete with any product which is then part of an active research, development or commercialization program of Licensee or its affiliates or collaborators, then UFRF shall provide written notice of such potential product (an “Undeveloped Product”) to Licensee. Within sixty (60) days of receipt of such notice from UFRF, Licensee shall provide written notice to UFRF that it elects to: (a) develop and commercialize such Undeveloped Product itself; (b) develop and commercialize such Undeveloped Product through an appropriate Sublicense; or (c) terminate Licensee’s rights under this Agreement solely for such Undeveloped Product. Should Licensee elect to effect development and commercialization of such Undeveloped Product itself or in collaboration with one or more other parties, Licensee and UFRF shall negotiate reasonable diligence goals, which shall be added to Appendix D within ninety (90) days of Licensee’s election. Should Licensee elect to Sublicense its rights to the Undeveloped Product to a sublicensee identified either by itself or by UFRF, Licensee shall negotiate in good faith and shall use commercially reasonable efforts to execute a commercially reasonable Sublicense. If no such Sublicense is executed within six (6) months of Licensee’s election, Licensee shall either (i) provide a written report to UFRF detailing its efforts, and continue diligent efforts to complete a Sublicense, or (ii) relinquish rights to UFRF for such Undeveloped Product. If Licensee ceases to engage in active negotiations to sublicense rights to the Undeveloped Product or fails to execute such Sublicense within an additional nine (9) months, then UFRF may terminate Licensee’s rights under this Agreement only with respect to such Undeveloped Product by providing written notice of such termination to Licensee.

Section 3 Due Diligence

3.1 Development.

- 3.1.1 Licensee agrees to and warrants that:
- (a) it has, or will obtain, the expertise necessary to independently evaluate the inventions of the Licensed Patents;
 - (b) it will establish and actively and diligently pursue the Development Plan (see Appendix A) to the end that the inventions of the Licensed Patents will be utilized to provide Licensed Products and/or Licensed Processes for sale within the Licensed Field;
 - (c) it will diligently seek to complete the milestones set forth on Appendix D and to develop markets for Licensed Products;
 - (d) and, until the date of first commercial sale of Licensed Products or Licensed Processes, it will supply UFRF with a written Development Report annually within sixty (60) days after the end of each calendar year (see Appendix B).
- 3.1.2 Licensee agrees that the first commercial sale of products to the retail customer shall occur on or before December 31, 2014 or UFRF shall have the right to terminate the Agreement pursuant to Section 9.3 hereto. In addition, Licensee will meet the milestones shown in Appendix D or UFRF shall have the right to terminate the Agreement pursuant to Section 9.3. Licensee will notify UFRF in writing as each milestone is met.
- 3.1.3 Upon written request by Licensee to negotiate extensions of any milestones or due dates set forth in Appendix D, such request to be received by UFRF no less than ninety (90) days prior to any of the due dates subject of such request, set forth in this Section 3.1.3, such request fully describing Licensee's diligent efforts to achieve the milestone required to be met by such due date, UFRF shall consider in good faith such requests. Upon granting such request, UFRF and Licensee shall negotiate such extensions in good faith.

Section 4 Payments

4.1 License Issue Fee.

Licensee agrees to pay to UFRF a license issue fee of N/A.

4.2 Royalty.

- 4.2.1 Royalty on Licensed Patents. Running Royalty is payable if Licensed Product is sold under the following Agreements: No. A6907, A11565, A11567, A11568, or A11633 with the proviso that only one royalty payment under one of the license agreements is due for sale of Licensed Product irrespective of whether such Licensed Product falls within the scope of the patents licensed under more than one of the Agreements, No. A6907, A11565, A11567, A11568, or A11633.

Licensee agrees to pay to UFRF as earned royalties a royalty calculated as a percentage of Net Sales. The royalty is deemed earned as of the earlier of the date the Licensed Product and/or Licensed Process is actually sold and paid for, the date an invoice is sent by Licensee or its Sublicensee(s), or the date a Licensed Product and/or Licensed Process is transferred to a third party for any promotional reasons. The royalty shall remain fixed while this Agreement is in effect at a rate of two percent (2%) of Net Sales, subject to adjustment under Section 4.2.2. For clarification, Net Sales shall be calculated based on the first sale of a Licensed Product by Licensee, a Sublicensee or their respective Affiliate to a third party and in no event shall a royalty be calculated more than one time with respect to any unit of Licensed Product.

4.2.2 Reduction of Royalty Rate. If the production and/or sale of a Licensed Product by Licensee, a Sublicensee or Affiliate requires the licensing of technology (the “Additional Technology”) covered by additional patents from a third party, the royalty rate provided for under Section 4.3.1 shall be reduced no more than one percent (1%) of Net Sales, under the following conditions:

- (a) Licensee notifies UFRF in writing at least thirty (30) days in advance of any licensing agreement for such additional patents;
- (b) Any such reduction in royalty shall apply only to Licensed Products which (i) are actually sold by Licensee or its Affiliate or Sublicensee to an end customer and which (ii) actually include such Additional Technology; and

4.2.3 The royalty for the affected Licensed Product is reduced by no more than one half of one percent (0.5%) per additional license required. Notwithstanding Sections 4.2.1 and 4.2.2, Licensee agrees to pay the following minimum royalties to UFRF in the years so indicated:

The payments below shall be made under License Agreement No. A6907 as long as it is active. However, if License Agreement No. A6907 is terminated, the below payments shall be made under one of the other License Agreements, No. A11565, A11567, A11568, or A11633.

<u>Payment</u>	<u>Year</u>
\$ 10,000	First, second and third Commercial Year
\$ 25,000	Fourth and fifth Commercial Year
\$ 50,000	Each Commercial Year thereafter

If in any commercial year during the term of this LICENSE AGREEMENT the total amounts payable under Section 4.2.1, 4.2.2 and 4.3.2 hereof are less than the minimum amount indicated in the schedule above corresponding to such year, Licensee shall pay UFRF the difference between the amounts payable for such year and said minimum amount within thirty (30) days after the end of such year. Such minimum royalties will be applied to earned royalties on a calendar year basis, and sales of Licensed Products and/or Licensed Processes requiring the payment of earned royalties made during a prior or subsequent calendar year shall have no effect on the annual minimum royalty due to UFRF for other than

the same calendar year in which the royalties were earned.

For clarification, it is intended that the above minimum royalty payments are due under original License Agreement, No. A6907; however, the total royalties paid to UFRF under this Agreement can be added together with royalties paid under the other related Agreements No. A6907, A11565, A11567, and A11633 to add up to the minimum royalty payment. In other words, the one minimum royalty payment shall apply to all five related Agreements, A6907, A11565, A11567, A11568, and A11633. This amendment shall occur simultaneously with the execution of the new license agreements for each patent. This section shall remain as it is in the original License Agreement A6907 until such time as the execution of the new License Agreement(s) occurs.

4.3 Other Payments.

- 4.3.1 License Maintenance Fee. Licensee shall pay an annual license maintenance fee (the “License Maintenance Fee”) of One Thousand Dollars (\$1,000) to UFRF. The first License Maintenance Fee shall be due within 30 days of the one-year anniversary of the effective date and subsequent License Maintenance Fees shall be due annually thereafter until the first commercial sale by Licensee of a Licensed Product.
- 4.3.2 Sublicense Revenue. If Licensee receives any fees as consideration for granting a Sublicense (“Sublicense Fees”), and such fees are not based directly upon the amount or value of Licensed Products sold by the Sublicensee, then in lieu of royalty payments under Section 4.3, Licensee shall pay to UFRF (i) forty-five percent (45%) of such Sublicense Fees received for Sublicenses entered into within the first year after the Effective Date, (ii) thirty-five percent (35% of such Sublicense Fees received for Sublicenses entered into between the first anniversary of the Effective Date and the second anniversary of the Effective Date; and (iii) twenty percent (20%) of such Sublicense Fees received for Sublicenses entered into on or after the second anniversary of the Effective Date. Licensee shall pay amounts due under this section no later than sixty (60) days after the calendar year in which the Sublicense Fees are received. To the extent that Licensee uses any Sublicense Fees to fund product development or business operations, then Licensee shall only be obligated to pay UFRF fifteen percent (15%) of such amounts pursuant to this Section 4.4.2.
- 4.3.3 Company may not accept any consideration for a Sublicense other than cash without the express prior written permission of UFRF, which shall not be unreasonably withheld, provided that for purposes of this Section, any payment to Licensee or its Affiliates in the form of marketable securities or similar property with a readily ascertainable fair market value shall be deemed to be cash, it being understood that, unless otherwise agreed, Licensee shall be obligated to pay UFRF its share in cash, not in the form of the securities or other property. Notwithstanding the foregoing, Licensee may

accept a license (or sublicense) to third party intellectual property rights in full or partial consideration for the grant of a Sublicense if Licensee reasonably determines that such license or sublicense is necessary or helpful for the development or commercialization of Licensed Products. In such event, Licensee shall be required to pay to UFRF the percentages specified in Section 4.4.2 of the cash, if any, received by Licensee as partial consideration for the grant of the sublicensee, but shall not be required to make a payment to UFRF based on the value of the license or sublicense received.

4.4 Accounting for Payments.

- 4.4.1 Amounts owing to UFRF under Sections 4.3.1 shall be paid on a quarterly basis, with such amounts due and received by UFRF on or before the sixtieth day following the end of the calendar quarter ending on March 31, June 30, September 30 or December 31 in which such amounts were earned. Any amounts which remain unpaid after the date they are due to UFRF shall accrue interest from the due date at the rate of 1.5% per month. However, in no event shall this interest provision be construed as a grant of permission for any payment delays. Licensee shall also be responsible for repayment to UFRF of any attorney, collection agency, or other out-of-pocket UFRF expenses required to collect overdue payments due under this Agreement.
- 4.4.2 Except as otherwise directed, all amounts owing to UFRF under this Agreement shall be paid in U.S. dollars to UFRF at the following address:

University of Florida Research Foundation, Inc.
223 Grinter Hall
PO Box 115500
Gainesville, Florida 32611-5500
Attention: Business Manager

All royalties owing with respect to Net Sales stated in currencies other than U.S. dollars shall be converted at the rate shown in the Federal Reserve Noon Valuation - Value of Foreign Currencies on the day preceding the payment due date. In the event that, by reason of applicable law in any country, it becomes impossible or illegal for Licensee to transfer, or have transferred on its behalf, royalties or other payments owed hereunder to UFRF, such royalties or other payments shall be deposited in local currency in the relevant country in an account in the name and control of UFRF in a recognized banking institution designated by UFRF, or, if none is designated by UFRF within a period of thirty (30) days after Licensee's written request therefor, in a recognized banking institution selected by Licensee and identified in a written notice given to UFRF.

- 4.4.3 Licensee shall submit an accounting statement showing how any amounts payable to UFRF under Section 4.3 have been calculated to UFRF on the date of each such payment. Such accounting statements shall contain a written representation signed by an executive officer of Licensee that states that the statements are true, accurate, and fairly represent all amounts payable to

UFRF pursuant to this Agreement. Such accounting shall be on a per-country and product line, model or trade name basis and shall be summarized on the form shown in Appendix C - UFRF Royalty Report of this Agreement.

- 4.4.4 In the event no payment is owed to UFRF because the amount of minimum royalties paid has not been exceeded or otherwise, an accounting demonstrating that fact shall be supplied to UFRF.
- 4.4.5 All payments due hereunder shall be paid in full, without deduction of taxes or other fees which may be imposed by any government provided, however that if a law or regulation of any country of the Territory requires withholding of taxes of any type, levies or other charges with respect to the any amounts payable hereunder to UFRF, Licensee shall promptly pay such tax, levy or charge for and on behalf of UFRF to the proper governmental authority, and shall promptly furnish UFRF with receipt evidencing such payment. UFRF agrees to assist Licensee in claiming exemption from such deductions or withholdings under double taxation or similar agreement or treaty from time to time in force and shall use reasonable efforts to minimize the amount required to be so withheld or deducted.

Section 5 Certain Warranties and Disclaimers of UFRF

- 5.1 UFRF warrants that, except as otherwise provided under Section 17.1 of this Agreement with respect to U.S. Government interests, it is the owner of the Licensed Patents or otherwise has the right to grant the licenses granted to Licensee in this Agreement. However, nothing in this Agreement shall be construed as:
 - 5.1.1 a warranty or representation by UFRF as to the validity or scope of any right included in the Licensed Patents;
 - 5.1.2 a warranty or representation that anything made, used, sold or otherwise disposed of under the license granted in this Agreement will or will not infringe patents of third parties;
 - 5.1.3 an obligation to bring or prosecute actions or suits against third parties for infringement of Licensed Patents;
 - 5.1.4 an obligation to furnish any know-how not provided in Licensed Patents or any services other than those specified in this Agreement; or
 - 5.1.5 a warranty or representation by UFRF that it will not grant licenses to others to make, use or sell products not covered by the claims of the Licensed Patents which may be similar and/or compete with products made or sold by Licensee.
- 5.2 EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, UFRF MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO

WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND VALIDITY OF PATENT RIGHTS CLAIMS, ISSUED OR PENDING. UFRF ASSUMES NO RESPONSIBILITIES WHATSOEVER WITH RESPECT TO USE, SALE, OR OTHER DISPOSITION BY LICENSEE, ITS SUBLICENSEE(S), OR THEIR VENDEES OR OTHER TRANSFEREES OF PRODUCT INCORPORATING OR MADE BY USE OF INVENTIONS LICENSED UNDER THIS AGREEMENT.

Section 6 Record Keeping

- 6.1 Licensee and its Sublicensee(s) shall keep books and records sufficient to verify the accuracy and completeness of Licensee's and its Sublicensee(s)'s accounting referred to above, including without limitation, inventory, purchase and invoice records, manufacturing records, sales analysis, general ledgers, financial statements, and tax returns relating to the Licensed Products and/or Licensed Processes. Such books and records shall be preserved for a period not less than three years after they are created or as required by federal law, both during and after the term of this Agreement.
- 6.2 Licensee and its Sublicensee(s) shall take all steps necessary so that UFRF may, within thirty (30) days of its written request, audit and/or review all of the books and records at a single U.S. location to verify the accuracy of Licensee's and its Sublicensee(s)'s accounting. Such examination and verification shall not occur more than once each calendar year and the records for any calendar year shall not be subject to such review more than once. Such review may be performed by any authorized employees of UFRF as well as by any attorneys and/or accountants designated by UFRF, upon reasonable notice and during regular business hours. If a deficiency with regard to any payment hereunder is determined, Licensee and its Sublicensee(s) shall pay the deficiency within thirty (30) days of receiving notice thereof along with applicable interest as described in Section 4.5.1. If a royalty payment deficiency for a calendar year exceeds three percent (3%) of the royalties paid for that year, then Licensee and its Sublicensee(s) shall be responsible for paying UFRF's out-of-pocket expenses incurred with respect to such review.
- 6.3 At any time during the term of this agreement, UFRF may request in writing that Licensee verify the calculation of any past payments owed to UFRF through the means of a self-audit. Within ninety (90) days of the request, Licensee shall complete a self-audit of its books and records to verify the accuracy and completeness of the payments owed. Within thirty (30) days of the completion of the self-audit, Licensee shall submit to UFRF a report detailing the findings of the self-audit and the manner in which it was conducted in order to verify the accuracy and completeness of the payments owed. If Licensee has determined through its self-audit that there is any payment deficiency, Licensee shall pay UFRF the deficiency along with applicable interest under Section 4.5.1 with the submission of the self-audit report to UFRF. Such self-audit shall not occur more than once each calendar year and the records for any calendar year shall not be subject to a self-audit more than once.

Section 7 Patent Prosecution

- 7.1 UFRF shall diligently prosecute and maintain the Licensed Patents using counsel of its choice that is reasonably acceptable to Licensee in the United States and in the foreign

countries identified by Licensee under Section 7.3. UFRF shall provide Licensee with copies of all patent applications, amendments, and other filings with the United States Patent and Trademark Office and foreign patent offices. UFRF will also provide Licensee with copies of office actions and other communications received by UFRF from the United States Patent and Trademark Office and foreign patent offices relating to Licensed Patents. Licensee agrees to keep such information confidential, provided that Licensee may disclose such information to third parties under customary obligations of confidentiality and non-use. UFRF shall give due consideration to Licensee's comments, remarks or advice related to the prosecution and maintenance of the Licensed Patents. Licensee may, from time to time, inform UFRF in writing of any foreign countries, if any, in which Licensee desires patent protection.

- 7.2 Licensee shall pay to UFRF all sums to reimburse any and all expenses associated with preparation, filing, prosecution, issuance, maintenance, defense, and reporting of the Licensed Patents incurred prior to the Effective Date. Note: UFRF will update this amount based on past expenses accrued just before execution of the License Agreement.
- 7.3 Licensee shall be responsible for and pay all costs and expenses incurred by UFRF for the preparation, filing, prosecution, issuance, maintenance, defense and reporting of the Licensed Patents subsequent to and separate of those expenses cited in Section 7.2 within thirty (30) days of receipt of an invoice from UFRF. It shall be the responsibility of Licensee to keep UFRF fully apprised of the "small entity" status of Licensee and all Sublicensees with respect to the U.S. patent laws and with respect to the patent laws of any other countries, if applicable, and to inform UFRF of any changes in writing of such status, within thirty (30) days of any such change. In the event that additional licenses are granted to licensees for alternate fields-of-use, patent expenses associated with Licensed Patents will be divided proportionally between the number of existing licensees. In the case of foreign patent protection, if a licensee declines to reimburse UFRF for its proportional share of patent expenses in any particular country, then said licensee relinquishes the right to commercialize Licensed Products in the specified country.

Section 8 Infringement and Invalidity

- 8.1 Each party shall inform the other promptly in writing of any alleged infringement of the Licensed Patents by a third party and of any available evidence thereof.
- 8.2 During the term of this Agreement, UFRF shall have the right, but shall not be obligated, to prosecute at its own expense any such infringements of the Licensed Patents. If UFRF prosecutes any such infringement, Licensee agrees that UFRF may include Licensee as a co-plaintiff in any such suit, without expense to Licensee. Prior to commencing any such infringement, UFRF shall consult with Licensee regarding the risks and merits of pursuing any infringement claim. UFRF shall give due consideration to Licensee's legitimate business interests and those of any Sublicensee and shall consider in good faith any proposal by Licensee that Licensee and/or a Sublicensee to take primary responsibility for prosecuting infringement. UFRF's pursuit of an infringement action shall not restrict Licensee's right to grant a Sublicense to any Third Party, including an alleged infringer. In the event that UFRF shall undertake the enforcement by litigation and/or defense of the Licensed Patents by litigation, any recovery of damages by UFRF for any such suit shall be

applied first in satisfaction of any unreimbursed expenses and legal fees of UFRF relating to the suit, and next toward reimbursement of Licensee (or any Sublicensee) for any legal fees, and unreimbursed expenses. The balance remaining from any such recovery shall be divided, with UFRF retaining 80% and Licensee receiving 20%.

- 8.3 If within six (6) months after having been notified of any alleged infringement, UFRF shall have been unsuccessful in persuading the alleged infringer to desist and shall not have brought and shall not be diligently prosecuting an infringement action, or if UFRF shall notify Licensee at any time prior thereto of its intention not to bring suit against any alleged infringer, then, and in those events only, Licensee shall have the right, but shall not be obligated, to prosecute at its own expense any infringement of the Licensed Patents, and Licensee may, for such purposes, use the name of UFRF as party plaintiff. No settlement, consent judgment or other voluntary final disposition of the suit may be entered into without the consent of UFRF, which consent shall not be unreasonably withheld. Licensee shall indemnify UFRF against any order for costs that may be made against UFRF in such proceedings.
- 8.4 In the event that Licensee shall undertake the enforcement by litigation and/or defense of the Licensed Patents by litigation, any recovery of damages by Licensee for any such suit shall be applied first in satisfaction of any unreimbursed expenses and legal fees of Licensee and any Sublicensee involved in the litigation relating to the suit, and next toward reimbursement of UFRF for any legal fees, and unreimbursed expenses. The balance remaining from any such recovery shall be divided, with Licensee retaining 80% and UFRF receiving 20%.
- 8.5 In any infringement suit that either party may institute to enforce the Licensed Patents pursuant to this Agreement, the other party hereto shall, at the request and expense of the party initiating such suit, cooperate in all respects and, to the extent possible, have its employees testify when requested and make available relevant records, papers, information, samples, specimens, and the like.
- 8.6 In the event a declaratory judgment action alleging invalidity or noninfringement of any of the Licensed Patents shall be brought against Licensee, UFRF, at its option, shall have the right, within thirty (30) days after commencement of such action, to intervene and take over the sole defense of the action at its own expense.
- 8.7 In the event Licensee contests the validity of any Licensed Patents, Licensee shall continue to pay royalties and make other payments pursuant to this Agreement with respect to that patent as if such contest were not underway until the patent is adjudicated invalid or unenforceable by a court of last resort.
- 8.8 Each party has the sole discretion whether to pursue or enforce any patents not licensed pursuant to this Agreement and to retain 100% of any amounts paid in respect of the infringement of such other patent rights.

Section 9 Term and Termination

- 9.1 The term of this license shall begin on the Effective Date of this Agreement and continue until the date that no Licensed Patent remains an enforceable patent.

- 9.2 Licensee may terminate this Agreement at any time by giving at least sixty (60) days written notice of such termination to UFRF. Such a notice shall be accompanied by a statement of the reasons for termination.
- 9.3 UFRF may terminate this Agreement by giving Licensee at least thirty (30) days written notice if Licensee:
 - 9.3.1 is delinquent on any report or payment;
 - 9.3.2 is not diligently developing and commercializing Licensed Product and/or Licensed Process;
 - 9.3.3 misses a milestone described in Appendix D;
 - 9.3.4 is in material breach of this Agreement;
 - 9.3.5 knowingly provides any false report;
 - 9.3.6 goes into bankruptcy, liquidation or proposes having a receiver control any assets;
 - 9.3.7 develops or commercializes Licensed Product in a manner than constitutes a material violation of applicable laws or regulations;
 - 9.3.8 ceases to carry on its business pertaining to Licensed Patents; or
 - 9.3.9 has not received, in the aggregate, at least three hundred thousand dollars (\$300,000) of investment within 12 months of the Effective Date (including, but not limited to, any investment occurring during the 90 day period preceding the Effective Date).

Termination under this Section 9.3 will take effect 30 days after written notice by UFRF unless Licensee remedies the problem in that 30-day period, provided that with regard to any breach that, by its nature, cannot reasonably be cured within 30 days, then LICENSEE may be granted by UFRF such longer period of time as mutually agreed upon in writing by the parties acting in good faith to cure such breach.

- 9.4 UFRF may immediately terminate this Agreement upon the occurrence of the second separate default by Licensee within any consecutive three-year period for failure to pay royalties, patent or any other expenses when due.
- 9.5 Upon the termination of this Agreement for any reason, nothing herein shall be construed to release either party from any obligation that matured prior to the effective date of such termination. Licensee shall remain obligated to provide an accounting for and to pay royalties earned to the date of termination, and any minimum royalties shall be prorated as of the date of termination by the number of days elapsed in the applicable calendar year. Licensee may, however, after the effective date of such termination, sell all Licensed

Products, and complete Licensed Products in the process of manufacture at the time of such termination and sell the same, provided that Licensee shall remain obligated to provide an accounting for and to pay running royalties thereon.

- 9.6 Licensee shall be obligated to deliver to UFRF, within ninety days of the date of termination of this agreement, complete and unredacted copies of all documentation prepared for or submitted for all regulatory approvals of Licensed Products or Licensed Processes.

Section 10 Assignability

This Agreement may not be transferred or assigned by Licensee without the prior written consent of UFRF, which consent shall not be unreasonably withheld, provided that Licensee may assign this Agreement in connection with a merger or the sale or other transfer of Licensee's entire business or that part of Licensee's business to which this Agreement relates. Licensee shall promptly notify of any such assignment or transfer. In any assignment, assignee shall assume all of Licensee's responsibilities under this Agreement (excluding any obligations with respect to the Equity Agreement).

Section 11 Dispute Resolution Procedures

- 11.1 Mandatory Procedures.

In the event either party intends to file a lawsuit against the other with respect to any matter in connection with this Agreement, compliance with the procedures set forth in this Section shall be a condition precedent to the filing of such lawsuit, other than for injunctive relief. Either party may terminate this Agreement as provided in this Agreement without following the procedures set forth in this section.

11.1.1 When a party intends to invoke the procedures set forth in this section, written notice shall be provided to the other party. Within thirty (30) days of the date of such notice, the parties agree that representatives designated by the parties shall meet at mutually agreeable times and engage in good faith negotiations at a mutually convenient location to resolve such dispute.

11.1.2 If the parties fail to meet within the time period set forth in section 11.1.1 above or if either party subsequently determines that negotiations between the representatives of the parties are at an impasse, the party declaring that the negotiations are at an impasse shall give notice to the other party stating with particularity the issues that remain in dispute.

11.1.3 Not more than 15 days after the giving of such notice of issues, each party shall deliver to the other party a list of the names and addresses of at least three individuals, any one of whom would be acceptable as a neutral advisor in the dispute (the "Neutral Advisor") to the party delivering the list. Any individual proposed as a Neutral Advisor shall have experience in determining, mediating, evaluating, or trying intellectual property litigation and shall not be affiliated with the party that is proposing such individual.

11.1.4 Within 10 days after delivery of such lists, the parties shall agree on a Neutral Advisor. If they are unable to so agree within that time, within 5 days, they shall each select one individual from the lists. Within 5 days, the individuals so selected shall meet and appoint a third individual from the lists to serve as the Neutral Advisor. Within 30 days after the selection of a Neutral Advisor:

- (a) The parties shall each provide a written statement of the issues in dispute to the Neutral Advisor.
- (b) The parties shall meet with the Neutral Advisor in Gainesville, Florida on a date and time established by the Neutral Advisor. The meeting must be attended by persons authorized to make final decisions on behalf of each party with respect to the dispute. At the meeting, each party shall make a presentation with respect to its position concerning the dispute. The Neutral Advisor will then discuss the issues separately with each party and attempt to resolve all issues in the dispute. At the meeting, the parties will enter into a written settlement agreement with respect to all issues that are resolved. Such settlement agreement shall be final and binding with respect to such resolved issues and may not be the subject of any lawsuit between the parties, other than a suit for enforcement of the settlement agreement.

11.1.5 The expenses of the neutral advisor shall be shared by the parties equally. All other out-of-pocket costs and expenses for the alternative dispute resolution procedure required under this Section shall be paid by the party incurring the same.

11.1.6 Positions taken and statements made during this alternative dispute resolution procedure shall be deemed settlement negotiations and shall not be admissible for any purpose in any subsequent proceeding.

11.2 Failure to Resolve Dispute.

If any issue is not resolved at the meeting with the Neutral Advisor, either party may file appropriate administrative or judicial proceedings with respect to the issue that remains in dispute. No new issues may be included in the lawsuit without the mandatory procedures set forth in this section having first been followed.

Section 12 Product Liability; Conduct of Business

12.1 Licensee and its Sublicensee(s) shall, at all times during the term of this Agreement and thereafter, indemnify, defend and hold UFRF, the Florida Board of Governors, the University of Florida Board of Trustees, the University of Florida, and each of their directors, officers, employees, and agents, and the inventors of the Licensed Patents, regardless of whether such inventors are employed by the University of Florida at the time of the claim, harmless against all claims and expenses, including legal expenses and reasonable attorneys fees, whether arising from a third party claim or resulting from UFRF's enforcing this indemnification clause against Licensee, arising out of the death of or injury to any person or persons or out of any damage to property and against any other claim, proceeding, demand, expense and liability of any kind whatsoever (other than patent

infringement claims) resulting from the production, manufacture, sale, use, lease, consumption, marketing, or advertisement of Licensed Products or Licensed Process(es) or arising from any right or obligation of Licensee hereunder. Notwithstanding the above, UFRF at all times reserves the right to retain counsel of its own to defend UFRF's, the Florida Board of Governors', the University of Florida Board of Trustees', the University of Florida's, and the inventor's interests.

- 12.2 Licensee warrants that it now maintains and will continue to maintain liability insurance coverage appropriate to the risk involved in producing, manufacturing, selling, marketing, using, leasing, consuming, or advertising the products subject to this Agreement and that, no later than the first commercial sale of a Licensed Product, such insurance coverage shall list UFRF, the Florida Board of Governors, the University of Florida Board of Trustees and the University of Florida as additional insureds. Within ninety (90) days after the execution of this Agreement and thereafter annually between January 1 and January 31 of each year, Licensee will present evidence to UFRF that the coverage is being maintained as described above. In addition, Licensee shall provide UFRF with at least thirty (30) days prior written notice of any change in or cancellation of the insurance coverage.

Section 13 Use of Names

Licensee and its Sublicensee(s) shall not use the names of UFRF, or of the University of Florida, nor of any of either institution's employees, agents, or affiliates, nor the name of any inventor of Licensed Patents, nor any adaptation of such names, in any promotional, advertising or marketing materials or any other similar form of publicity, or to suggest any endorsement by the such entities or individuals, without the prior written approval of UFRF in each case.

Section 14 Miscellaneous

- 14.1 This Agreement shall be construed in accordance with the internal laws of the State of Florida
- 14.2 The parties hereto are independent contractors and not joint venturers or partners.
- 14.3 Licensee shall ensure that it applies patent markings that meet all requirements of U.S. law, 35 U.S.C. §287, with respect to all Licensed Products subject to this Agreement.
- 14.4 This Agreement and the Exhibits hereto constitutes the full understanding between the parties with reference to the subject matter hereof, and no statements or agreements by or between the parties, whether orally or in writing, shall vary or modify the written terms of this Agreement. Neither party shall claim any amendment, modification, or release from any provisions of this Agreement by mutual agreement, acknowledgment, or otherwise, unless such mutual agreement is in writing, signed by the other party, and specifically states that it is an amendment to this Agreement.
- 14.5 Licensee shall not grant a security interest in any of the rights granted hereunder to any third party.
- 14.6 Licensee acknowledges that it is subject to and agrees to abide by the United States laws and regulations (including the Export Administration Act of 1979 and Arms Export

Contract Act) controlling the export of technical data, computer software, laboratory prototypes, biological material, and other commodities. The transfer of such items may require a license from the cognizant agency of the U.S. Government or written assurances by Licensee that it shall not export such items to certain foreign countries without prior approval of such agency. UFRF neither represents that a license is or is not required or that, if required, it shall be issued.

14.7 Licensee is responsible for any and all wire/bank fees associated with all payments due to UFRF pursuant to this agreement.

14.8 Survival.

The provisions of this Section shall survive termination of this Agreement. Upon termination of the Agreement for any reason, the following sections of the License Agreement will remain in force as non-cancelable obligations:

- Section 6 Record Keeping
- Section 9 Requirement to pay royalties on sale of Licensed Products made, and in process, at time of License Agreement termination
- Section 12 Product Liability; Conduct of Business
- Section 13 Use of Names
- Section 18 Confidentiality

Section 15 Notices

Any notice required to be given pursuant to the provisions of this Agreement shall be in writing and shall be deemed to have been given

- when delivered personally, **or**
- if sent by facsimile transmission, when receipt thereof is acknowledged at the facsimile number of the recipient as set forth below, **or**
- the second day following the day on which the notice has been delivered prepaid to a national air courier service, **or**
- five (5) business days following deposit in the U.S. mail if sent certified mail, (**return receipt acknowledgement is not required to certify delivery**).

15.1 If to the University of Florida Research Foundation, Inc.:

President
University of Florida Research Foundation, Inc.
223 Grinter Hall
University of Florida
Post Office Box 115500
Gainesville, FL 32611-5500
Facsimile Number: 352-846-0491

with a copy to:
Office of Technology Licensing
Attn: Director
308 Walker Hall
University of Florida

Post Office Box 115500
Gainesville, Florida 32611-5500
Facsimile Number: 352-392-6600

15.2 If to Licensee:

Sestar, LLC
Attn: President
17 NW 17th Street
Suite B201
Gainesville, FL 32603

with a copy to:
Hutchison Law Group PLLC
5410 Trinity Road, Suite 400
Raleigh, NC 27607
Attn: William Wofford
Facsimile Number: 919-829-9696

Section 16 Contract Formation and Authority

The submission of this Agreement does not constitute an offer, and this document shall become effective and binding only upon the execution by duly authorized representatives of both Licensee and UFRF. Copies of this Agreement that have not been executed and delivered by both UFRF and Licensee shall not serve as a memorandum or other writing evidencing an agreement between the parties. This Agreement shall automatically terminate and be of no further force and effect, without the requirement of any notice from UFRF to Licensee, if UFRF does not receive the License Issue Fee provided for under Section 4.1 within thirty (30) days of the Effective Date.

16.1 UFRF and Licensee hereby warrant and represent that the persons signing this Agreement have authority to execute this Agreement on behalf of the party for whom they have signed.

16.2 Force Majeure.

No default, delay, or failure to perform on the part of Licensee or UFRF shall be considered a default, delay or failure to perform otherwise chargeable hereunder, if such default, delay or failure to perform is due to causes beyond either party's reasonable control including, but not limited to: strikes, lockouts, or inactions of governmental authorities, epidemics, war, embargoes, fire, earthquake, hurricane, flood, acts of God, or default of common carrier. In the event of such default, delay or failure to perform, any date or times by which either party is otherwise scheduled to perform shall be extended automatically for a period of time equal in duration to the time lost by reason of the excused default, delay or failure to perform.

Section 17 United States Government Interests

- 17.1 It is understood that the United States Government (through any of its agencies or otherwise) has funded research, AFOSR Grant No. FA9550-06-1-0192, during the course of or under which any of the inventions of the Licensed Patents were conceived or made. The United States Government is entitled, as a right, under the provisions of 35 U.S.C. §202-212 and applicable regulations of Title 37 of the Code of Federal Regulations, to a non-exclusive, nontransferable, irrevocable, paid-up license to practice or have practiced the inventions of such Licensed Patents for governmental purposes. Any license granted to Licensee in this Agreement shall be subject to such right.
- 17.2 Licensee agrees that for Licensed Products covered by the Licensed Patents that are subject to the non-exclusive royalty-free license to the United States Government, said Licensed Products will be manufactured substantially in the United States. Licensee further agrees that it shall abide by all the requirements and limitations of U.S. Code, Title 35, Chapter 18, and implementing regulations thereof, for all patent applications and patents invented in whole or in part with federal money.

Section 18 Confidentiality

- 18.1 Each Party shall maintain all information of the other Party which is treated by such other Party as proprietary or confidential (referred to herein as "Confidential Information") in confidence, and shall not disclose, divulge or otherwise communicate such confidential information to others, or use it for any purpose, except pursuant to, and in order to carry out, the terms and objectives of this Agreement, and each party hereby agrees to exercise every reasonable precaution to prevent and restrain the unauthorized disclosure of such confidential information by any of its Affiliates, directors, officers, employees, consultants, subcontractors, Sublicensees or agents. The parties agree to keep the terms of this Agreement confidential, provided that each party may disclose this Agreement to their authorized agents and investors who are bound by similar confidentiality provisions. Notwithstanding the foregoing, Confidential Information of a party shall not include information which: (a) was lawfully known by the receiving party prior to disclosure of such information by the disclosing party to the receiving party; (b) was or becomes generally available in the public domain, without the fault of the receiving party; (c) is subsequently disclosed to the receiving party by a third party having a lawful right to make such disclosure; (d) is required by law, rule, regulation or legal process to be disclosed, provided that the receiving party making such disclosure shall take all reasonable steps to restrict and maintain to the extent possible confidentiality of such disclosure and shall provide reasonable notice to the other party to allow such party the opportunity to oppose the required disclosure; or (e) has been independently developed by employees or others on behalf of the receiving party without access to or use of disclosing party's information as demonstrated by written record. Each party's obligations under this Section 18 shall extend for a period of five (5) years from termination or expiration of this Agreement. Notwithstanding the foregoing, Licensee acknowledges that the University of Florida Intellectual Property Policy (the "Policy") a copy of which as in effect on the Effective Date is available at <http://www.rgp.ufl.edu/otl/pdf/ipp.pdf>, as it may be amended from time to time, may apply to any works or inventions made by "University personnel" (as that term is defined in the policy), and in the event of any conflict between this section and the Policy, the Policy shall prevail.

Section 19 University Rules and Regulations

- 19.1 Licensee understands and agrees that University of Florida personnel who are engaged by Licensee, whether as consultants, employees or otherwise, or who possess a material financial interest in Licensee, are subject to the University of Florida's rule regarding outside activities and financial interests set forth in Florida Administrative Code Rule 6C1-1.011, the University of Florida's Intellectual Property Policy, and a monitoring plan which addresses conflicts of interests associated therewith. Any term or condition of an agreement between Licensee and such University of Florida personnel which seeks to vary or override such personnel's obligations to the University of Florida may not be enforced against such personnel, the University of Florida or UFRF, without the express written consent of an individual authorized to vary or waive such obligations on behalf of the University of Florida and UFRF. Furthermore, should an interest of Licensee conflict with the interest of the University of Florida, University of Florida personnel are obligated to resolve such conflicts according to the guidelines and policies set forth by the University of Florida.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the dates indicated below.

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.

By: David L. Day Date: 5/23, 2012
David L. Day
Director, Office of Technology Licensing

SESTAR, LLC.

By: Mike Starks Date: May 22, 2012
Name and Office: Mike Starks, Managing Partner

Appendix A - Development Plan

2012 Plan

- ❖ Form strategic partnerships for commercialization of SPG technology by June 30, 2012
- ❖ Identify specific products to be commercialized and develop marketing plans by December 31, 2012

2013 Plan

- ❖ Implement product manufacturing, distribution and marketing plan by June 30, 2013

2014 Plan

- ❖ Begin manufacturing and sales of solar systems by June 30, 2014
- ❖ Achieve first sale of an SPG solar system by December 31, 2014

Appendix B - Development Report

When appropriate, indicate estimated start date and finish date for activities.

- I. Date Development Plan Initiated and Time Period Covered by this Report.
- II. Development Report (4-8 paragraphs).
 - A. Activities completed since last report including the object and parameters of the development, when initiated, when completed and the results.
 - B. Activities currently under investigation, i.e., ongoing activities including object and parameters of such activities, when initiated, and projected date of completion.
- III. Future Development Activities (4-8 paragraphs).
 - A. Activities to be undertaken before next report including, but not limited to, the type and object of any studies conducted and their projected starting and completion dates.
 - B. Estimated total development time remaining before a product will be commercialized.
- IV. Changes to Initial Development Plan (2-4 paragraphs).
 - A. Reasons for change.
 - B. Variables that may cause additional changes.
- V. Items to be Provided if Applicable:
 - A. Information relating to Licensed Products or Licensed Processes that has become publicly available, e.g., published articles, competing products, patents, etc.
 - B. Development work being performed by third parties, other than Licensee, to include name of third party, reasons for use of third party, planned future uses of third parties including reasons why and type of work.
 - C. Update of competitive information trends in industry, government compliance (if applicable) and market plan.
 - D. Information and copies of relevant materials evidencing the status of any patent applications or other protection relating to Licensed Products, or Licensed Processes or the Licensed Patents.

PLEASE SEND DEVELOPMENT REPORTS TO:

University of Florida Research Foundation, Inc.
Attn: Director
308 Walker Hall
P.O. Box 115500
Gainesville, FL 32611-5500
Facsimile: 352-392-6600

Appendix C - UFRF Royalty Report

Licensee: SPG, LLC Agreement No.: _____

Inventor: _____ P#: P _____

Period Covered: From: / /2 Through: / /2

Prepared By _____ Date: _____

Approved By _____ Date: _____

If license covers several major product lines, please prepare a separate report
for each line. Then combine all product lines into a summary report.

Report Type: Single Product Line Report: _____

Multiproduct Summary Report. Page 1 of _____ Pages

Product Line Detail. Line: _____ Tradename: _____ Page: _____

Report Currency: U. S. Dollars Other _____

	Unit	Gross	* Less:	Net	Royalty	Period Royalty Amount
Country	Sales	\$\$ Sales	Allowances	\$\$ Sales	Rate	This Year

U.S.A.

Canada

Europe:

Japan

Other: _____

TOTAL:

Total Royalty: _____ Conversion Rate: _____ Royalty in U.S. Dollars: \$

The following royalty forecast is non-binding and for UFRF's internal planning purposes only:

Royalty Forecast Under This Agreement: Next Quarter: _____ Q2: _____ Q3: _____ Q4: _____

* On a separate page, please indicate the reasons for returns or other adjustments if significant.

Also note any unusual occurrences that affected royalty amounts during this period.

To assist UFRF's forecasting, please comment on any significant expected trends in sales volume.

Appendix D - Milestones

Milestones are subject to review on an annual basis and amendment upon mutual consent of the parties.

1	Enter into a Strategic Alliance with an Outside Company	2012	Enter into strategic alliance (sublicensing agreement) with an outside company to manufacture and/or sell product by the end of the second quarter
2	Product manufacturing, distribution and marketing plan	2013	Adopt and commence implementation of detailed product manufacturing, distribution and marketing plan by the end of the 2 nd quarter
3	First Commercial Sale	2014	Sale of a complete or partial system that collects sunlight and powers or charges an electronic device by the end of 4 th quarter

**STANDARD EXCLUSIVE LICENSE AGREEMENT
WITH SUBLICENSING TERMS**

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This Agreement is made effective the 22nd day of May, 2012, (the "Effective Date") by and between the University of Florida Research Foundation, Inc. (hereinafter called "UFRF"), a nonstock, nonprofit Florida corporation, and SPG, LLC (hereinafter called "Licensee"), a limited liability company organized and existing under the laws of Florida;

WHEREAS, UFRF owns certain inventions that are described in the "Licensed Patents" defined below, and UFRF is willing to grant a license to Licensee under any one or all of the Licensed Patents and Licensee desires a license under all of them;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, the parties covenant and agree as follows:

Section 1 Definitions

- 1.1 “Commercial Year” shall mean the twelve month period commencing with the calendar month of the first commercial sale of a Licensed Product by the Company or by a sublicensee (excluding any sublicensee under Section 8).
- 1.2 “Licensed Patents” shall refer to and mean all of the following UFRF intellectual property:
 - 1.2.1 the United States patent(s)/patent application(s) entitled “Earth-toned Photovoltaic Devices” filed in the United States Patent Office on November 22, 2011, and assigned Registration Number/Serial Number 13/321,875, and all United States patents and foreign patents and patent applications based on this U.S. application;
 - 1.2.2 United States and foreign patents issued from the application listed in 1.2.1 above and from divisionals and continuations of these applications, to the extent the claims are directed to subject matter specifically described in the applications listed in 1.2.1 above and are dominated by the claims of those patent applications and patents issuing thereon or reissues thereof, and any and all foreign patents and patent applications corresponding thereto, all to the extent owned or controlled by the University of Florida or UFRF.
- 1.3 “Licensed Product” and “Licensed Process” shall mean:
 - 1.3.1 In the case of a Licensed Product, any product or part thereof developed in whole or in part by or on behalf of Licensee that:
 - (a) is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Licensed Patents, in any country in which any product is made, used or sold; or
 - (b) is manufactured by using a process which is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Licensed Patents, in any country in which any such process is used or in which any such product is used or sold
 - 1.3.2 In the case of a Licensed Process:
 - (a) any process which is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Licensed Patents in any country in which such process is practiced
- 1.4 “Net Sales” shall mean the total dollar amount invoiced on sales of Licensed Product and/or Licensed Processes by licensee, sublicensee or affiliates, less any charges for (a) promotional discounts allowed in amounts customary in the trade, (b) sales taxes or other taxes separately stated on the invoice, (c) shipping and insurance charges, and (d) returns, rebates and chargebacks.
- 1.5 “Affiliate” shall mean: (a) any person or entity which controls at least fifty percent (50%) of the equity or voting stock of the Licensee or (b) any person or entity fifty percent (50%) of whose equity or voting stock is owned or controlled by the Licensee or (c) any person or entity of which at least fifty percent (50%) of the equity or voting stock is owned or

controlled by the same person or entity owning or controlling at least fifty percent (50%) of Licensee or (d) any entity in which any officer or employee is also an officer or employee of Licensee or any person who is an officer or employee of Licensee.

- 1.6 The term "Sublicensee" shall mean any third party to whom Licensee confers the right to make, use or sell Licensed Product and/or Licensed Processes and/or any of the intellectual property rights embodied in Licensed Patents. The term "Sublicense" shall mean the grant of such rights.
- 1.7 "Development Plan" shall mean a written report summarizing the development activities that are to be undertaken by the Licensee to bring Licensed Products and/or Licensed Processes to the market. The Development Plan is attached as Appendix A.
- 1.8 "Development Report" shall mean a written account of Licensee's progress under the Development Plan having at least the information specified on Appendix B to this Agreement, and shall be sent to the address specified on Appendix B .
- 1.9 "Licensed Field" shall mean all uses.
- 1.10 "Licensed Territory" shall be the United States and any country in which Licensee elects to pursue prosecution under Section 7.

Section 2 Grant

2.1 License.

2.1.1 License Under Licensed Patents

UFRF hereby grants to Licensee an exclusive license, limited to the Licensed Field and the Licensed Territory, under the Licensed Patents to make, use and sell Licensed Products and/or Licensed Processes. UFRF reserves to itself and the University of Florida the right to make and use Licensed Products and/or Licensed Processes solely for their internal research and educational purposes. In addition, UFRF reserves to itself, as well as to the University of Florida and to all non-profit research institutions, the right to use materials that might be covered under Licensed Patents solely for their internal research and educational purposes and to meet all applicable governmental requirements governing the ability to transfer materials.

2.2 Sublicense.

2.2.1 Licensee may grant written Sublicenses to third parties. Any agreement granting a Sublicense shall state either that the Sublicense is subject to the termination of this Agreement or that Licensee's rights under the Sublicense, to the extent related to the Patent Rights, shall be assigned to UFRF upon termination of this agreement, provided that UFRF shall assume no additional obligations beyond those provided for in this Agreement. Licensee shall use diligent efforts to cause any Sublicensee that violates the terms of a Sublicense to cure any such violation.

- 2.2.2 In respect to Sublicenses granted by Licensee under 2.2.1 above, Licensee shall pay to UFRF an amount equal to what Licensee would have been required to pay to UFRF had Licensee sold the amount of Licensed Products or Licensed Processes sold by such Sublicensee. In addition, if Licensee receives any fees, minimum royalties, or other payments in consideration for any rights granted under a Sublicense, and such payments are not based directly upon the amount or value of Licensed Products or Licensed Processes sold by the Sublicensee, then Licensee shall pay to UFRF a portion of such payments as specified in Section 4.4. Licensee shall not receive from Sublicensees anything of value in lieu of cash payments in consideration for any Sublicense under this Agreement without the express prior written permission of UFRF.
- 2.2.3 Licensee shall provide UFRF with an unredacted copy of each sublicense agreement and any agreement which transfers intellectual property rights granted hereunder, within thirty (30) days after execution of the sublicense agreement.
- 2.2.4 If UFRF identifies a potential Licensed Product that (i) Licensee (together with its affiliates and sublicensees) is not actively researching, developing or commercializing; (ii) is in a major commercial territory (i.e., the U.S., the E.U., and Japan); (iii) an identified third party desires to develop and commercialize; and (iv) does not compete with any product which is then part of an active research, development or commercialization program of Licensee or its affiliates or collaborators, then UFRF shall provide written notice of such potential product (an “Undeveloped Product”) to Licensee. Within sixty (60) days of receipt of such notice from UFRF, Licensee shall provide written notice to UFRF that it elects to: (a) develop and commercialize such Undeveloped Product itself; (b) develop and commercialize such Undeveloped Product through an appropriate Sublicense; or (c) terminate Licensee’s rights under this Agreement solely for such Undeveloped Product. Should Licensee elect to effect development and commercialization of such Undeveloped Product itself or in collaboration with one or more other parties, Licensee and UFRF shall negotiate reasonable diligence goals, which shall be added to Appendix D within ninety (90) days of Licensee’s election. Should Licensee elect to Sublicense its rights to the Undeveloped Product to a sublicensee identified either by itself or by UFRF, Licensee shall negotiate in good faith and shall use commercially reasonable efforts to execute a commercially reasonable Sublicense. If no such Sublicense is executed within six (6) months of Licensee’s election, Licensee shall either (i) provide a written report to UFRF detailing its efforts, and continue diligent efforts to complete a Sublicense, or (ii) relinquish rights to UFRF for such Undeveloped Product. If Licensee ceases to engage in active negotiations to sublicense rights to the Undeveloped Product or fails to execute such Sublicense within an additional nine (9) months, then UFRF may terminate Licensee’s rights under this Agreement only with respect to such Undeveloped Product by providing written notice of such termination to Licensee.

Section 3 Due Diligence

3.1 Development.

- 3.1.1 Licensee agrees to and warrants that:
- (a) it has, or will obtain, the expertise necessary to independently evaluate the inventions of the Licensed Patents;
 - (b) it will establish and actively and diligently pursue the Development Plan (see Appendix A) to the end that the inventions of the Licensed Patents will be utilized to provide Licensed Products and/or Licensed Processes for sale within the Licensed Field;
 - (c) it will diligently seek to complete the milestones set forth on Appendix D and to develop markets for Licensed Products;
 - (d) and, until the date of first commercial sale of Licensed Products or Licensed Processes, it will supply UFRF with a written Development Report annually within sixty (60) days after the end of each calendar year (see Appendix B).
- 3.1.2 Licensee agrees that the first commercial sale of products to the retail customer shall occur on or before December 31, 2014 or UFRF shall have the right to terminate the Agreement pursuant to Section 9.3 hereto. In addition, Licensee will meet the milestones shown in Appendix D or UFRF shall have the right to terminate the Agreement pursuant to Section 9.3. Licensee will notify UFRF in writing as each milestone is met.
- 3.1.3 Upon written request by Licensee to negotiate extensions of any milestones or due dates set forth in Appendix D, such request to be received by UFRF no less than ninety (90) days prior to any of the due dates subject of such request, set forth in this Section 3.1.3, such request fully describing Licensee's diligent efforts to achieve the milestone required to be met by such due date, UFRF shall consider in good faith such requests. Upon granting such request, UFRF and Licensee shall negotiate such extensions in good faith.

Section 4 Payments

4.1 License Issue Fee.

Licensee agrees to pay to UFRF a license issue fee of N/A.

4.2 Royalty.

- 4.2.1 Royalty on Licensed Patents. Running Royalty is payable if Licensed Product is sold under the following Agreements: No. A6907, A11565, A11567, A11568 or A11633 with the proviso that only one royalty payment under one of the license agreements is due for sale of Licensed Product irrespective of whether such Licensed Product falls within the scope of the patents licensed under more than one of the Agreements, No. A6907, A11565, A11567, A11568, or A11633.

Licensee agrees to pay to UFRF as earned royalties a royalty calculated as a percentage of Net Sales. The royalty is deemed earned as of the earlier of the date the Licensed Product and/or Licensed Process is actually sold and paid for, the date an invoice is sent by Licensee or its Sublicensee(s), or the date a Licensed Product and/or Licensed Process is transferred to a third party for any promotional reasons. The royalty shall remain fixed while this Agreement is in effect at a rate of two percent (2%) of Net Sales, subject to adjustment under Section 4.2.2. For clarification, Net Sales shall be calculated based on the first sale of a Licensed Product by Licensee, a Sublicensee or their respective Affiliate to a third party and in no event shall a royalty be calculated more than one time with respect to any unit of Licensed Product.

4.2.2 Reduction of Royalty Rate. If the production and/or sale of a Licensed Product by Licensee, a Sublicensee or Affiliate requires the licensing of technology (the “Additional Technology”) covered by additional patents from a third party, the royalty rate provided for under Section 4.3.1 shall be reduced no more than one percent (1%) of Net Sales, under the following conditions:

- (a) Licensee notifies UFRF in writing at least thirty (30) days in advance of any licensing agreement for such additional patents;
- (b) Any such reduction in royalty shall apply only to Licensed Products which (i) are actually sold by Licensee or its Affiliate or Sublicensee to an end customer and which (ii) actually include such Additional Technology; and

4.2.3 The royalty for the affected Licensed Product is reduced by no more than one half of one percent (0.5%) per additional license required. Notwithstanding Sections 4.2.1 and 4.2.2, Licensee agrees to pay the following minimum royalties to UFRF in the years so indicated:

The payments below shall be made under License Agreement No. A6907 as long as it is active. However, if License Agreement No. A6907 is terminated, the below payments shall be made under one of the other License Agreements, No. A11565, A11567, A11568, or A11633.

<u>Payment</u>	<u>Year</u>
\$ 10,000	First, second and third Commercial Year
\$ 25,000	Fourth and fifth Commercial Year
\$ 50,000	Each Commercial Year thereafter

If in any commercial year during the term of this LICENSE AGREEMENT the total amounts payable under Section 4.2.1, 4.2.2 and 4.3.2 hereof are less than the minimum amount indicated in the schedule above corresponding to such year, Licensee shall pay UFRF the difference between the amounts payable for such year and said minimum amount within thirty (30) days after the end of such year. Such minimum royalties will be applied to earned royalties on a calendar year basis, and sales of Licensed Products and/or Licensed Processes requiring

the payment of earned royalties made during a prior or subsequent calendar year shall have no effect on the annual minimum royalty due to UFRF for other than the same calendar year in which the royalties were earned.

For clarification, it is intended that the above minimum royalty payments are due under original License Agreement, No. A6907; however, the total royalties paid to UFRF under this Agreement can be added together with royalties paid under the other related Agreements No. A6907, A11565, A11567, and A11568 to add up to the minimum royalty payment. In other words, the one minimum royalty payment shall apply to all five related Agreements, A6907, A11565, A11567, A11568, and A11633. This amendment shall occur simultaneously with the execution of the new license agreements for each patent. This section shall remain as it is in the original License Agreement A6907 until such time as the execution of the new License Agreement(s) occurs.

4.3 Other Payments.

4.3.1 License Maintenance Fee. Licensee shall pay an annual license maintenance fee (the “License Maintenance Fee”) of One Thousand Dollars (\$1,000) to UFRF. The first License Maintenance Fee shall be due within 30 days of the one-year anniversary of the effective date and subsequent License Maintenance Fees shall be due annually thereafter until the first commercial sale by Licensee of a Licensed Product.

4.3.2 Sublicense Revenue. If Licensee receives any fees as consideration for granting a Sublicense (“Sublicense Fees”), and such fees are not based directly upon the amount or value of Licensed Products sold by the Sublicensee, then in lieu of royalty payments under Section 4.3, Licensee shall pay to UFRF (i) forty-five percent (45%) of such Sublicense Fees received for Sublicenses entered into within the first year after the Effective Date, (ii) thirty-five percent 35% of such Sublicense Fees received for Sublicenses entered into between the first anniversary of the Effective Date and the second anniversary of the Effective Date; and (iii) twenty percent (20%) of such Sublicense Fees received for Sublicenses entered into on or after the second anniversary of the Effective Date. Licensee shall pay amounts due under this section no later than sixty (60) days after the calendar year in which the Sublicense Fees are received. To the extent that Licensee uses any Sublicense Fees to fund product development or business operations, then Licensee shall only be obligated to pay UFRF fifteen percent (15%) of such amounts pursuant to this Section 4.4.2.

4.3.3 Company may not accept any consideration for a Sublicense other than cash without the express prior written permission of UFRF, which shall not be unreasonably withheld, provided that for purposes of this Section, any payment to Licensee or its Affiliates in the form of marketable securities or similar property with a readily ascertainable fair market value shall be deemed to be cash, it being understood that, unless otherwise agreed,

Licensee shall be obligated to pay UFRF its share in cash, not in the form of the securities or other property. Notwithstanding the foregoing, Licensee may accept a license (or sublicense) to third party intellectual property rights in full or partial consideration for the grant of a Sublicense if Licensee reasonably determines that such license or sublicense is necessary or helpful for the development or commercialization of Licensed Products. In such event, Licensee shall be required to pay to UFRF the percentages specified in Section 4.4.2 of the cash, if any, received by Licensee as partial consideration for the grant of the sublicensee, but shall not be required to make a payment to UFRF based on the value of the license or sublicense received.

4.4 Accounting for Payments.

- 4.4.1 Amounts owing to UFRF under Sections 4.3.1 shall be paid on a quarterly basis, with such amounts due and received by UFRF on or before the sixtieth day following the end of the calendar quarter ending on March 31, June 30, September 30 or December 31 in which such amounts were earned. Any amounts which remain unpaid after the date they are due to UFRF shall accrue interest from the due date at the rate of 1.5% per month. However, in no event shall this interest provision be construed as a grant of permission for any payment delays. Licensee shall also be responsible for repayment to UFRF of any attorney, collection agency, or other out-of-pocket UFRF expenses required to collect overdue payments due under this Agreement.
- 4.4.2 Except as otherwise directed, all amounts owing to UFRF under this Agreement shall be paid in U.S. dollars to UFRF at the following address:

University of Florida Research Foundation, Inc.
223 Grinter Hall
PO Box 115500
Gainesville, Florida 32611-5500
Attention: Business Manager

All royalties owing with respect to Net Sales stated in currencies other than U.S. dollars shall be converted at the rate shown in the Federal Reserve Noon Valuation - Value of Foreign Currencies on the day preceding the payment due date. In the event that, by reason of applicable law in any country, it becomes impossible or illegal for Licensee to transfer, or have transferred on its behalf, royalties or other payments owed hereunder to UFRF, such royalties or other payments shall be deposited in local currency in the relevant country in an account in the name and control of UFRF in a recognized banking institution designated by UFRF, or, if none is designated by UFRF within a period of thirty (30) days after Licensee's written request therefor, in a recognized banking institution selected by Licensee and identified in a written notice given to UFRF.

- 4.4.3 Licensee shall submit an accounting statement showing how any amounts payable to UFRF under Section 4.3 have been calculated to UFRF on the date of each such payment. Such accounting statements shall contain a

written representation signed by an executive officer of Licensee that states that the statements are true, accurate, and fairly represent all amounts payable to UFRF pursuant to this Agreement. Such accounting shall be on a per-country and product line, model or trade name basis and shall be summarized on the form shown in Appendix C - UFRF Royalty Report of this Agreement.

- 4.4.4 In the event no payment is owed to UFRF because the amount of minimum royalties paid has not been exceeded or otherwise, an accounting demonstrating that fact shall be supplied to UFRF.
- 4.4.5 All payments due hereunder shall be paid in full, without deduction of taxes or other fees which may be imposed by any government provided, however that if a law or regulation of any country of the Territory requires withholding of taxes of any type, levies or other charges with respect to the any amounts payable hereunder to UFRF, Licensee shall promptly pay such tax, levy or charge for and on behalf of UFRF to the proper governmental authority, and shall promptly furnish UFRF with receipt evidencing such payment. UFRF agrees to assist Licensee in claiming exemption from such deductions or withholdings under double taxation or similar agreement or treaty from time to time in force and shall use reasonable efforts to minimize the amount required to be so withheld or deducted.

Section 5 Certain Warranties and Disclaimers of UFRF

- 5.1 UFRF warrants that, except as otherwise provided under Section 17.1 of this Agreement with respect to U.S. Government interests, it is the owner of the Licensed Patents or otherwise has the right to grant the licenses granted to Licensee in this Agreement. However, nothing in this Agreement shall be construed as:
 - 5.1.1 a warranty or representation by UFRF as to the validity or scope of any right included in the Licensed Patents;
 - 5.1.2 a warranty or representation that anything made, used, sold or otherwise disposed of under the license granted in this Agreement will or will not infringe patents of third parties;
 - 5.1.3 an obligation to bring or prosecute actions or suits against third parties for infringement of Licensed Patents;
 - 5.1.4 an obligation to furnish any know-how not provided in Licensed Patents or any services other than those specified in this Agreement; or
 - 5.1.5 a warranty or representation by UFRF that it will not grant licenses to others to make, use or sell products not covered by the claims of the Licensed Patents which may be similar and/or compete with products made or sold by Licensee.

5.2 EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, UFRF MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND VALIDITY OF PATENT RIGHTS CLAIMS, ISSUED OR PENDING. UFRF ASSUMES NO RESPONSIBILITIES WHATSOEVER WITH RESPECT TO USE, SALE, OR OTHER DISPOSITION BY LICENSEE, ITS SUBLICENSEE(S), OR THEIR VENDEES OR OTHER TRANSFEREES OF PRODUCT INCORPORATING OR MADE BY USE OF INVENTIONS LICENSED UNDER THIS AGREEMENT.

Section 6 Record Keeping

- 6.1 Licensee and its Sublicensee(s) shall keep books and records sufficient to verify the accuracy and completeness of Licensee's and its Sublicensee(s)'s accounting referred to above, including without limitation, inventory, purchase and invoice records, manufacturing records, sales analysis, general ledgers, financial statements, and tax returns relating to the Licensed Products and/or Licensed Processes. Such books and records shall be preserved for a period not less than three years after they are created or as required by federal law, both during and after the term of this Agreement.
- 6.2 Licensee and its Sublicensee(s) shall take all steps necessary so that UFRF may, within thirty (30) days of its written request, audit and/or review all of the books and records at a single U.S. location to verify the accuracy of Licensee's and its Sublicensee(s)'s accounting. Such examination and verification shall not occur more than once each calendar year and the records for any calendar year shall not be subject to such review more than once. Such review may be performed by any authorized employees of UFRF as well as by any attorneys and/or accountants designated by UFRF, upon reasonable notice and during regular business hours. If a deficiency with regard to any payment hereunder is determined, Licensee and its Sublicensee(s) shall pay the deficiency within thirty (30) days of receiving notice thereof along with applicable interest as described in Section 4.5.1. If a royalty payment deficiency for a calendar year exceeds three percent (3%) of the royalties paid for that year, then Licensee and its Sublicensee(s) shall be responsible for paying UFRF's out-of-pocket expenses incurred with respect to such review.
- 6.3 At any time during the term of this agreement, UFRF may request in writing that Licensee verify the calculation of any past payments owed to UFRF through the means of a self-audit. Within ninety (90) days of the request, Licensee shall complete a self-audit of its books and records to verify the accuracy and completeness of the payments owed. Within thirty (30) days of the completion of the self-audit, Licensee shall submit to UFRF a report detailing the findings of the self-audit and the manner in which it was conducted in order to verify the accuracy and completeness of the payments owed. If Licensee has determined through its self-audit that there is any payment deficiency, Licensee shall pay UFRF the deficiency along with applicable interest under Section 4.5.1 with the submission of the self-audit report to UFRF. Such self-audit shall not occur more than once each calendar year and the records for any calendar year shall not be subject to a self-audit more than once.

Section 7 Patent Prosecution

- 7.1 UFRF shall diligently prosecute and maintain the Licensed Patents using counsel of its choice that is reasonably acceptable to Licensee in the United States and in the foreign countries identified by Licensee under Section 7.3. UFRF shall provide Licensee with copies of all patent applications, amendments, and other filings with the United States Patent and Trademark Office and foreign patent offices. UFRF will also provide Licensee with copies of office actions and other communications received by UFRF from the United States Patent and Trademark Office and foreign patent offices relating to Licensed Patents. Licensee agrees to keep such information confidential, provided that Licensee may disclose such information to third parties under customary obligations of confidentiality and non-use. UFRF shall give due consideration to Licensee's comments, remarks or advice related to the prosecution and maintenance of the Licensed Patents. Licensee may, from time to time, inform UFRF in writing of any foreign countries, if any, in which Licensee desires patent protection.
- 7.2 Licensee shall pay to UFRF all sums to reimburse any and all expenses associated with preparation, filing, prosecution, issuance, maintenance, defense, and reporting of the Licensed Patents incurred prior to the Effective Date. Note: UFRF will update this amount based on past expenses accrued just before execution of the License Agreement.
- 7.3 Licensee shall be responsible for and pay all costs and expenses incurred by UFRF for the preparation, filing, prosecution, issuance, maintenance, defense and reporting of the Licensed Patents subsequent to and separate of those expenses cited in Section 7.2 within thirty (30) days of receipt of an invoice from UFRF. It shall be the responsibility of Licensee to keep UFRF fully apprised of the "small entity" status of Licensee and all Sublicensees with respect to the U.S. patent laws and with respect to the patent laws of any other countries, if applicable, and to inform UFRF of any changes in writing of such status, within thirty (30) days of any such change. In the event that additional licenses are granted to licensees for alternate fields-of-use, patent expenses associated with Licensed Patents will be divided proportionally between the number of existing licensees. In the case of foreign patent protection, if a licensee declines to reimburse UFRF for its proportional share of patent expenses in any particular country, then said licensee relinquishes the right to commercialize Licensed Products in the specified country.

Section 8 Infringement and Invalidity

- 8.1 Each party shall inform the other promptly in writing of any alleged infringement of the Licensed Patents by a third party and of any available evidence thereof.
- 8.2 During the term of this Agreement, UFRF shall have the right, but shall not be obligated, to prosecute at its own expense any such infringements of the Licensed Patents. If UFRF prosecutes any such infringement, Licensee agrees that UFRF may include Licensee as a co-plaintiff in any such suit, without expense to Licensee. Prior to commencing any such infringement, UFRF shall consult with Licensee regarding the risks and merits of pursuing any infringement claim. UFRF shall give due consideration to Licensee's legitimate business interests and those of any Sublicensee and shall consider in good faith any

proposal by Licensee that Licensee and/or a Sublicensee to take primary responsibility for prosecuting infringement. UFRF's pursuit of an infringement action shall not restrict Licensee's right to grant a Sublicense to any Third Party, including an alleged infringer. In the event that UFRF shall undertake the enforcement by litigation and/or defense of the Licensed Patents by litigation, any recovery of damages by UFRF for any such suit shall be applied first in satisfaction of any unreimbursed expenses and legal fees of UFRF relating to the suit, and next toward reimbursement of Licensee (or any Sublicensee) for any legal fees, and unreimbursed expenses. The balance remaining from any such recovery shall be divided, with UFRF retaining 80% and Licensee receiving 20%.

- 8.3 If within six (6) months after having been notified of any alleged infringement, UFRF shall have been unsuccessful in persuading the alleged infringer to desist and shall not have brought and shall not be diligently prosecuting an infringement action, or if UFRF shall notify Licensee at any time prior thereto of its intention not to bring suit against any alleged infringer, then, and in those events only, Licensee shall have the right, but shall not be obligated, to prosecute at its own expense any infringement of the Licensed Patents, and Licensee may, for such purposes, use the name of UFRF as party plaintiff. No settlement, consent judgment or other voluntary final disposition of the suit may be entered into without the consent of UFRF, which consent shall not be unreasonably withheld. Licensee shall indemnify UFRF against any order for costs that may be made against UFRF in such proceedings.
- 8.4 In the event that Licensee shall undertake the enforcement by litigation and/or defense of the Licensed Patents by litigation, any recovery of damages by Licensee for any such suit shall be applied first in satisfaction of any unreimbursed expenses and legal fees of Licensee and any Sublicensee involved in the litigation relating to the suit, and next toward reimbursement of UFRF for any legal fees, and unreimbursed expenses. The balance remaining from any such recovery shall be divided, with Licensee retaining 80% and UFRF receiving 20%.
- 8.5 In any infringement suit that either party may institute to enforce the Licensed Patents pursuant to this Agreement, the other party hereto shall, at the request and expense of the party initiating such suit, cooperate in all respects and, to the extent possible, have its employees testify when requested and make available relevant records, papers, information, samples, specimens, and the like.
- 8.6 In the event a declaratory judgment action alleging invalidity or noninfringement of any of the Licensed Patents shall be brought against Licensee, UFRF, at its option, shall have the right, within thirty (30) days after commencement of such action, to intervene and take over the sole defense of the action at its own expense.
- 8.7 In the event Licensee contests the validity of any Licensed Patents, Licensee shall continue to pay royalties and make other payments pursuant to this Agreement with respect to that patent as if such contest were not underway until the patent is adjudicated invalid or unenforceable by a court of last resort.
- 8.8 Each party has the sole discretion whether to pursue or enforce any patents not licensed pursuant to this Agreement and to retain 100% of any amounts paid in respect of the infringement of such other patent rights.

Section 9 Term and Termination

- 9.1 The term of this license shall begin on the Effective Date of this Agreement and continue until the date that no Licensed Patent remains an enforceable patent.
- 9.2 Licensee may terminate this Agreement at any time by giving at least sixty (60) days written notice of such termination to UFRF. Such a notice shall be accompanied by a statement of the reasons for termination.
- 9.3 UFRF may terminate this Agreement by giving Licensee at least thirty (30) days written notice if Licensee:
 - 9.3.1 is delinquent on any report or payment;
 - 9.3.2 is not diligently developing and commercializing Licensed Product and/or Licensed Process;
 - 9.3.3 misses a milestone described in Appendix D;
 - 9.3.4 is in material breach of this Agreement;
 - 9.3.5 knowingly provides any false report;
 - 9.3.6 goes into bankruptcy, liquidation or proposes having a receiver control any assets;
 - 9.3.7 develops or commercializes Licensed Product in a manner than constitutes a material violation of applicable laws or regulations;
 - 9.3.8 ceases to carry on its business pertaining to Licensed Patents; or
 - 9.3.9 has not received, in the aggregate, at least three hundred thousand dollars (\$300,000) of investment within 12 months of the Effective Date (including, but not limited to, any investment occurring during the 90 day period preceding the Effective Date).
- 9.4 UFRF may immediately terminate this Agreement upon the occurrence of the second separate default by Licensee within any consecutive three-year period for failure to pay royalties, patent or any other expenses when due.
- 9.5 Upon the termination of this Agreement for any reason, nothing herein shall be construed to release either party from any obligation that matured prior to the effective date of such

termination. Licensee shall remain obligated to provide an accounting for and to pay royalties earned to the date of termination, and any minimum royalties shall be prorated as of the date of termination by the number of days elapsed in the applicable calendar year. Licensee may, however, after the effective date of such termination, sell all Licensed Products, and complete Licensed Products in the process of manufacture at the time of such termination and sell the same, provided that Licensee shall remain obligated to provide an accounting for and to pay running royalties thereon.

- 9.6 Licensee shall be obligated to deliver to UFRF, within ninety days of the date of termination of this agreement, complete and unredacted copies of all documentation prepared for or submitted for all regulatory approvals of Licensed Products or Licensed Processes.

Section 10 Assignability

This Agreement may not be transferred or assigned by Licensee without the prior written consent of UFRF, which consent shall not be unreasonably withheld, provided that Licensee may assign this Agreement in connection with a merger or the sale or other transfer of Licensee's entire business or that part of Licensee's business to which this Agreement relates. Licensee shall promptly notify of any such assignment or transfer. In any assignment, assignee shall assume all of Licensee's responsibilities under this Agreement (excluding any obligations with respect to the Equity Agreement).

Section 11 Dispute Resolution Procedures

11.1 Mandatory Procedures.

In the event either party intends to file a lawsuit against the other with respect to any matter in connection with this Agreement, compliance with the procedures set forth in this Section shall be a condition precedent to the filing of such lawsuit, other than for injunctive relief. Either party may terminate this Agreement as provided in this Agreement without following the procedures set forth in this section.

- 11.1.1 When a party intends to invoke the procedures set forth in this section, written notice shall be provided to the other party. Within thirty (30) days of the date of such notice, the parties agree that representatives designated by the parties shall meet at mutually agreeable times and engage in good faith negotiations at a mutually convenient location to resolve such dispute.
- 11.1.2 If the parties fail to meet within the time period set forth in section 11.1.1 above or if either party subsequently determines that negotiations between the representatives of the parties are at an impasse, the party declaring that the negotiations are at an impasse shall give notice to the other party stating with particularity the issues that remain in dispute.
- 11.1.3 Not more than 15 days after the giving of such notice of issues, each party shall deliver to the other party a list of the names and addresses of at least three individuals, any one of whom would be acceptable as a neutral advisor

in the dispute (the “Neutral Advisor”) to the party delivering the list. Any individual proposed as a Neutral Advisor shall have experience in determining, mediating, evaluating, or trying intellectual property litigation and shall not be affiliated with the party that is proposing such individual.

- 11.1.4 Within 10 days after delivery of such lists, the parties shall agree on a Neutral Advisor. If they are unable to so agree within that time, within 5 days, they shall each select one individual from the lists. Within 5 days, the individuals so selected shall meet and appoint a third individual from the lists to serve as the Neutral Advisor. Within 30 days after the selection of a Neutral Advisor:
 - (a) The parties shall each provide a written statement of the issues in dispute to the Neutral Advisor.
 - (b) The parties shall meet with the Neutral Advisor in Gainesville, Florida on a date and time established by the Neutral Advisor. The meeting must be attended by persons authorized to make final decisions on behalf of each party with respect to the dispute. At the meeting, each party shall make a presentation with respect to its position concerning the dispute. The Neutral Advisor will then discuss the issues separately with each party and attempt to resolve all issues in the dispute. At the meeting, the parties will enter into a written settlement agreement with respect to all issues that are resolved. Such settlement agreement shall be final and binding with respect to such resolved issues and may not be the subject of any lawsuit between the parties, other than a suit for enforcement of the settlement agreement.
- 11.1.5 The expenses of the neutral advisor shall be shared by the parties equally. All other out-of-pocket costs and expenses for the alternative dispute resolution procedure required under this Section shall be paid by the party incurring the same.
- 11.1.6 Positions taken and statements made during this alternative dispute resolution procedure shall be deemed settlement negotiations and shall not be admissible for any purpose in any subsequent proceeding.

11.2 Failure to Resolve Dispute.

If any issue is not resolved at the meeting with the Neutral Advisor, either party may file appropriate administrative or judicial proceedings with respect to the issue that remains in dispute. No new issues may be included in the lawsuit without the mandatory procedures set forth in this section having first been followed.

Section 12 Product Liability; Conduct of Business

- 12.1 Licensee and its Sublicensee(s) shall, at all times during the term of this Agreement and thereafter, indemnify, defend and hold UFRF, the Florida Board of Governors, the University of Florida Board of Trustees, the University of Florida, and each of their directors, officers, employees, and agents, and the inventors of the Licensed Patents, regardless of whether such inventors are employed by the University of Florida at the time

of the claim, harmless against all claims and expenses, including legal expenses and reasonable attorneys fees, whether arising from a third party claim or resulting from UFRF's enforcing this indemnification clause against Licensee, arising out of the death of or injury to any person or persons or out of any damage to property and against any other claim, proceeding, demand, expense and liability of any kind whatsoever (other than patent infringement claims) resulting from the production, manufacture, sale, use, lease, consumption, marketing, or advertisement of Licensed Products or Licensed Process(es) or arising from any right or obligation of Licensee hereunder. Notwithstanding the above, UFRF at all times reserves the right to retain counsel of its own to defend UFRF's, the Florida Board of Governors', the University of Florida Board of Trustees', the University of Florida's, and the inventor's interests.

- 12.2 Licensee warrants that it now maintains and will continue to maintain liability insurance coverage appropriate to the risk involved in producing, manufacturing, selling, marketing, using, leasing, consuming, or advertising the products subject to this Agreement and that, no later than the first commercial sale of a Licensed Product, such insurance coverage shall list UFRF, the Florida Board of Governors, the University of Florida Board of Trustees and the University of Florida as additional insureds. Within ninety (90) days after the execution of this Agreement and thereafter annually between January 1 and January 31 of each year, Licensee will present evidence to UFRF that the coverage is being maintained as described above. In addition, Licensee shall provide UFRF with at least thirty (30) days prior written notice of any change in or cancellation of the insurance coverage.

Section 13 Use of Names

Licensee and its Sublicensee(s) shall not use the names of UFRF, or of the University of Florida, nor of any of either institution's employees, agents, or affiliates, nor the name of any inventor of Licensed Patents, nor any adaptation of such names, in any promotional, advertising or marketing materials or any other similar form of publicity, or to suggest any endorsement by the such entities or individuals, without the prior written approval of UFRF in each case.

Section 14 Miscellaneous

- 14.1 This Agreement shall be construed in accordance with the internal laws of the State of Florida
- 14.2 The parties hereto are independent contractors and not joint venturers or partners.
- 14.3 Licensee shall ensure that it applies patent markings that meet all requirements of U.S. law, 35 U.S.C. §287, with respect to all Licensed Products subject to this Agreement.
- 14.4 This Agreement and the Exhibits hereto constitutes the full understanding between the parties with reference to the subject matter hereof, and no statements or agreements by or between the parties, whether orally or in writing, shall vary or modify the written terms of this Agreement. Neither party shall claim any amendment, modification, or release from any provisions of this Agreement by mutual agreement, acknowledgment, or otherwise, unless such mutual agreement is in writing, signed by the other party, and specifically states that it is an amendment to this Agreement.

- 14.5 Licensee shall not grant a security interest in any of the rights granted hereunder to any third party.
- 14.6 Licensee acknowledges that it is subject to and agrees to abide by the United States laws and regulations (including the Export Administration Act of 1979 and Arms Export Contract Act) controlling the export of technical data, computer software, laboratory prototypes, biological material, and other commodities. The transfer of such items may require a license from the cognizant agency of the U.S. Government or written assurances by Licensee that it shall not export such items to certain foreign countries without prior approval of such agency. UFRF neither represents that a license is or is not required or that, if required, it shall be issued.
- 14.7 Licensee is responsible for any and all wire/bank fees associated with all payments due to UFRF pursuant to this agreement.
- 14.8 Survival.

The provisions of this Section shall survive termination of this Agreement. Upon termination of the Agreement for any reason, the following sections of the License Agreement will remain in force as non-cancelable obligations:

- Section 6 Record Keeping
- Section 9 Requirement to pay royalties on sale of Licensed Products made, and in process, at time of License Agreement termination
- Section 12 Product Liability; Conduct of Business
- Section 13 Use of Names
- Section 18 Confidentiality

Section 15 Notices

Any notice required to be given pursuant to the provisions of this Agreement shall be in writing and shall be deemed to have been given

- when delivered personally, **or**
- if sent by facsimile transmission, when receipt thereof is acknowledged at the facsimile number of the recipient as set forth below, **or**
- the second day following the day on which the notice has been delivered prepaid to a national air courier service, **or**
- five (5) business days following deposit in the U.S. mail if sent certified mail, (**return receipt acknowledgement is not required to certify delivery**).

- 15.1 If to the University of Florida Research Foundation, Inc.:

President
University of Florida Research Foundation, Inc.
223 Grinter Hall
University of Florida
Post Office Box 115500
Gainesville, FL 32611-5500
Facsimile Number: 352-846-0491

with a copy to:
Office of Technology Licensing
Attn: Director
308 Walker Hall
University of Florida
Post Office Box 115500
Gainesville, Florida 32611-5500
Facsimile Number: 352-392-6600

15.2 If to Licensee:

Sestar, LLC
Attn: President
17 NW 17th Street
Suite B201
Gainesville, FL 32603

with a copy to:
Hutchison Law Group PLLC
5410 Trinity Road, Suite 400
Raleigh, NC 27607
Attn: William Wofford
Facsimile Number: 919-829-9696

Section 16 Contract Formation and Authority

The submission of this Agreement does not constitute an offer, and this document shall become effective and binding only upon the execution by duly authorized representatives of both Licensee and UFRF. Copies of this Agreement that have not been executed and delivered by both UFRF and Licensee shall not serve as a memorandum or other writing evidencing an agreement between the parties. This Agreement shall automatically terminate and be of no further force and effect, without the requirement of any notice from UFRF to Licensee, if UFRF does not receive the License Issue Fee provided for under Section 4.1 within thirty (30) days of the Effective Date.

16.1 UFRF and Licensee hereby warrant and represent that the persons signing this Agreement have authority to execute this Agreement on behalf of the party for whom they have signed.

16.2 Force Majeure.

No default, delay, or failure to perform on the part of Licensee or UFRF shall be considered a default, delay or failure to perform otherwise chargeable hereunder, if such default, delay or failure to perform is due to causes beyond either party's reasonable control including, but not limited to: strikes, lockouts, or inactions of governmental authorities, epidemics, war, embargoes, fire, earthquake, hurricane, flood, acts of God, or default of common carrier. In the event of such default, delay or failure to perform, any date or times by which either party is otherwise scheduled to perform shall be extended

automatically for a period of time equal in duration to the time lost by reason of the excused default, delay or failure to perform.

Section 17 United States Government Interests

- 17.1 It is understood that the United States Government (through any of its agencies or otherwise) has funded research, AFOSR Grant No. FA9550-06-1-0192, during the course of or under which any of the inventions of the Licensed Patents were conceived or made. The United States Government is entitled, as a right, under the provisions of 35 U.S.C. §202-212 and applicable regulations of Title 37 of the Code of Federal Regulations, to a non-exclusive, nontransferable, irrevocable, paid-up license to practice or have practiced the inventions of such Licensed Patents for governmental purposes. Any license granted to Licensee in this Agreement shall be subject to such right.
- 17.2 Licensee agrees that for Licensed Products covered by the Licensed Patents that are subject to the non-exclusive royalty-free license to the United States Government, said Licensed Products will be manufactured substantially in the United States. Licensee further agrees that it shall abide by all the requirements and limitations of U.S. Code, Title 35, Chapter 18, and implementing regulations thereof, for all patent applications and patents invented in whole or in part with federal money.

Section 18 Confidentiality

- 18.1 Each Party shall maintain all information of the other Party which is treated by such other Party as proprietary or confidential (referred to herein as "Confidential Information") in confidence, and shall not disclose, divulge or otherwise communicate such confidential information to others, or use it for any purpose, except pursuant to, and in order to carry out, the terms and objectives of this Agreement, and each party hereby agrees to exercise every reasonable precaution to prevent and restrain the unauthorized disclosure of such confidential information by any of its Affiliates, directors, officers, employees, consultants, subcontractors, Sublicensees or agents. The parties agree to keep the terms of this Agreement confidential, provided that each party may disclose this Agreement to their authorized agents and investors who are bound by similar confidentiality provisions. Notwithstanding the foregoing, Confidential Information of a party shall not include information which: (a) was lawfully known by the receiving party prior to disclosure of such information by the disclosing party to the receiving party; (b) was or becomes generally available in the public domain, without the fault of the receiving party; (c) is subsequently disclosed to the receiving party by a third party having a lawful right to make such disclosure; (d) is required by law, rule, regulation or legal process to be disclosed, provided that the receiving party making such disclosure shall take all reasonable steps to restrict and maintain to the extent possible confidentiality of such disclosure and shall provide reasonable notice to the other party to allow such party the opportunity to oppose the required disclosure; or (e) has been independently developed by employees or others on behalf of the receiving party without access to or use of disclosing party's information as demonstrated by written record. Each party's obligations under this Section 18 shall extend for a period of five (5) years from termination or expiration of this Agreement. Notwithstanding the foregoing, Licensee acknowledges that the University of Florida

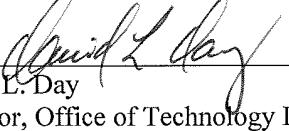
Intellectual Property Policy (the "Policy") a copy of which as in effect on the Effective Date is available at <http://www.rgp.ufl.edu/otl/pdf/ipp.pdf>, as it may be amended from time to time, may apply to any works or inventions made by "University personnel" (as that term is defined in the policy), and in the event of any conflict between this section and the Policy, the Policy shall prevail.

Section 19 University Rules and Regulations

- 19.1 Licensee understands and agrees that University of Florida personnel who are engaged by Licensee, whether as consultants, employees or otherwise, or who possess a material financial interest in Licensee, are subject to the University of Florida's rule regarding outside activities and financial interests set forth in Florida Administrative Code Rule 6C1-1.011, the University of Florida's Intellectual Property Policy, and a monitoring plan which addresses conflicts of interests associated therewith. Any term or condition of an agreement between Licensee and such University of Florida personnel which seeks to vary or override such personnel's obligations to the University of Florida may not be enforced against such personnel, the University of Florida or UFRF, without the express written consent of an individual authorized to vary or waive such obligations on behalf of the University of Florida and UFRF. Furthermore, should an interest of Licensee conflict with the interest of the University of Florida, University of Florida personnel are obligated to resolve such conflicts according to the guidelines and policies set forth by the University of Florida.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the dates indicated below.

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.



David L. Day
Director, Office of Technology Licensing

Date: 5/23, 2012

SESTAR, LLC

By: Mike Starks Date: May 22, 2012

Name and Office: Mike Starks, Managing Partner

Appendix A - Development Plan

2012 Plan

- ❖ Form strategic partnerships for commercialization of SPG technology by June 30, 2012
- ❖ Identify specific products to be commercialized and develop marketing plans by December 31, 2012

2013 Plan

- ❖ Implement product manufacturing, distribution and marketing plan by June 30, 2013

2014 Plan

- ❖ Begin manufacturing and sales of solar systems by June 30, 2014
- ❖ Achieve first sale of an SPG solar system by December 31, 2014

Appendix B - Development Report

When appropriate, indicate estimated start date and finish date for activities.

- I. Date Development Plan Initiated and Time Period Covered by this Report.
- II. Development Report (4-8 paragraphs).
 - A. Activities completed since last report including the object and parameters of the development, when initiated, when completed and the results.
 - B. Activities currently under investigation, i.e., ongoing activities including object and parameters of such activities, when initiated, and projected date of completion.
- III. Future Development Activities (4-8 paragraphs).
 - A. Activities to be undertaken before next report including, but not limited to, the type and object of any studies conducted and their projected starting and completion dates.
 - B. Estimated total development time remaining before a product will be commercialized.
- IV. Changes to Initial Development Plan (2-4 paragraphs).
 - A. Reasons for change.
 - B. Variables that may cause additional changes.
- V. Items to be Provided if Applicable:
 - A. Information relating to Licensed Products or Licensed Processes that has become publicly available, e.g., published articles, competing products, patents, etc.
 - B. Development work being performed by third parties, other than Licensee, to include name of third party, reasons for use of third party, planned future uses of third parties including reasons why and type of work.
 - C. Update of competitive information trends in industry, government compliance (if applicable) and market plan.
 - D. Information and copies of relevant materials evidencing the status of any patent applications or other protection relating to Licensed Products, or Licensed Processes or the Licensed Patents.

PLEASE SEND DEVELOPMENT REPORTS TO:

University of Florida Research Foundation, Inc.
Attn: Director
308 Walker Hall
P.O. Box 115500
Gainesville, FL 32611-5500
Facsimile: 352-392-6600

Appendix C - UFRF Royalty Report

Licensee: SPG, LLC Agreement No.: _____

Inventor: _____ P#: P

Period Covered: From: / /2 Through: / /2

Prepared By _____ Date: _____

Approved By: _____ Date: _____

If license covers several major product lines, please prepare a separate report
for each line. Then combine all product lines into a summary report.

Report Type: Single Product Line Report: _____

Multiproduct Summary Report. Page 1 of _____ Pages

Product Line Detail. Line: _____ Tradename: _____ Page: _____

Report Currency: U. S. Dollars Other _____

Country	Unit	Gross	* Less:	Net	Royalty	Period Royalty Amount	
	Sales	\$\$ Sales	Allowances	\$\$ Sales	Rate	This Year	Last Year
U.S.A.							
Canada							
<u>Europe:</u>							
Japan							
Other:							

TOTAL:

Total Royalty: _____ Conversion Rate: _____ Royalty in U.S. Dollars: \$ _____

The following royalty forecast is non-binding and for UFRF's internal planning purposes only:

Royalty Forecast Under This Agreement: Next Quarter: _____ Q2: _____ Q3: _____ Q4: _____

* On a separate page, please indicate the reasons for returns or other adjustments if significant.

Also note any unusual occurrences that affected royalty amounts during this period.

To assist UFRF's forecasting, please comment on any significant expected trends in sales volume.

Appendix D - Milestones

Milestones are subject to review on an annual basis and amendment upon mutual consent of the parties.

1	Enter into a Strategic Alliance with an Outside Company	2012	Enter into strategic alliance (sublicensing agreement) with an outside company to manufacture and/or sell product by the end of the second quarter
2	Product manufacturing, distribution and marketing plan	2013	Adopt and commence implementation of detailed product manufacturing, distribution and marketing plan by the end of the 2 nd quarter
3	First Commercial Sale	2014	Sale of a complete or partial system that collects sunlight and powers or charges an electronic device by the end of 4 th quarter

**AMENDMENT TO LICENSE AGREEMENT AND/OR OPTION AGREEMENT NOS.
A6907, A8708, A8760, A9229, A9717, A11565, A11567, A11568 and A11633
REGARDING PAYMENT PLAN FOR LEGAL AND LICENSE FEES**

WHEREAS, the University of Florida Research Foundation, Inc., a not-for-profit corporation duly organized and existing under the laws of the State of Florida and having its principal office at 223 Grinter Hall, Gainesville, Florida 32611 U.S.A. (hereinafter referred to as "UFRFI"), and Sestar Technologies, LLC, a corporation duly organized under the laws of the State of Florida, and having its principal office at 17 NW 17th Street, Suite B201, Gainesville, FL, 32603, (hereinafter referred to as "Licensee") entered into the above referenced License and/or Option Agreements (hereinafter "Agreements");

WHEREAS, the parties now wish to amend the above referenced Agreements for the purpose of memorializing a payment plan described below to bring all of the past due accounts current;

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

1. At the time of the writing of this Amendment, Licensee owes a total of \$44,374.97 on the various Agreements as listed on Exhibit A.
2. Licensee agrees to pay \$10,000 per month until the balance is paid in full. The first payment of \$10,000 shall be due on December 15, 2012, and additional payments will be due on the 15th of each month thereafter. The balance shall be paid by April 15, 2013.
3. All ongoing patent expenses and license fees shall be due within thirty (30) days of receipt of an invoice from UFRF.
3. This amendment shall be referred to as the Amendment of November 8, 2012.

**UNIVERSITY OF FLORIDA
RESEARCH FOUNDATION, INC.**

By: *David L. Day*

Name: David L. Day
Title: Director of Technology Licensing
Date: 11/13/12

SESTAR TECHNOLOGIES, LLC

By: *Michael L. Starks*

Name: Michael L. Starks
Title: Managing Partner
Date: 11/7/2012



Aged Receivables - All Revenue

Exhibit A to Amendment of 11-0812

Printed Date: 11/05/2012

Settlement Date: 11/05/2012

Agreement	Invoice No.	Current	Past Due				Total
			0-30	31-60	61-90	90+	
A6907: SolarTurf: Artificial Turf Harvesting Solar							
Sestar Technologies, LLC	31048	\$0.00	\$0.00	\$0.00	\$0.00	\$3,295.00	\$3,295.00
Sestar Technologies, LLC	30721	\$0.00	\$0.00	\$0.00	\$0.00	\$6,579.50	\$6,579.50
Sestar Technologies, LLC	30461	\$0.00	\$0.00	\$0.00	\$0.00	\$9,414.56	\$9,414.56
Sestar Technologies, LLC	30156	\$0.00	\$0.00	\$0.00	\$0.00	\$4,089.98	\$4,089.98
Sestar Technologies, LLC	31191	\$0.00	\$0.00	\$0.00	\$1,471.06	\$0.00	\$1,471.06
Sestar Technologies, LLC	31338	\$0.00	\$0.00	\$227.50	\$0.00	\$0.00	\$227.50
Sestar Technologies, LLC	31375	\$0.00	\$1,000.00	\$0.00	\$0.00	\$0.00	\$1,000.00
Sestar Technologies, LLC	31768	\$3,287.28	\$0.00	\$0.00	\$0.00	\$0.00	\$3,287.28
	Subtotal:	\$3,287.28	\$1,000.00	\$227.50	\$1,471.06	\$23,379.04	\$29,364.88
A8708: Black Soluble Conjugated Polymers with							
Sestar Technologies, LLC	30720	\$0.00	\$0.00	\$0.00	\$0.00	\$160.00	\$160.00
Sestar Technologies, LLC	30460	\$0.00	\$0.00	\$0.00	\$0.00	\$45.00	\$45.00
Sestar Technologies, LLC	30174	\$0.00	\$0.00	\$0.00	\$0.00	\$157.50	\$157.50
	Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$362.50	\$362.50
A8760: Earth-toned Photovoltaic Devices with							
Sestar Technologies, LLC	30719	\$0.00	\$0.00	\$0.00	\$0.00	\$205.00	\$205.00
Sestar Technologies, LLC	30459	\$0.00	\$0.00	\$0.00	\$0.00	\$225.00	\$225.00
Sestar Technologies, LLC	30175	\$0.00	\$0.00	\$0.00	\$0.00	\$44.06	\$44.06
Sestar Technologies, LLC	29861	\$0.00	\$0.00	\$0.00	\$0.00	\$0.52	\$0.52
	Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$474.58	\$474.58
A9229: Transparent Conducting Electrode							
Sestar Technologies, LLC	30458	\$0.00	\$0.00	\$0.00	\$0.00	\$112.50	\$112.50
	Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$112.50	\$112.50
A9717: Self-Sterilizing Device using Plasma							
Sestar Technologies, LLC	31657	\$0.00	\$1,900.89	\$0.00	\$0.00	\$0.00	\$1,900.89
Sestar Technologies, LLC	31767	\$1,145.50	\$0.00	\$0.00	\$0.00	\$0.00	\$1,145.50
	Subtotal:	\$1,145.50	\$1,900.89	\$0.00	\$0.00	\$0.00	\$3,046.39
A11565: Interlayer for Organic Solar Cells							
Sestar Technologies, LLC	31145	\$0.00	\$0.00	\$0.00	\$45.00	\$0.00	\$45.00
Sestar Technologies, LLC	31337	\$0.00	\$0.00	\$22.50	\$0.00	\$0.00	\$22.50

Printed Date: 11/05/2012
 Settlement Date: 11/05/2012

Aged Receivables - All Revenue

Agreement	Invoice No.	Current	Past Due				Total
			0-30	31-60	61-90	90+	
Sestar Technologies, LLC	31766	\$45.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45.00
	Subtotal:	\$45.00	\$0.00	\$22.50	\$45.00	\$0.00	\$112.50
A11567:Green Soluble Conjugated Polymers with							
Sestar Technologies, LLC	31146	\$0.00	\$0.00	\$0.00	\$1,305.00	\$0.00	\$1,305.00
Sestar Technologies, LLC	31336	\$0.00	\$0.00	\$992.55	\$0.00	\$0.00	\$992.55
Sestar Technologies, LLC	31682	\$0.00	\$34.46	\$0.00	\$0.00	\$0.00	\$34.46
Sestar Technologies, LLC	31765	\$22.50	\$0.00	\$0.00	\$0.00	\$0.00	\$22.50
	Subtotal:	\$22.50	\$34.46	\$992.55	\$1,305.00	\$0.00	\$2,354.51
A11568:Black Soluble Conjugated Polymers with							
Sestar Technologies, LLC	31072	\$0.00	\$0.00	\$0.00	\$0.00	\$47.89	\$47.89
Sestar Technologies, LLC	30667	\$0.00	\$0.00	\$0.00	\$0.00	\$3,192.50	\$3,192.50
Sestar Technologies, LLC	31190	\$0.00	\$0.00	\$0.00	\$45.00	\$0.00	\$45.00
Sestar Technologies, LLC	31255	\$0.00	\$0.00	\$0.00	\$47.89	\$0.00	\$47.89
Sestar Technologies, LLC	31335	\$0.00	\$0.00	\$566.50	\$0.00	\$0.00	\$566.50
Sestar Technologies, LLC	31401	\$0.00	\$0.00	\$48.56	\$0.00	\$0.00	\$48.56
Sestar Technologies, LLC	31681	\$0.00	\$57.06	\$0.00	\$0.00	\$0.00	\$57.06
Sestar Technologies, LLC	31764	\$479.25	\$0.00	\$0.00	\$0.00	\$0.00	\$479.25
	Subtotal:	\$479.25	\$57.06	\$615.06	\$92.89	\$3,240.39	\$4,484.65
A11633:Earth-Toned Photovoltaic Devices							
Sestar Technologies, LLC	31071	\$0.00	\$0.00	\$0.00	\$0.00	\$57.49	\$57.49
Sestar Technologies, LLC	30668	\$0.00	\$0.00	\$0.00	\$0.00	\$3,832.50	\$3,832.50
Sestar Technologies, LLC	31256	\$0.00	\$0.00	\$0.00	\$57.49	\$0.00	\$57.49
Sestar Technologies, LLC	31400	\$0.00	\$0.00	\$57.49	\$0.00	\$0.00	\$57.49
Sestar Technologies, LLC	31680	\$0.00	\$57.49	\$0.00	\$0.00	\$0.00	\$57.49
	Subtotal:	\$0.00	\$57.49	\$57.49	\$57.49	\$3,889.99	\$4,062.46
	Grand Totals:	\$4,979.53	\$3,049.90	\$1,915.10	\$2,971.44	\$31,459.00	\$44,374.97

Exhibit H

**PAYMENT PLAN AMENDMENT TO
AGREEMENTS NO. A6907; A9717; A11565; A11567;
A11568 and A11633 DATED JUNE 10, 2013**

WHEREAS, the University of Florida Research Foundation, Inc., a not-for-profit corporation duly organized and existing under the laws of the State of Florida and having its principal office at 223 Grinter Hall, Gainesville, Florida 32611 U.S.A. (hereinafter referred to as "UFRF"), and Sestar Technologies, LLC, a corporation duly organized under the laws of the State of Florida, and having its principal office at 17 NW 17th Street, Suite B201, Gainesville, FL, 32603, (hereinafter referred to as "Licensee") entered into the License Agreements listed above (hereinafter "License Agreements");

WHEREAS, the parties now wish to amend the License Agreements effective June 10, 2013;

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

At the time of the writing of this Amendment, Sestar Technologies, LLC is past due on patent expenses and licensing fees on the various Agreements listed above, and as indicated on the attached Exhibit "A" to this Payment Plan Amendment. The total past due amount owing is: \$48,869.62. In addition, future expenses up through June, 2014 are anticipated to be approximately \$64,465. Adding these two amounts together comes to a total of \$113,334.62. Sestar proposes to pay, and UFRF agrees to the following Payment Plan:

Sestar will pay the total of \$113,334.62 in twelve (12) equal monthly payments of \$9,444.55, with the first payment being due on July 1, 2013; and on the first of each month thereafter for twelve months until the balance is paid in full.

Licensee shall also be responsible for and pay all future costs and expenses incurred after June 1, 2014, for the preparation, filing, prosecution, issuance, and maintenance of the Licensed Patents within thirty (30) days of receipt of an invoice from UFRF.

2. All other provisions of the License Agreement shall remain in full force and effect and unmodified by this Amendment.

3. This amendment shall be executed in duplicate and shall be referred to as the Payment Plan Amendment Dated June 10, 2013

**UNIVERSITY OF FLORIDA
RESEARCH FOUNDATION, INC.**

By: David L. Day
Name: David L. Day
Title: Director of Technology Licensing

Date: 7/22/13

SESTAR TECHNOLOGIES, LCC

By: Michael L. Starks
Name: Michael L. Starks
Title: Managing Partner

Date: 7/10/2013



Aged Receivables - All Revenue

Exhibit A to Payment Plan
Amendment Dated June 10, 2013

Printed Date: 06/10/2013
Settlement Date: 06/10/2013

Agreement	Invoice No.	Current	Past Due			Total
			0-30	31-60	61-90	
A6907:SolarTurf Artificial Turf Harvesting Solar						
Sestar Technologies, LLC	32399	\$0.00	\$0.00	\$0.00	\$50.00	\$50.00
Sestar Technologies, LLC	32250	\$0.00	\$0.00	\$0.00	\$2,239.08	\$2,239.08
Sestar Technologies, LLC	31768	\$0.00	\$0.00	\$0.00	\$3,287.28	\$3,287.28
Sestar Technologies, LLC	31375	\$0.00	\$0.00	\$0.00	\$1,000.00	\$1,000.00
Sestar Technologies, LLC	31191	\$0.00	\$0.00	\$0.00	\$1,471.06	\$1,471.06
Sestar Technologies, LLC	31048	\$0.00	\$0.00	\$0.00	\$3,295.00	\$3,295.00
Sestar Technologies, LLC	30721	\$0.00	\$0.00	\$0.00	\$6,373.53	\$6,373.53
Sestar Technologies, LLC	32505	\$0.00	\$0.00	\$0.00	\$1,890.00	\$1,890.00
Sestar Technologies, LLC	33258	\$1,949.73	\$0.00	\$0.00	\$0.00	\$1,949.73
Subtotal:		\$1,949.73	\$0.00	\$0.00	\$17,715.95	\$21,555.68
A9717:Self-Sterilizing Device using Plasma						
Sestar Technologies, LLC	32506	\$0.00	\$0.00	\$0.00	\$358.50	\$358.50
Sestar Technologies, LLC	32776	\$0.00	\$0.00	\$715.50	\$0.00	\$715.50
Sestar Technologies, LLC	33257	\$455.55	\$0.00	\$0.00	\$0.00	\$455.55
Subtotal:		\$455.55	\$0.00	\$715.50	\$358.50	\$1,529.55
A11565:Interlayer for Organic Solar Cells						
Subtotal:		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
A11567:Green Soluble Conjugated Polymers with						
Sestar Technologies, LLC	32397	\$0.00	\$0.00	\$0.00	\$197.50	\$197.50
Sestar Technologies, LLC	32472	\$0.00	\$0.00	\$0.00	\$124.43	\$124.43
Sestar Technologies, LLC	32248	\$0.00	\$0.00	\$0.00	\$2,433.00	\$2,433.00
Sestar Technologies, LLC	32327	\$0.00	\$0.00	\$0.00	\$87.94	\$87.94
Sestar Technologies, LLC	31899	\$0.00	\$0.00	\$0.00	\$3,542.50	\$3,542.50
Sestar Technologies, LLC	32188	\$0.00	\$0.00	\$0.00	\$34.80	\$34.80
Sestar Technologies, LLC	31765	\$0.00	\$0.00	\$0.00	\$22.50	\$22.50
Sestar Technologies, LLC	31854	\$0.00	\$0.00	\$0.00	\$34.46	\$34.46
Sestar Technologies, LLC	31682	\$0.00	\$0.00	\$0.00	\$34.46	\$34.46
Sestar Technologies, LLC	31336	\$0.00	\$0.00	\$0.00	\$992.55	\$992.55
Sestar Technologies, LLC	31146	\$0.00	\$0.00	\$0.00	\$1,305.00	\$1,305.00
Sestar Technologies, LLC	32507	\$0.00	\$0.00	\$1,405.00	\$0.00	\$1,405.00
Sestar Technologies, LLC	32723	\$0.00	\$0.00	\$127.40	\$0.00	\$127.40

Exhibit I

Aged Receivables - All Revenue

Printed Date: 06/10/2013
Settlement Date: 06/10/2013

<u>Agreement</u>	<u>Invoice No.</u>	<u>Current</u>	<u>Past Due</u>		<u>Total</u>
			<u>0-30</u>	<u>31-60</u>	
Sestar Technologies, LLC	32832	\$0.00	\$0.00	\$148.47	\$0.00
Sestar Technologies, LLC	32957	\$0.00	\$148.47	\$0.00	\$148.47
Sestar Technologies, LLC	33248	\$2,774.56	\$0.00	\$0.00	\$2,774.56
	Subtotal:	\$2,774.56	\$148.47	\$148.47	\$3,061.41
<hr/>					
A11563:Black Soluble Conjugated Polymers with					
Sestar Technologies, LLC	32508	\$0.00	\$0.00	\$960.89	\$0.00
Sestar Technologies, LLC	32775	\$0.00	\$0.00	\$1,576.00	\$0.00
Sestar Technologies, LLC	32958	\$0.00	\$38.05	\$0.00	\$38.05
Sestar Technologies, LLC	33247	\$851.00	\$0.00	\$0.00	\$851.00
Sestar Technologies, LLC	32913	\$1,000.00	\$0.00	\$0.00	\$1,000.00
	Subtotal:	\$1,851.00	\$38.05	\$1,576.00	\$3,465.09
<hr/>					
A11633:Earth-Toned Photovoltaic Devices					
Sestar Technologies, LLC	32390	\$0.00	\$0.00	\$0.00	\$1,822.50
Sestar Technologies, LLC	32474	\$0.00	\$0.00	\$0.00	\$57.49
Sestar Technologies, LLC	32329	\$0.00	\$0.00	\$0.00	\$57.49
Sestar Technologies, LLC	32190	\$0.00	\$0.00	\$0.00	\$57.49
Sestar Technologies, LLC	31856	\$0.00	\$0.00	\$0.00	\$57.49
Sestar Technologies, LLC	31680	\$0.00	\$0.00	\$0.00	\$57.49
Sestar Technologies, LLC	31400	\$0.00	\$0.00	\$0.00	\$57.49
Sestar Technologies, LLC	31256	\$0.00	\$0.00	\$0.00	\$57.49
Sestar Technologies, LLC	31071	\$0.00	\$0.00	\$0.00	\$57.49
Sestar Technologies, LLC	30668	\$0.00	\$0.00	\$0.00	\$3,832.50
Sestar Technologies, LLC	32725	\$0.00	\$0.00	\$0.00	\$84.83
Sestar Technologies, LLC	32831	\$0.00	\$84.83	\$0.00	\$84.83
Sestar Technologies, LLC	32959	\$0.00	\$84.83	\$0.00	\$84.83
Sestar Technologies, LLC	33246	\$576.00	\$0.00	\$0.00	\$576.00
Sestar Technologies, LLC	32912	\$1,000.00	\$0.00	\$0.00	\$1,000.00
	Subtotal:	\$1,576.00	\$84.83	\$84.83	\$3,045.66
<hr/>					
Grand Totals:	\$8,606.84	\$271.35	\$2,524.80	\$4,826.62	\$32,640.01
					\$48,869.62

Exhibit I



Edward Cole

50 North Laura Street, Suite 3100
Jacksonville, Florida 32202
Telephone: 904.798.3700
Facsimile: 904.798.3730

June 16, 2014

**VIA CERTIFIED MAIL, RETURN RECEIPT
REQUESTED & REGULAR U.S. MAIL**

Sestar Technologies, LLC
17 NW 17th Street, Suite B201
Gainesville, Florida 32603
Attn. Michael Starks

**VIA CERTIFIED MAIL, RETURN RECEIPT
REQUESTED & REGULAR U.S. MAIL**

Sestar Technologies, LLC
10 Sea Winds Ln. North
Ponte Vedra Beach, Florida 32082
Attn. Michael Starks

Re: Balance of \$85,235.29 due under License Agreement Nos. A6907; A11565; A11567; A11568; and A11633 (the "Agreements") between University of Florida Research Foundation, Incorporated ("Licensor") and Sestar Technologies, LLC ("Licensee").

Dear Sir:

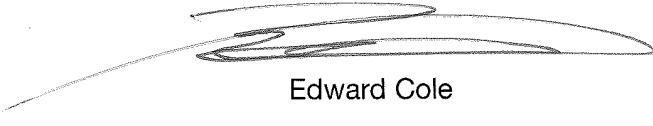
This firm represents Licensor under the referenced Agreements. Licensee is in breach of the Agreements by, *inter alia*, failing to make payments required under the Agreements.

Licensee owes Licensor **\$85,235.29** on account of its breach of the Agreements. Interest, attorneys' fees, and costs continue to accrue on the unpaid balance. The foregoing amount is immediately due and payable to Licensor. If **\$85,235.29**, plus accrued interest, is not paid in full within ten (10) days of the date of this letter, Licensor will proceed in the enforcement of its rights and remedies under the Agreements. In such event, Licensee will be liable for, and Licensor shall seek to recover, all costs incurred in such enforcement and collection efforts, including, but not limited to, attorneys' fees and costs.

Nothing set forth herein is intended, nor shall it be deemed to modify, limit, release, reduce or waive any of Licensor's rights, remedies, and privileges at law or in equity under the Agreements or otherwise, all of which rights, remedies, and privileges are specifically reserved by Licensor.

If you have any questions regarding the amounts required to bring Licensee's obligations current, please feel free to contact me.

Very truly yours,



Edward Cole

cc: University of Florida Research Foundation, Inc.
William Wofford, Esq. via facsimile (919) 829-9696

akerman.com

{29036045;1}

Exhibit J