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.:
	BIOPLASTICS, oration,	INC.,	a	Florida	DIVISION:

### **COMPLAINT**

Plaintiff, University of Florida Research Foundation, Incorporated, a Florida non-profit corporation ("<u>UFRF</u>"), sues defendant, U.S. Bioplastics, Inc., a Florida corporation ("<u>Bioplastics</u>"), and alleges:

- 1. UFRF is a Florida non-profit corporation with a principal place of business in Alachua County, Florida.
- 2. Bioplastics is a Florida corporation with a principal place of business in Orange County, Florida.
- 3. This is an action for breach of contract in which the damages, exclusive of interest, fees and costs, exceed the sum of \$15,000.00. Therefore, pursuant to Section 26.012, Florida Statutes, this court has jurisdiction over this action.
- 4. Pursuant to Section 47.011, Florida Statutes, venue is proper in Alachua County, Florida because the cause of action accrued in Alachua County, Florida.
- 5. Bioplastics breached the contracts that are the subject of this action in Alachua County, Florida, by failing to perform acts required by the contracts to be

performed in Florida and consequently, injuring UFRF in Florida.

- 6. Effective June 29, 2014, UFRF and Bioplastics entered into a Standard Exclusive License Agreement Number A12334 (the "A12334 Agreement"), a redacted copy of which is attached as Exhibit A.
- 7. Also effective June 29, 2014, UFRF and Bioplastics entered into a Standard Exclusive License Agreement Number A12337 (the "A12337 Agreement"), a redacted copy of which is attached as Exhibit B.
- 8. Also effective June 29, 2014, UFRF and Bioplastics entered into a Standard Exclusive License Agreement Number A12927 (the "A12927 Agreement"), a redacted copy of which is attached as Exhibit C.
- 9. Also effective June 29, 2014, UFRF and Bioplastics entered into a Standard Exclusive License Agreement Number A13163 (the "A13163 Agreement," and together with the A12334 Agreement, the A12337 Agreement, and the A12927 Agreement, the "License Agreements"), a redacted copy of which is attached as Exhibit D.
- 10. Under the License Agreements, UFRF granted Bioplastics licenses for the use of UFRF's intellectual property.
- 11. In return for the licenses, Bioplastics agreed to pay UFRF certain royalties, annual license maintenance fees, and all costs and expenses incurred by UFRF for the preparation, filing, prosecution, issuance, maintenance, defense, and reporting of the licensed patents.
- 12. Bioplastics breached the License Agreements by failing to make required payments of the amounts due under the License Agreements.
  - 13. On June 7, 2016, UFRF made written demand upon Bioplastics for payment

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of past-due invoices (the "**Demand Letter**"). A copy of the Demand Letter is attached hereto as **Exhibit E**.

- 14. Pursuant to terms of the License Agreements, in addition to the amount set forth in the Demand Letter, Bioplastics is also liable to UFRF for any out-of-pocket expenses incurred by UFRF to collect overdue payments, as well as interest on the unpaid balance, which continues to accrue at the rate of 1.5% per month.
- 15. Bioplastics remains in breach of the License Agreements by virtue of its failure to pay UFRF all amounts due to UFRF under the License Agreements.
- 16. UFRF 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 that fees pursuant to the terms of the License Agreements.
- 17. There is now due and owing to UFRF from Bioplastics the total amount of \$138,862.02, which is the sum of \$122,432.93 in past-due invoices, together with accrued interest of \$16,429.09, which continues to accrue at a rate of \$60.37 per diem, plus attorneys' fees and costs.
- 18. All conditions precedent to UFRF 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 non-profit corporation, demands judgment against defendant, U.S. Bioplastics, Inc.,

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a Florida corporation, for payments due under the License Agreements plus interest, attorneys' fees and costs, and such other relief as this Court deems just and proper.

Dated: July 1, 2016. **AKERMAN LLP** 

/s/ Allison M. Stocker

Edward Cole (Fla. Bar No. 574511)

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Attorneys for University of Florida Research

Foundation, Incorporated

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# STANDARD EXCLUSIVE LICENSE AGREEMENT Agreement No: A12334

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This Agreement is effective as of June 19, 2014, (the "Effective Date") between the University of Florida Research Foundation, Incorporated (hereinafter called "UFRF"), a nonstock, nonprofit Florida corporation, and US Bioplastics Inc. (hereinafter called "Licensee"), a small entity Florida corporation.

WHEREAS, Licensee is engaged in business relating to the development and commercialization of products that can use or incorporate UFRF's intellectual property rights and has the capability of developing commercial applications of the intellectual property; and

WHEREAS, UFRF owns inventions that are described below; UFRF is willing to

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grant a license to Licensee under the Patent Rights (defined in Section 1.6); and Licensee desires a license under them.

THEREFORE, the parties agree as follows:

# **Section 1** Definitions

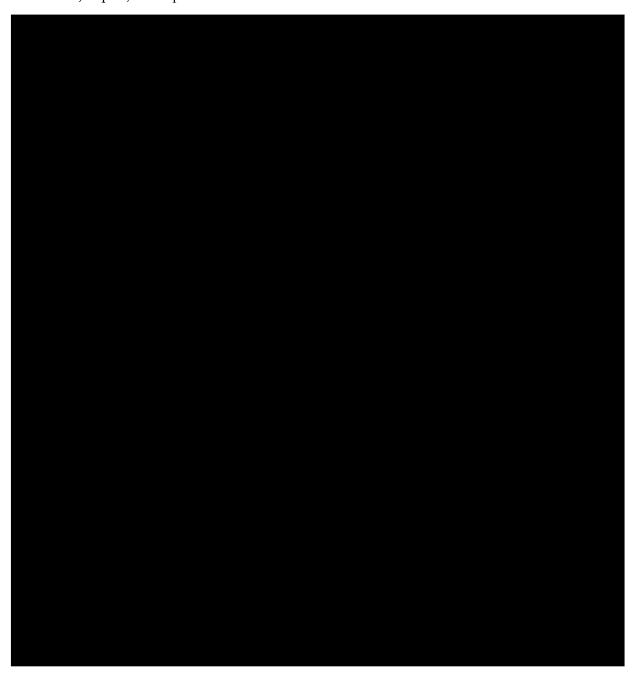
- 1.1 "Affiliate" means: (a) any entity which controls at least fifty percent (50%) of the equity or voting stock of the Licensee or (b) any entity fifty percent (50%) of whose equity or voting stock is owned or controlled by the Licensee or (c) any entity of which at least fifty percent (50%) of the equity or voting stock is owned or controlled by the same person or entity owning or controlling at least fifty percent (50%) of Licensee.
- 1.2 "Development Plan" means the written report summarizing the development activities that are to be undertaken by the Licensee to bring Licensed Products or Licensed Processes to the market that is attached as Appendix B.
- 1.3 "Development Report" means a written account of Licensee's progress under the Development Plan that includes at least the information specified on Appendix C.
  - 1.4 "Licensed Field" means All Fields.
- 1.5 "Licensed Process" means any process that is covered in whole or in part by an issued, unexpired claim or a pending Valid Claim in the Patent Rights in any country in which such process is practiced.
  - 1.6 "Licensed Product" means any product or part thereof that:
  - (a) is covered in whole or in part by an issued, unexpired Valid Claim or a pending claim in the Patent Rights in any country in which the product is made, used, imported or sold; or
  - (b) is manufactured by using a process which is covered in whole or in part by an issued, unexpired Valid Claim or a pending Valid Claim in the Patent Rights in any country in which any the process is used or in which the product is used, imported or sold.
  - 1.7 "Licensed Territory" means Worldwide.
- 1.8 "Net Sales" means the total dollar amount received on sales of Licensed Product and/or Licensed Processes by licensee or by any sub-licensee, less (a) promotional discounts, trade, chargebacks, rebates, quantity or cash discounts allowed in amounts customary in the trade; (b) amounts actually repaid or credited by reason of rejection or return of any previously sold, leased or otherwise transferred Licensed

Products, or Licensed Processes; (c) customer freight charges and insurance that are paid by or on behalf of the Company or its Affiliates; and (d) to the extent separately stated on purchase orders, invoices or other documents of sale, any sales, value added or similar taxes, custom duties or other similar governmental charges levied directly on the production, sale, transportation, delivery or use of a Licensed Product or Licensed Services; and (d) reservations of bad debt that are reasonable and taken in good faith collectively not to exceed five (5%) of gross.

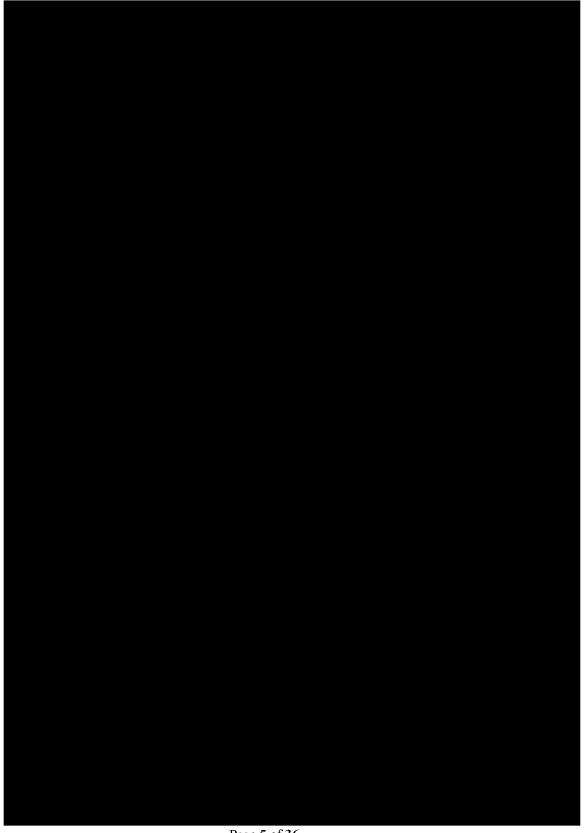
- 1.9 "Patent Challenge" means a legal proceeding to challenge the validity, patentability, enforceability and/or non-infringement of any of the Patent Rights or otherwise opposing through a legal proceeding any of the Patent Rights...
  - 1.10 "Patent Rights" means:
    - (a) the patent(s)/patent application(s) identified on Appendix A;
  - (b) all United States and foreign patent applications claiming priority to any of the patent(s) and patent application(s) identified in Appendix A; and
  - (c) all patents issuing from the patent applications identified in Subsections 1.10(a) and 1.10(b), including, letters patent, patents of addition, divisionals, reissues, re-examinations, extensions, restorations, and supplementary protection certificates.
- 1.11 "Sublicense" means the agreement to grant or agree not to assert any right licensed to Licensee under Section 2.1, including, any agreement that permits any use of all or part of the Patent Rights for research or development, or the manufacture, marketing, distribution, commercialization, sale, offer for sale, import or export of Licensed Products or Licensed Processes. An agreement that is described in this definition is a Sublicense whether or not it is called a "sublicense" and whether or not it is included in a stand-alone document or is part of a broader collaboration, development, or joint venture agreement or arrangement.
- 1.12 "Sublicensee" means any third party to whom Licensee grants a Sublicense.
- 1.13 "Valid Claim" means: (a) a claim of an issued and unexpired patent within the Patent Rights that has not been (i) held permanently revoked, unenforceable, unpatentable or invalid by a decision of a court or governmental body of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, (ii) rendered unenforceable through disclaimer or otherwise, (iii) abandoned or (iv) permanently lost through an interference or opposition proceeding without any right of appeal or review; or (b) a pending claim of a pending patent application within the Patent Rights that (i) has been asserted and continues to be prosecuted in good faith and and (ii) has not been abandoned or finally rejected without the possibility of appeal or refiling

# Section 2 Grant

2.1 <u>Patent Rights</u>. In return for the royalties and other payments described in Section 4, UFRF grants to Licensee a royalty-bearing, exclusive license under the Patent Rights in the Licensed Field and Licensed Territory to make, have made, use, sell, have sold, import, and export Licensed Products and Licensed Processes.



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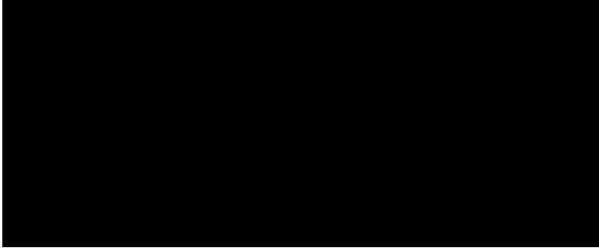
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# Section 4 Payments

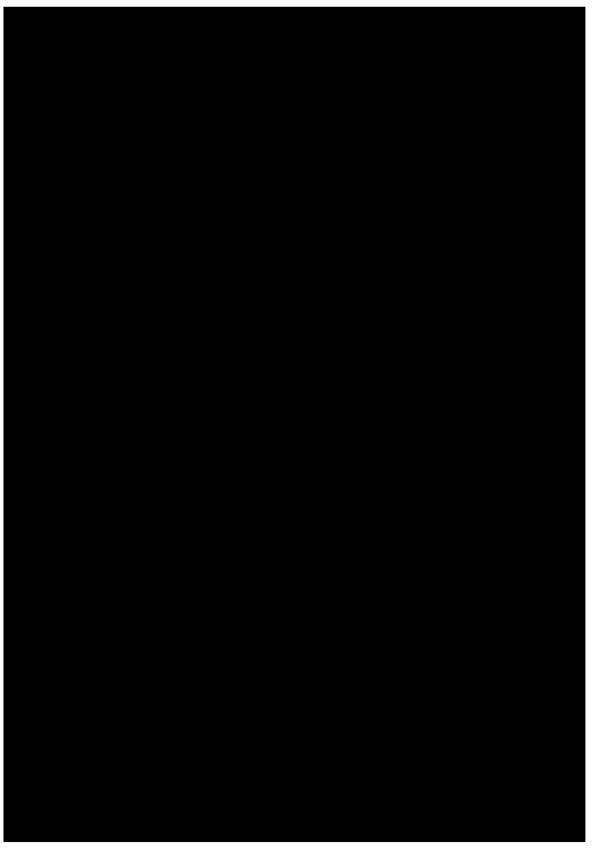
- 4.1 <u>License Issue Fee</u>. Licensee shall pay to UFRF a non-refundable license issue fee of Five Hundred dollars (\$500.00) within thirty (30) days of the Effective Date.
- 4.2 Annual License Maintenance Fee. Licensee will pay an annual license maintenance fee in the aggregate for License Agreement A12334, A13163, A12337 and A12927 in the aggregate as is listed in the following table. The annual license maintenance fee is payable on the anniversary date of the license agreement each year until the first commercial sale of a Licensed Product or a Licensed Process, after which time minimum royalties instead of the annual license maintenance fee will be due.

Year	Amount
Year 1	\$ 2,000
Year 2	\$ 3,000
Year 3	\$ 4,000
Year 4	\$ 5,000
and every year thereafter until 1st con	mmercial year

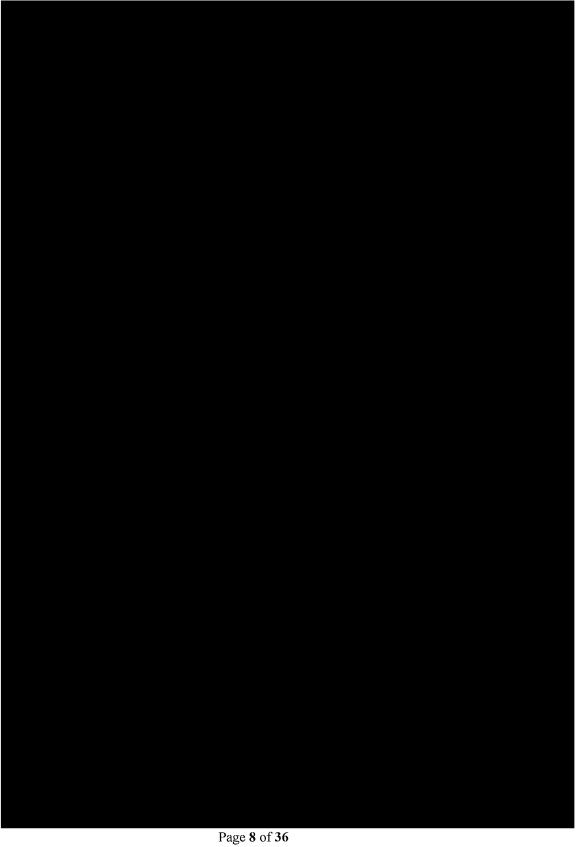


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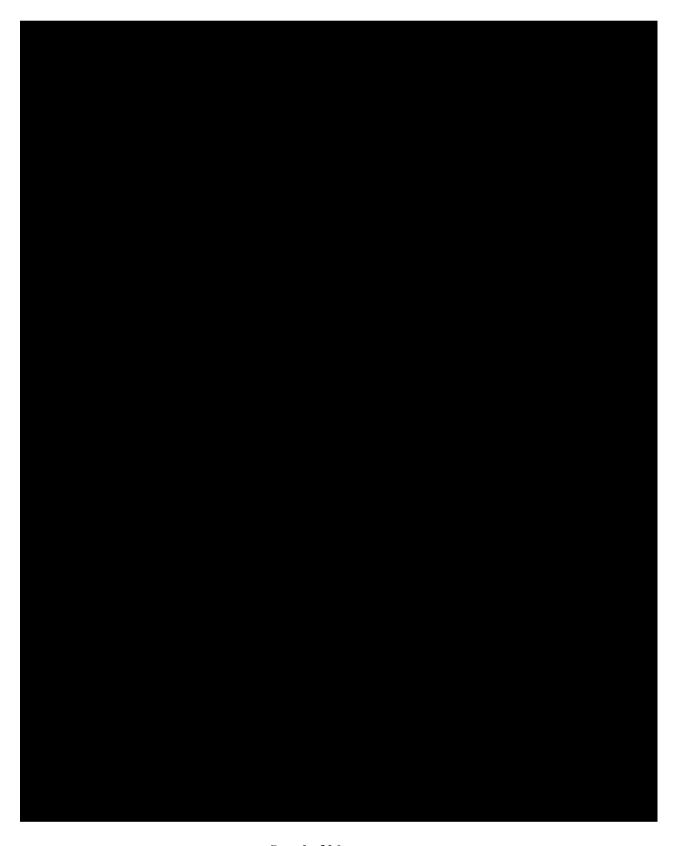
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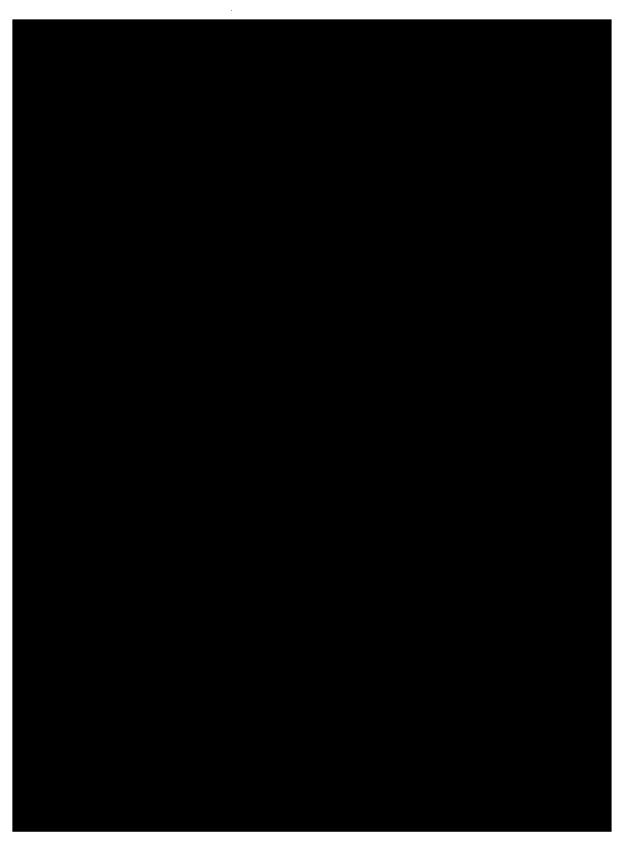
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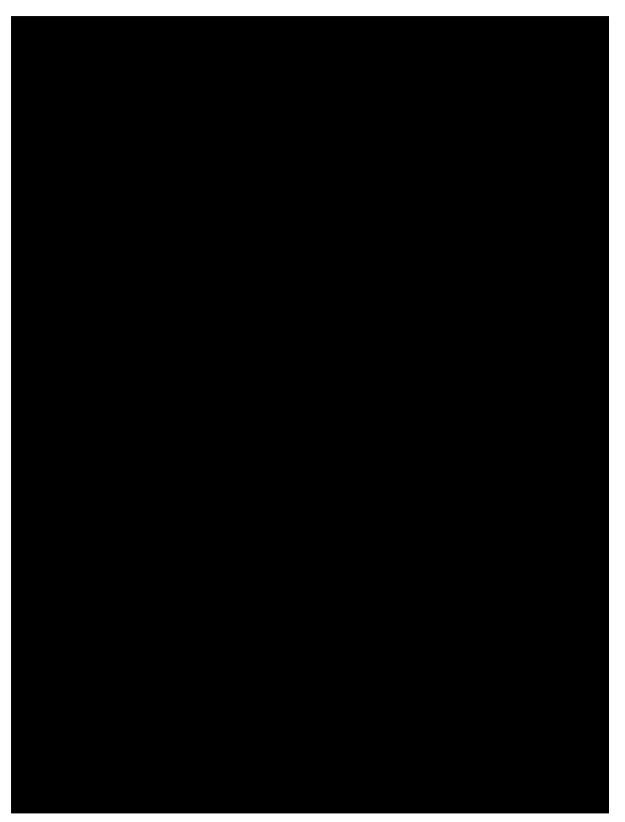
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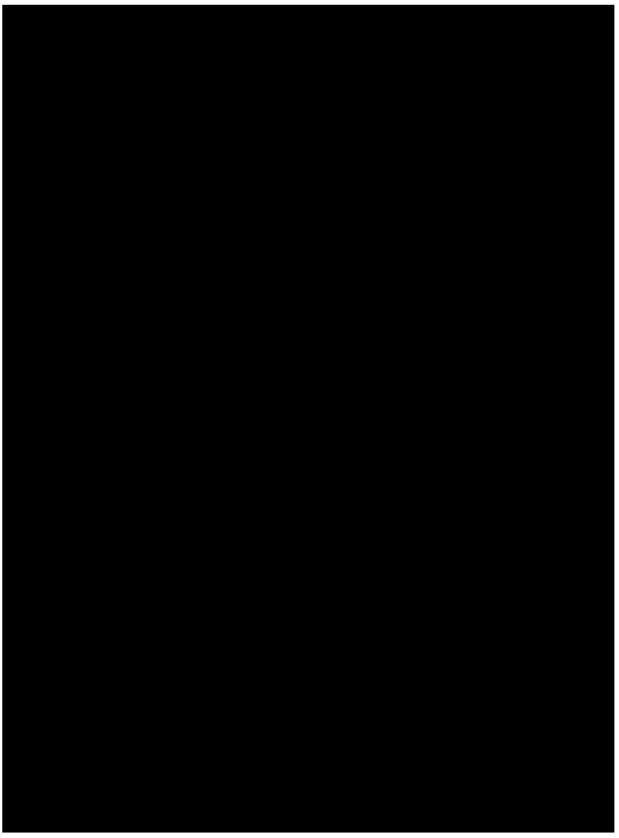
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# 6.4 Accounting for Payments.

- (a) Any amounts which remain unpaid after the date they are due to UFRF under this Section 6, Section 7 or any other provision of this agreement accrue interest from the due date at the rate of one and one-half percent (1.5%) per month. This interest provision is not a grant of permission for any payment delays. Licensee is responsible for repayment to UFRF of any attorney, collection agency, and other out-of-pocket expenses to collect overdue payments.
- (b) Except as otherwise directed, Licensee shall pay all amounts owing to UFRF under this Agreement in United States dollars at the following address:

University of Florida Research Foundation, Inc. 288 Grinter Hall, PO Box 115500 Gainesville, Florida 32611-5500 Attention: Business Manager

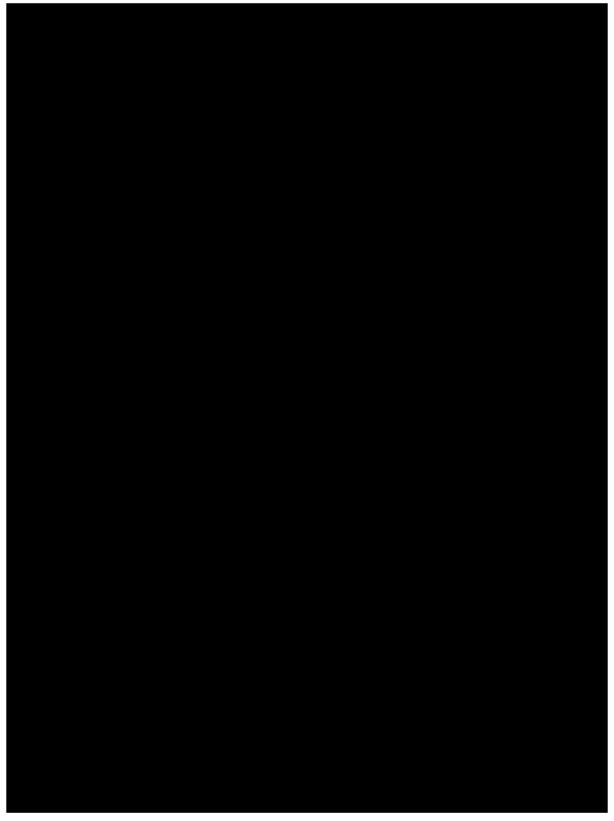
Licensee shall convert all monies owing in currencies other than United States dollars at the rate shown in the Federal Reserve Noon Valuation - Value of Foreign Currencies on the day preceding the payment due date.

(c) On the date of each payment to UFRF, Licensee shall submit a certified full accounting statement showing how any amounts payable to UFRF have been calculated. In addition to being certified, the Licensee shall include on all accounting statements a written representation signed by an executive officer of Licensee that states that the statements are true, accurate, and fairly represent in all material respects all amounts payable to UFRF pursuant to this Agreement. Licensee shall provide accounting on a per-country and product line, model or trade name basis and shall summarize them on the form shown in Appendix D–UFRF Royalty Report.

- (d) If no payment is owed to UFRF, Licensee shall supply information demonstrating that fact to UFRF.
- (e) Licensee shall make all payments due under this Agreement without deduction for taxes, assessments, or other charges of any kind which may be imposed on UFRF by any government or political subdivision with respect to any amounts payable to UFRF pursuant to this Agreement. All taxes, assessments, or other charges shall be assumed by Licensee. Licensee is responsible for all wire/bank fees associated with all payments due to UFRF pursuant to this Agreement.

#### **Section 7** Patent Prosecution

- 7.1 UFRF shall file, prosecute, and maintain the Patent Rights using counsel of its choice but will consider any comments provided by Licensee. UFRF shall provide Licensee with copies of all documents sent to and received from the United States Patent and Trademark Office and foreign patent offices (collectively, the "PTO") relating to Patent Rights. Licensee shall keep those documents confidential. UFRF will make reasonable efforts to allow Licensee fifteen days to review and respond or UFRF will take it as approval.
- 7.2 Licensee shall pay UFRF Fifty Four Thousand One Hundred Forty-Seven dollars (\$54,147.00), for License Agreements A12334, A13163, A12337 and A12927 in the aggregate over a period of twenty-four (24) months in equally quarterly payments starting within 90 days of the Effective date of the License Agreement to reimburse expenses associated with preparation, filing, prosecution, issuance, maintenance, defense, and reporting of the Patent Rights prior to the Effective Date. (NOTE: the above referenced dollar amount in this Section 7.2 is subject to change, as UFRF may not have received all related patent prosecution expense invoices from the law firm at the time of license negotiation.)
- 7.3 Licensee shall pay all costs and expenses incurred by UFRF related to the preparation, filing, prosecution (including interferences and oppositions), issuance, maintenance and reporting of the Patent Rights that were not reimbursed pursuant to Section 7.2 within thirty (30) days of receipt of an invoice from UFRF. Licensee shall keep UFRF fully apprised of the "small entity" status of Licensee and all Sublicensees with respect to United States and applicable foreign patent laws. Licensee shall inform UFRF of any changes in writing of the small entity status within thirty (30) days of any change.
- 7.4 Licensee may elect upon sixty (60) days' prior written notice to decline to reimburse UFRF for patent expenses for any Patent Rights in any particular country or jurisdiction. In that case, the license granted to Licensee by this Agreement terminates with respect to such Patent Rights after the sixty (60) days in that country or jurisdiction.



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UFRF



#### **Section 9** Term and Termination

- 9.1 The term of this license begins on the Effective Date and continues 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' prior written notice to UFRF. Licensee shall include a statement of the reasons for termination in the notice.
- 9.3 UFRF may terminate this Agreement by giving Licensee at least thirty (30) days' written notice if Licensee:
  - (a) is delinquent on any report, payment or required documents as specified in any section of this Agreement;
  - (b) is not diligently developing and commercializing Licensed Products or Licensed Processes;
  - (c) is in breach of any provision of this Agreement(d) provides any false report required to be made hereunder;
  - (d) files for bankruptcy, liquidation or has a receiver control any of its assets provided that in the case of an involuntary petition filed against the Licensee, the Licensee shall have 180 days to dismiss such petition;

- (e) violates any laws or regulations which constitute a felony applicable to development or commercialization of Licensed Products or Licensed Processes;
  - (f) ceases to carry on its business pertaining to Patent Rights;
- (g) fails to provide UFRF with un-redacted copies of the Change Of Control documents within thirty (30) days of their execution.

Termination under this Section 9.3 takes effect thirty (30) days after written notice that is provided by UFRF according to this Section 9.3, unless Licensee remedies the problem in that thirty (30) day period or unless a longer period for cure is provided hereunder.

- 9.4 If Licensee or any of its Affiliates brings a Patent Challenge against UFRF or assists others in bringing a Patent Challenge against UFRF (except as required under a court order or subpoena), then UFRF may immediately terminate this Agreement. If a Sublicensee brings a Patent Challenge or assists another party in bringing a Patent Challenge (for example, except as required under a court order or subpoena), then UFRF may send a written demand to Licensee to terminate the sublicense. If Licensee fails to terminate the Sublicense within forty-five (45) days after UFRF's demand, UFRF may immediately terminate this Agreement.
- 9.5 UFRF may immediately terminate this Agreement upon the occurrence of the third separate default by Licensee within any consecutive three-year period for failure to pay any monies due under this Agreement when due, unless the Licensee is disputing such payment in good faith. Any payment made pursuant to Section 6.2 and 6.3 shall not be deemed to be a default under this Section 9.5 provided that a payment was made for the royalty period in question.
- 9.6 Termination of this Agreement for any reason does not release either party from any obligation that matured prior to the effective date of termination. Licensee remains obligated to provide an accounting for and to pay royalties earned. Licensee may prorate any minimum royalties that are due as of the date of termination by the number of days elapsed in the applicable calendar year. Licensee and its Sublicensees may, however, during the six (6) months after the effective date of termination, sell all Licensed Products that are in inventory and complete and sell Licensed Products that are in the process of manufacture, provided that Licensee provides an accounting for and pays all earned royalties and other payments that are due under the terms of the Agreement.
  - 9.7 Upon termination of the Agreement for any reason, the following sections

of the License Agreement remain in force as non-cancelable obligations:

Section 6 Record Keeping

• Section 9.6 Effect of Termination

• Section 12 Indemnification; Insurance

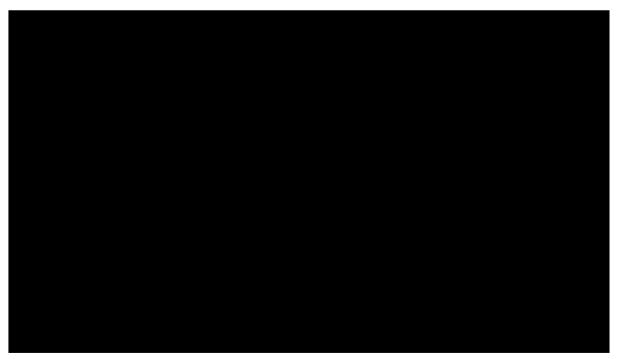
• Section 13 Use of Names

• Section 14 Miscellaneous

• Section 18 Confidentiality

9.8 Licensee shall deliver to UFRF, within ninety (90) days after the date of termination of this agreement, complete and un-redacted copies of all documentation prepared for or submitted for all regulatory approvals of Licensed Products or Licensed Processes.

9.8. Upon termination of this Agreement, any existing agreements that contain a Sublicense shall terminate to the extent of such Sublicense; provided, however, that, for each Sublicensee, upon termination of the Sublicense agreement with such Sublicensee, if the Sublicensee is not then in breach of its Sublicense agreement with Licensee such that Licensee would have the right to terminate such Sublicense, such Sublicensee shall have the right to seek a license from UFRF. For clarity, termination of this Agreement does not affect the rights of any lawful customer of a Licensed Product to use such Licensed Product, which may, by its use, also include the practice of a Licensed Method. UFRF agrees to negotiate such licenses in good faith under reasonable terms and conditions, which shall not impose any representations, warranties, obligations or liabilities on UFRF that are not included in this Agreement.



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# **Section 11 Dispute Resolution**

- 11.1 <u>Mandatory Procedures</u>. Before either party intends to file a lawsuit against the other with respect to any matter in connection with this Agreement, except with regard to any payments made or due under this Agreement, it shall first comply with the procedures set forth in this Section 11, other than for injunctive relief to enforce the provisions of this Section 11.
  - (a) When a party intends to invoke the procedures set forth in this Section 11, it shall provide written notice to the other party. Within thirty (30) days after the date of that notice, senior representatives of the parties shall engage in good faith negotiations at a mutually convenient location to resolve the dispute. In the case of UFRF, that representative is the Director of Technology Licensing. In the case of License, that representative is the Lee Strait.
  - (b) If the parties fail to meet within the time period set forth in Section 11(a) 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.
  - (c) Not more than fifteen (15) days after the notice of issues, the President of UFRF and the Chief Executive Officer of the Licensee shall meet and engage in good faith negotiations at a mutually convenient location to resolve the dispute.
- 11.2 <u>Failure to Resolve Dispute</u>. If (a) any issue is not resolved at the meeting of the President and Chief Executive Officer within fifteen (15) days after they first meet; or (b) there is a dispute regarding payments made or due under this Agreement, either party may file appropriate administrative or judicial proceedings with respect to the issue in dispute. The parties agree to consider in good faith any proposals to address issues through alternative dispute resolution.



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### Section 14 Miscellaneous

- 14.1 <u>Governing Law.</u> This Agreement shall be governed and construed in accordance with the internal laws of the State of Florida without regard to its conflict of laws provisions, and venue for all claims or other causes of action arising out of this Agreement is Gainesville, Florida.
- 14.2 <u>Independent Contractors</u>. The parties are independent contractors and not joint venturers or partners.
- 14.3 <u>Integration</u>. This Agreement constitutes the full understanding between the parties with reference to its subject matter, and no statements or agreements by the parties, whether oral or in writing, may modify the terms of this Agreement. Neither party may claim any amendment, modification, or release from any provisions of this Agreement, unless the mutual agreement is in writing and signed by both parties.
- 14.4 <u>No Security Interest</u>. Licensee may not encumber or otherwise grant a security interest in any of the rights granted under this Agreement to any third party.
- 14.5 <u>Laws and Regulations</u>. Licensee shall comply with all local, state, federal, and international laws and regulations that are applicable to the development, manufacture, use, and sale of Licensed Products and Licensed Processes, including:
  - (a) Licensee acknowledges that it is subject to and agrees to abide by United States laws and regulations (including the Export Administration Act of 1979 and Arms Export Control Act) controlling the export of technical data, computer software, laboratory prototypes, biological material, and other commodities. The transfer of those items may require a license from the cognizant agency of the United States Government or written assurances by Licensee that it will not export items to certain foreign countries or persons without prior approval by that agency. UFRF neither represents that a license is or is not required nor that, if required, it will be issued.
  - (b) Licensee shall obtain all necessary approvals from the United States Food & Drug Administration, Environmental Protection Agency, Department of Agriculture and any similar governmental authorities of foreign jurisdictions in which Licensee intends to make, use, or sell Licensed Products or perform Licensed Processes.
- 14.6 <u>Force Majeure</u>. Neither party is responsible for default, delay, or failure to perform, if such default, delay or failure to perform is due to causes beyond the party's reasonable control, including, but not limited to, strikes, lockouts, inactions of governmental authorities, war, fire, hurricane or other natural disaster, provided that the nonperforming party uses commercially reasonable efforts to avoid or remove those causes of nonperformance and continues performance under this Agreement with reasonable dispatch when the causes are removed. In the event of a default, delay or

failure to perform described in this Section 14.6, any date or times by which either party is scheduled to perform is extended automatically for a time equal to the time lost by reason of the excused default, delay or failure to perform.

#### Section 15 **Notices**

The parties shall provide any notice required to be given pursuant to this Agreement in writing to the addresses listed in this Section 15. Notice is effective on the day it is delivered personally with written receipt from an authorized signatory, on the second day after the day on which the notice has been delivered for next day delivery prepaid to a nationally recognized courier service, on the fifth business day following deposit in the United States mail if sent certified or registered mail, (return receipt acknowledgement is not required to certify delivery).

### If to UFRF:

President University of Florida Research Foundation, Incorporated 223 Grinter Hall University of Florida Gainesville, FL 32611-5500

with a copy to:

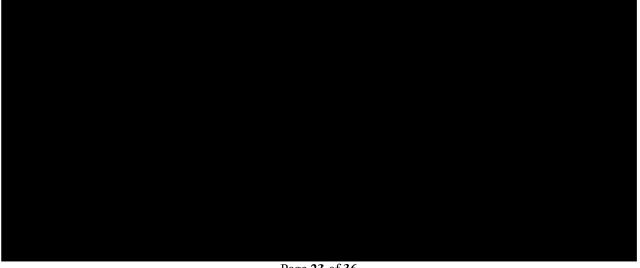
Office of Technology Licensing University of Florida

Attn: Director (Rm. 112) 747 SW 2nd Avenue Post Office Box 115575

Gainesville, Florida 32611-5575

### If to Licensee:

Lee Strait, CEO U.S. Bioplastics, Inc. 515 N Park Avenue, Suite 216 Winter Park, FL 32789



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# Section 17 Confidentiality

- Unless required by Florida Law, the parties (a) may only use each other's Confidential Information (as defined below) as necessary to perform the obligations set forth in this Agreement (b) may not disclose the other's Confidential Information to any third party, and (c) shall protect each other's Confidential Information with the same degree of care that they exercise with their own Confidential Information but in no event less than a reasonable degree of care. The parties may disclose this Agreement and Confidential Information to their authorized Affiliates, directors, officers, employees, consultants, subcontractors, Sublicensees or agents and investors who are bound by similar confidentiality provisions. For the purposes of this Agreement, "Confidential Information" means the terms of this Agreement and information disclosed by one party to the other that is marked "confidential" by the disclosing party or that is confirmed in writing within ten (10) days after verbal disclosure. Confidential Information does not include information that (i) is publicly known; (ii) is already known or independently developed without use of the Confidential Information as shown by written records; or (iii) is disclosed by a third party having no known obligation of confidentiality with respect to the Confidential Information. These confidentiality obligations remain effective for five (5) years after disclosure of the Confidential Information.
- (b) Notwithstanding the foregoing, any Party to this Agreement shall have the right to disclose such Confidential Information pursuant to (i) a judicial order issued by a court of competent jurisdiction, (ii) other valid and binding court ordered discovery, (iii) lawful governmental order or (iv) law, regulation or rule (including, without limitation, the Securities Exchange Act of 1934, as amended), but only to the extent so ordered or legally required, provided, however, that in each case the Party so ordered or obligated shall promptly notify the other Party to this Agreement, in writing, of such pending action The recipient of such Confidential Information shall cooperate reasonably with the disclosing party at the disclosing party's expense and direction in any legal action to oppose or limit such disclosure order or legal requirement. Disclosure under clauses (i) through (iii) shall not in and of itself render the Confidential Information non confidential



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# Section 19 Contract Formation and Authority

- 19.1 The submission of this Agreement is not an offer, and this document is 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 do not evidence an agreement between the parties. UFRF may terminate this Agreement without the requirement of any notice to Licensee, if UFRF does not receive the License Issue Fee or certificates representing the Equity Interests to be issued to UFRF pursuant to this Agreement, as applicable, within thirty (30) days of the Effective Date.
- 19.2 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.

The parties have duly executed this Agreement on the dates indicated below.

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INCORPORATED U.S. Bioplastics, Inc.

David L. Day

Director of Technology Licensing

Date: 6/29, 20/4

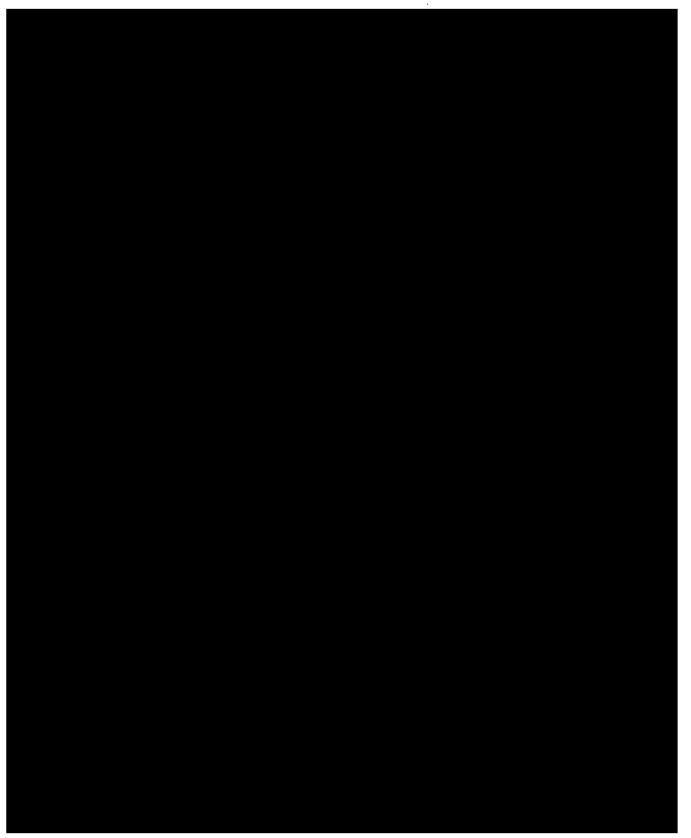
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Name: Dame

Date: 6-27, 2014

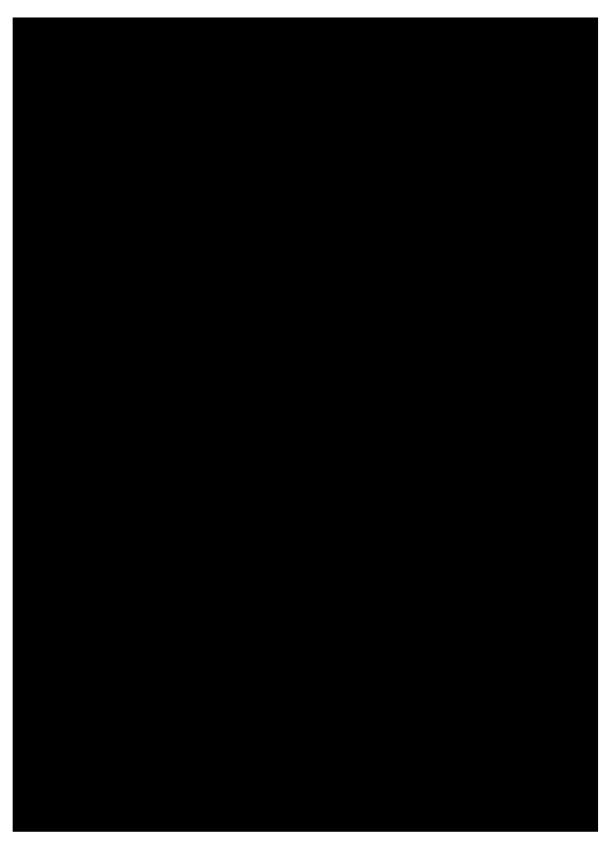


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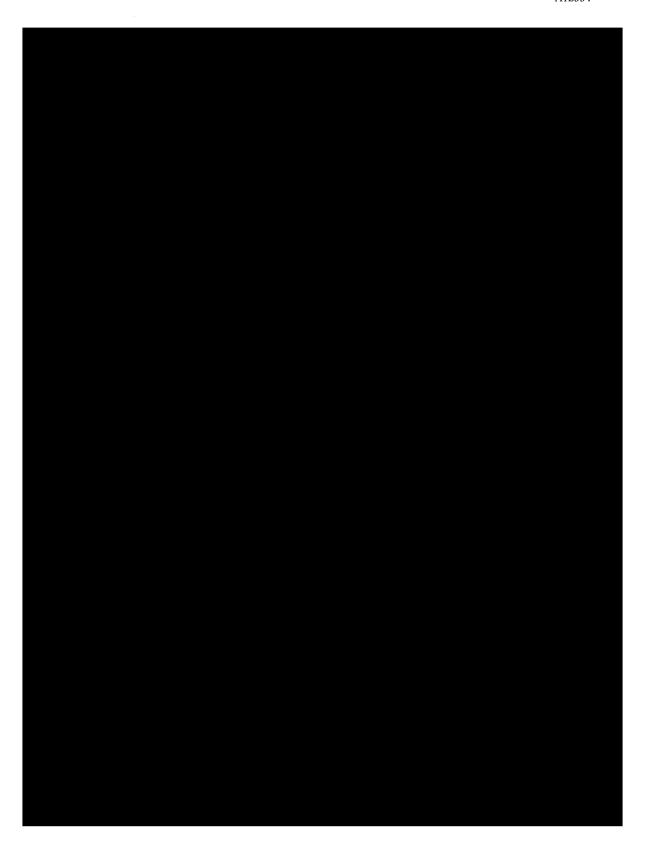


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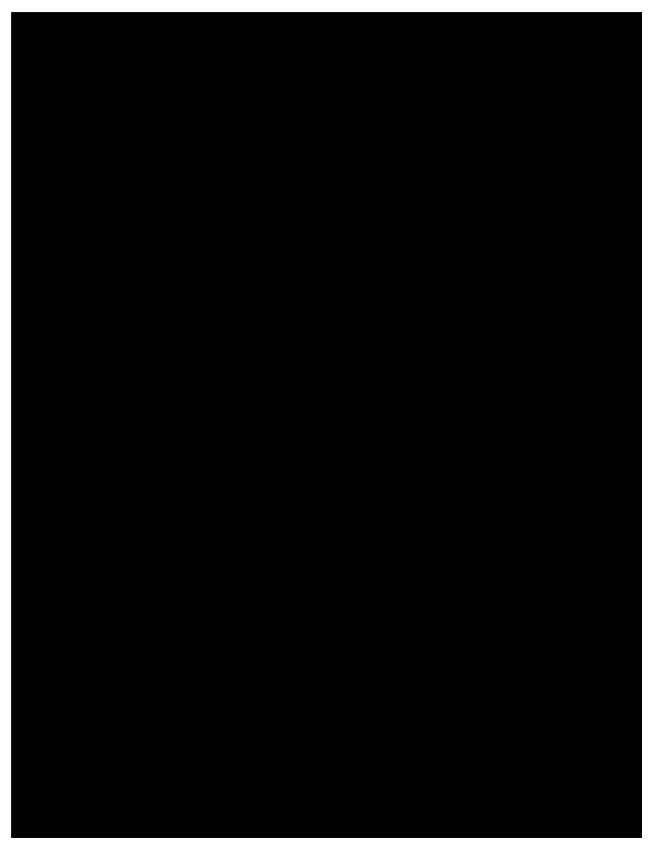
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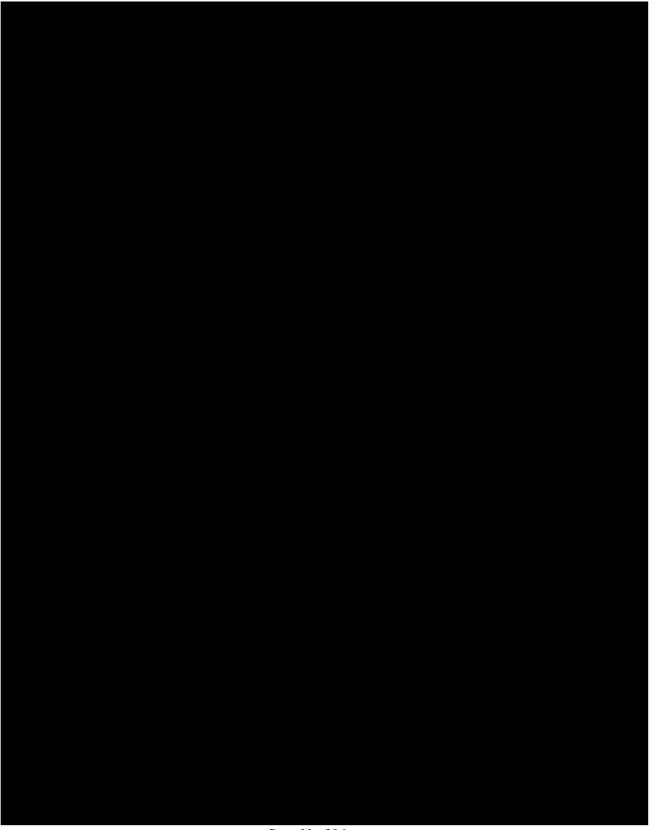


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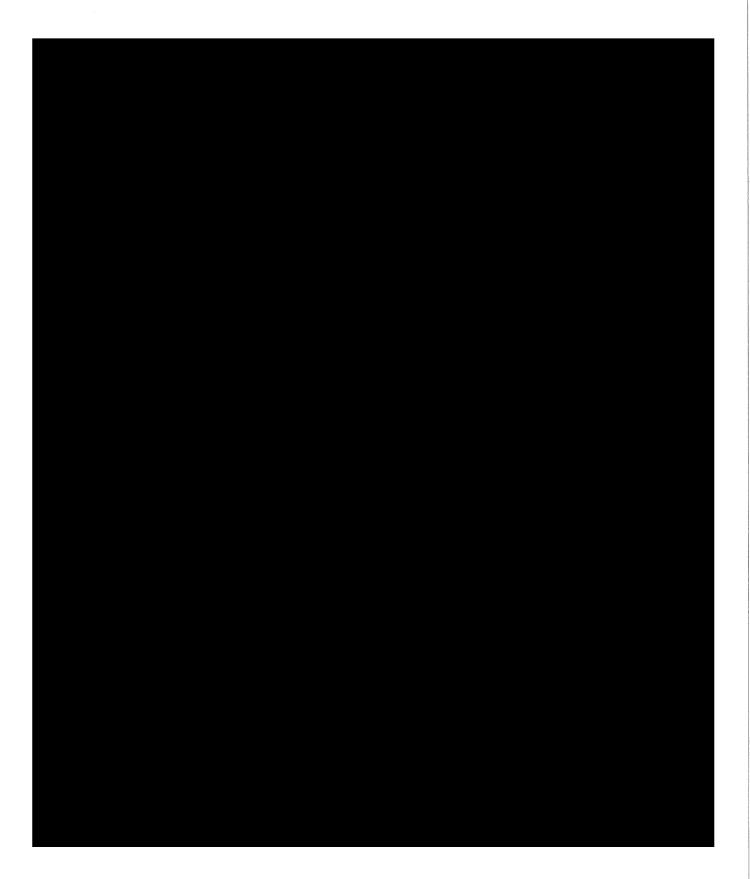
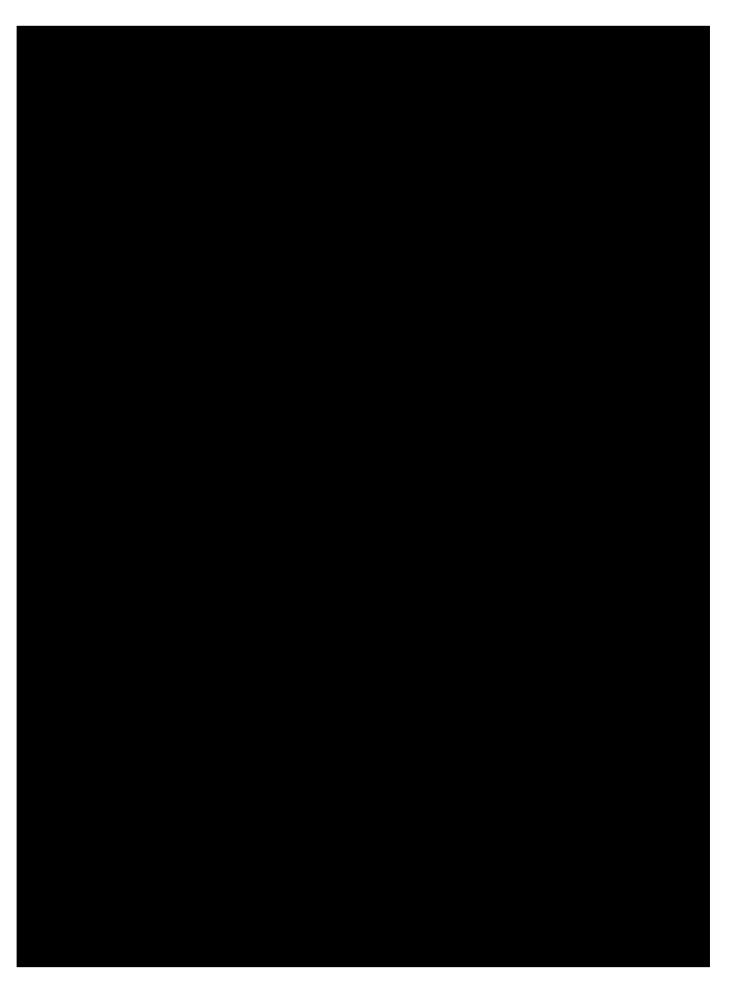
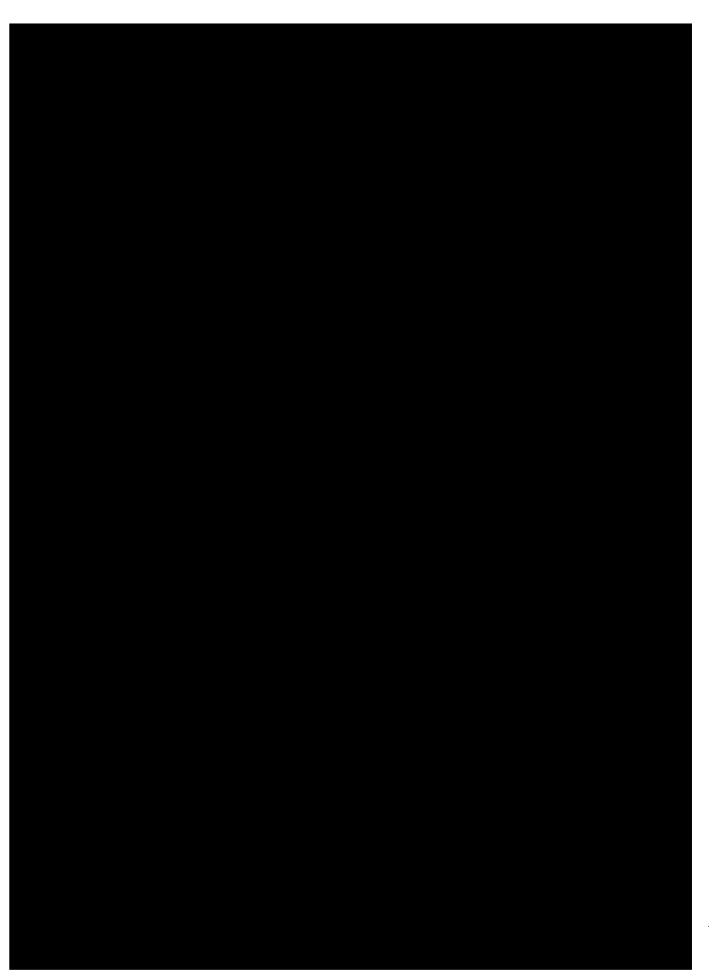


Exhibit A





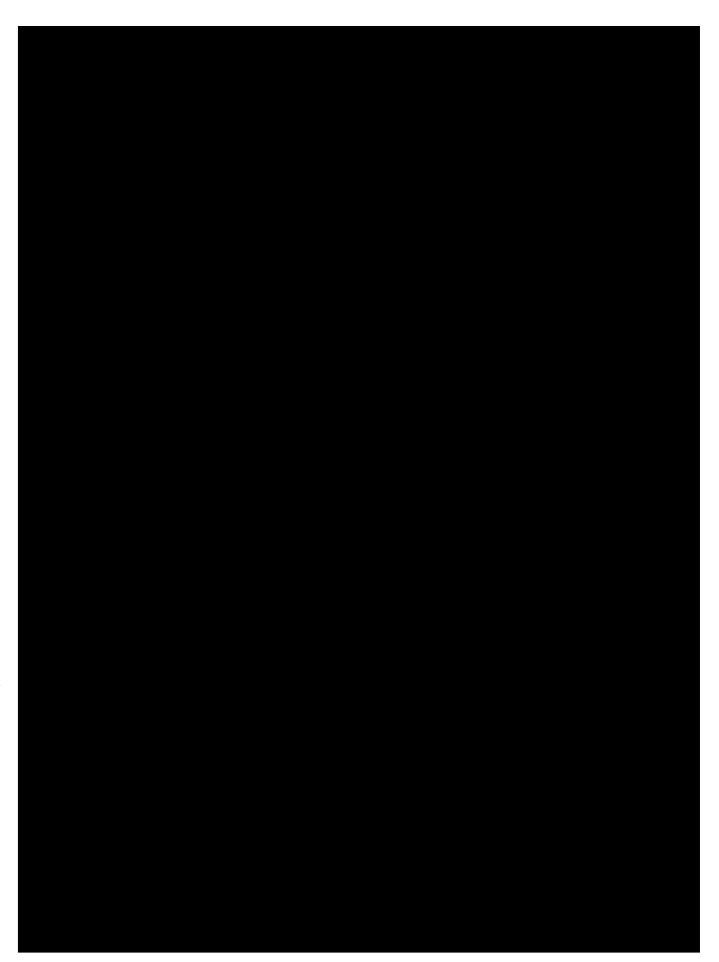


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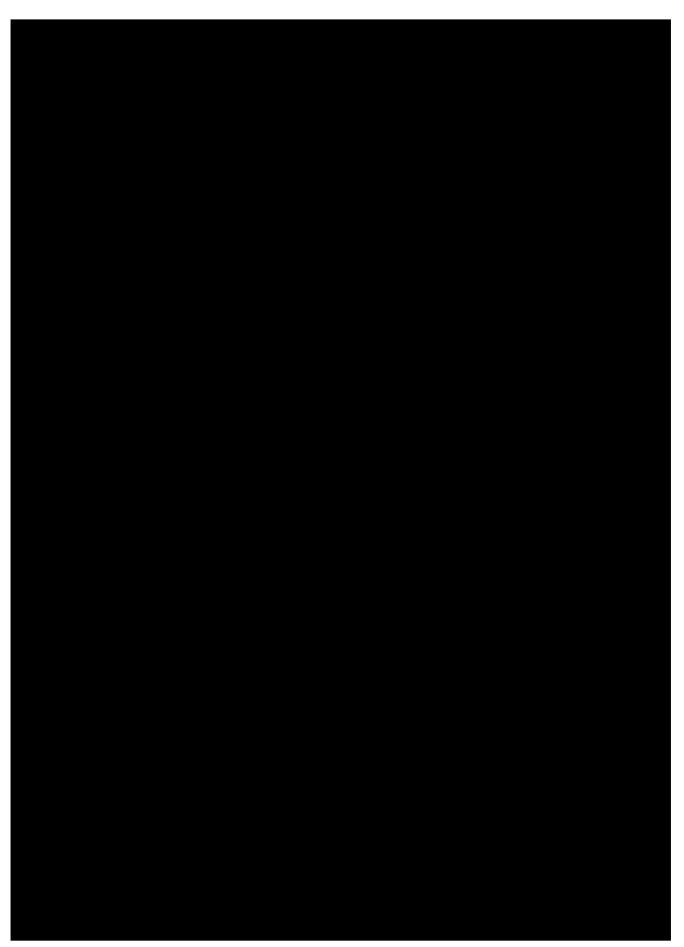


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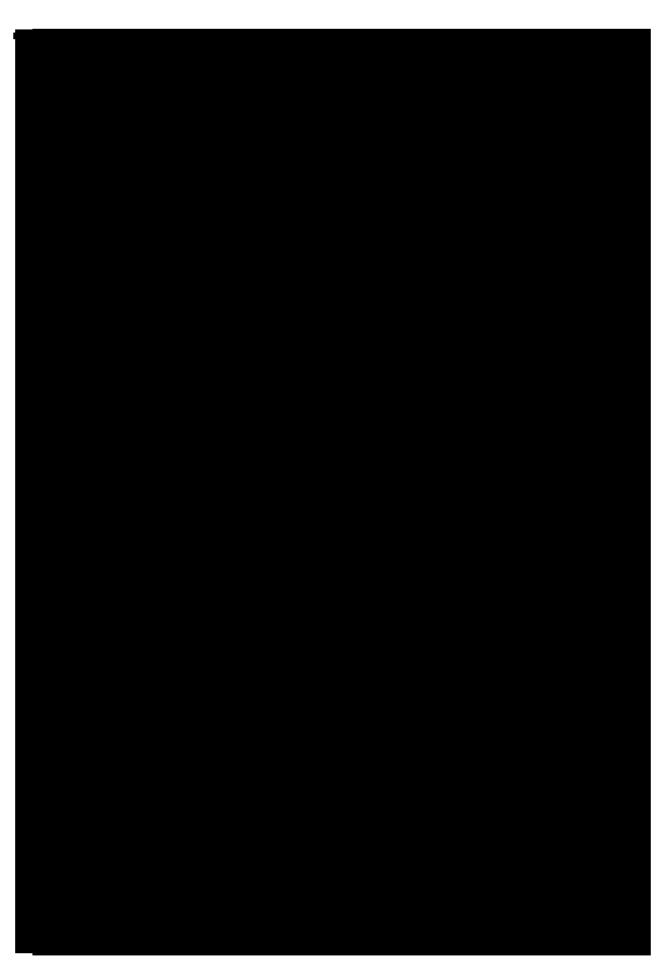


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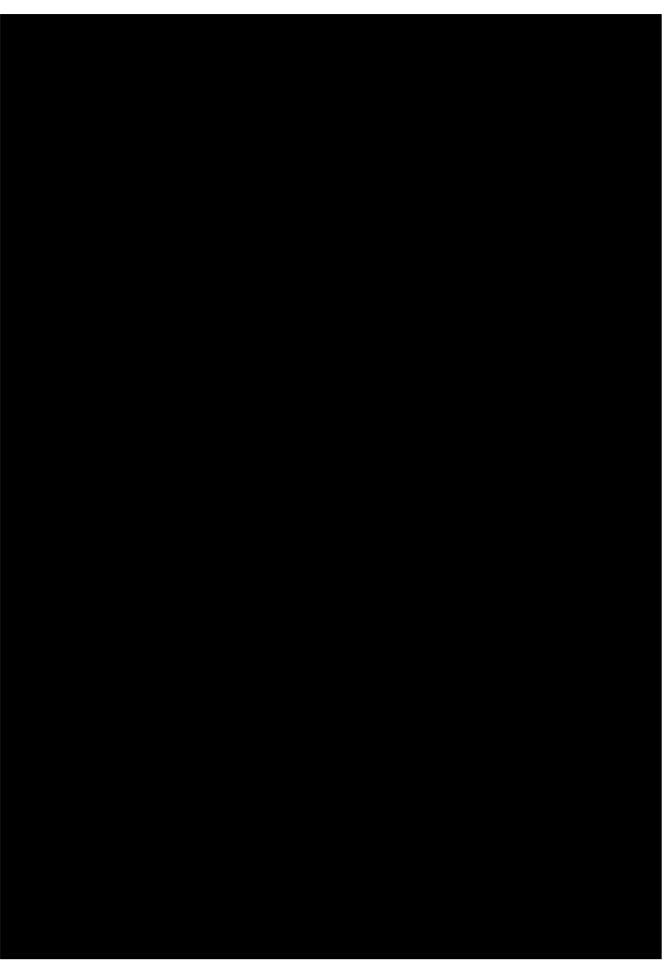


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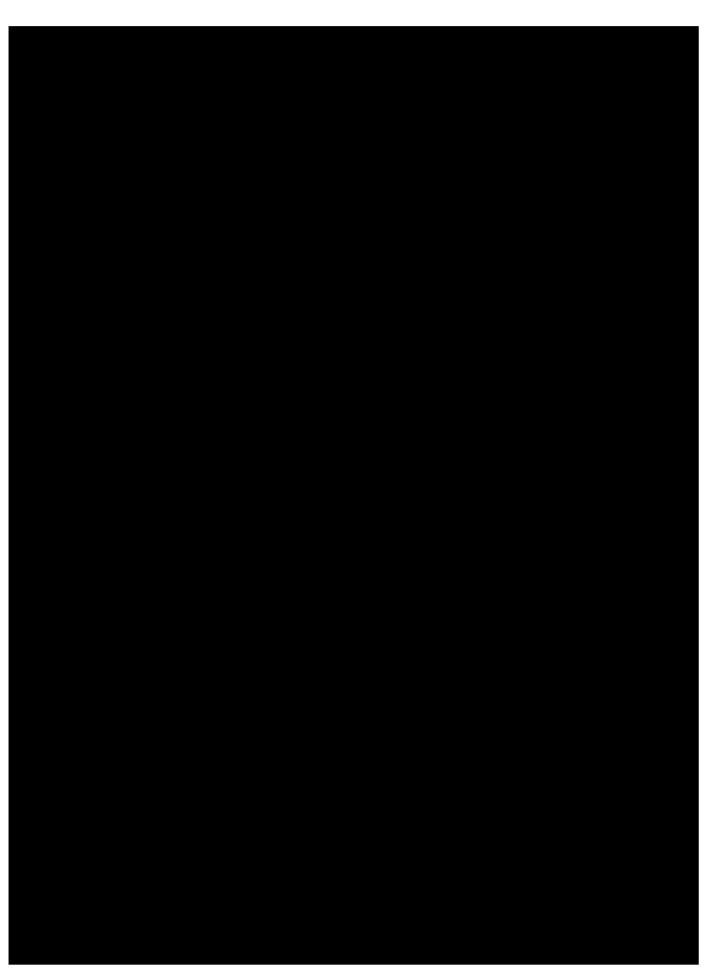


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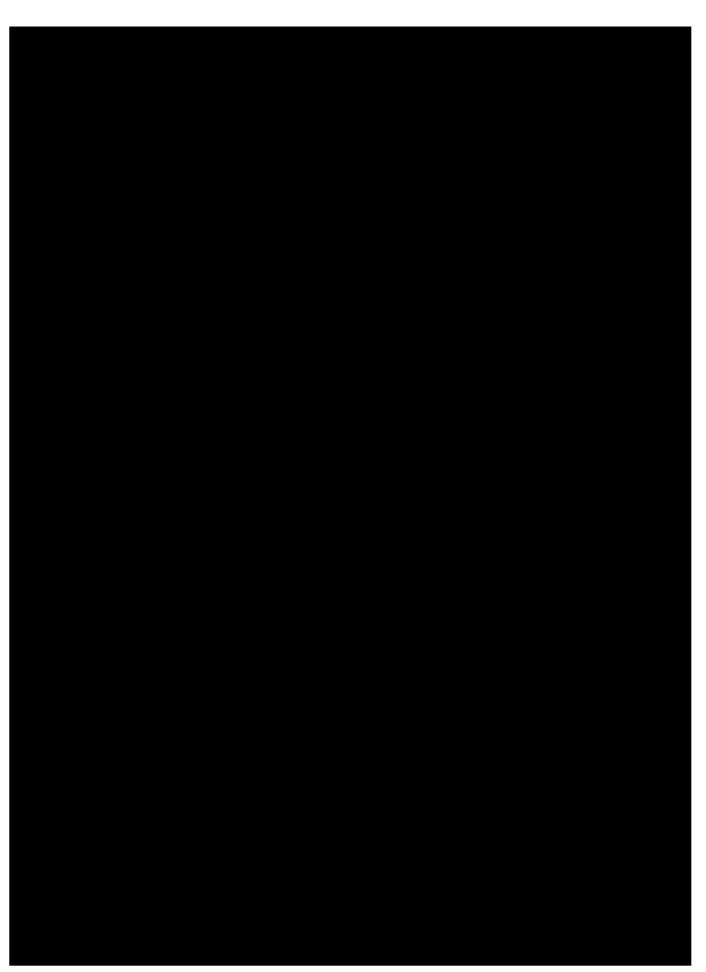
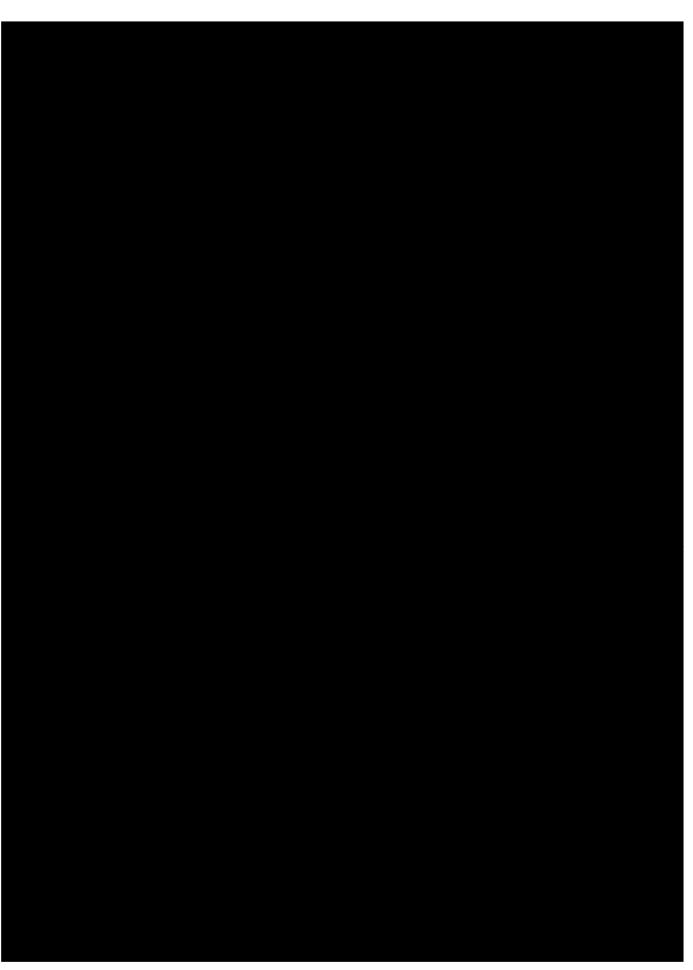


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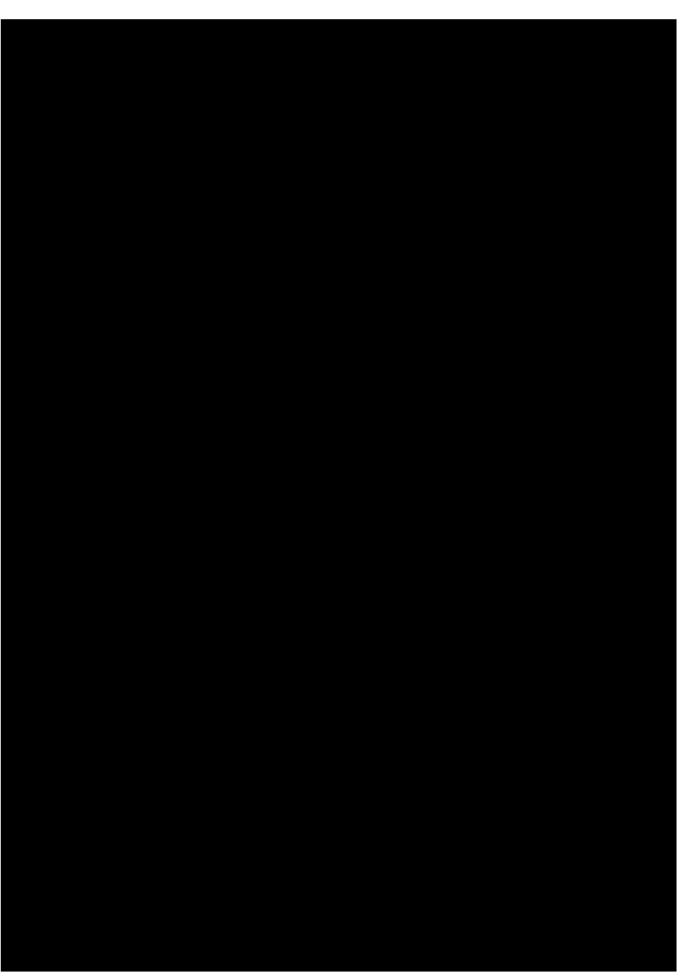


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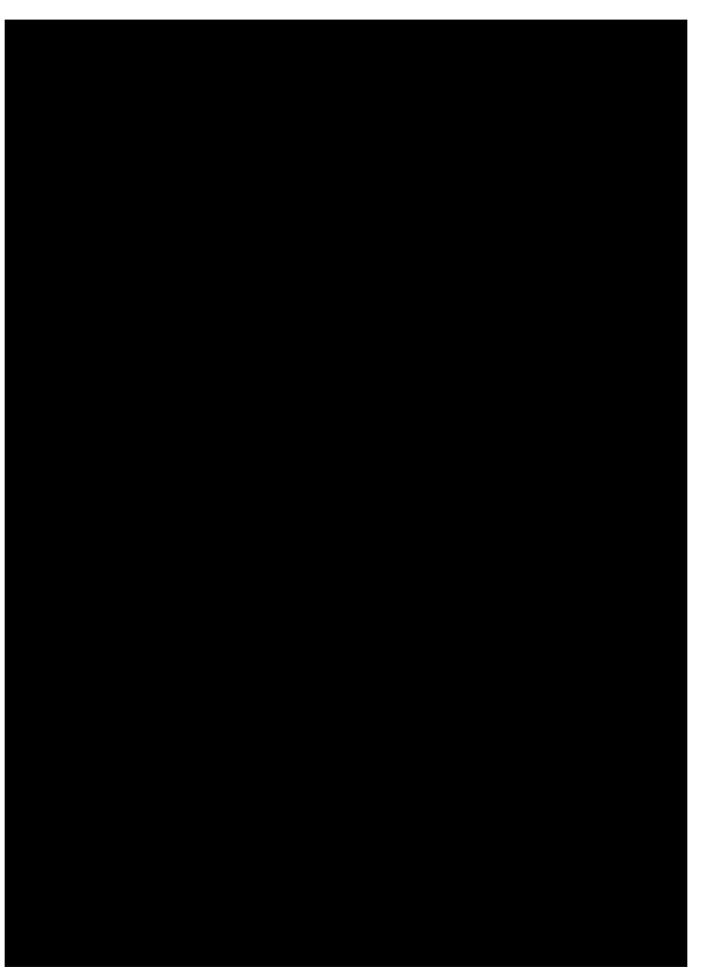


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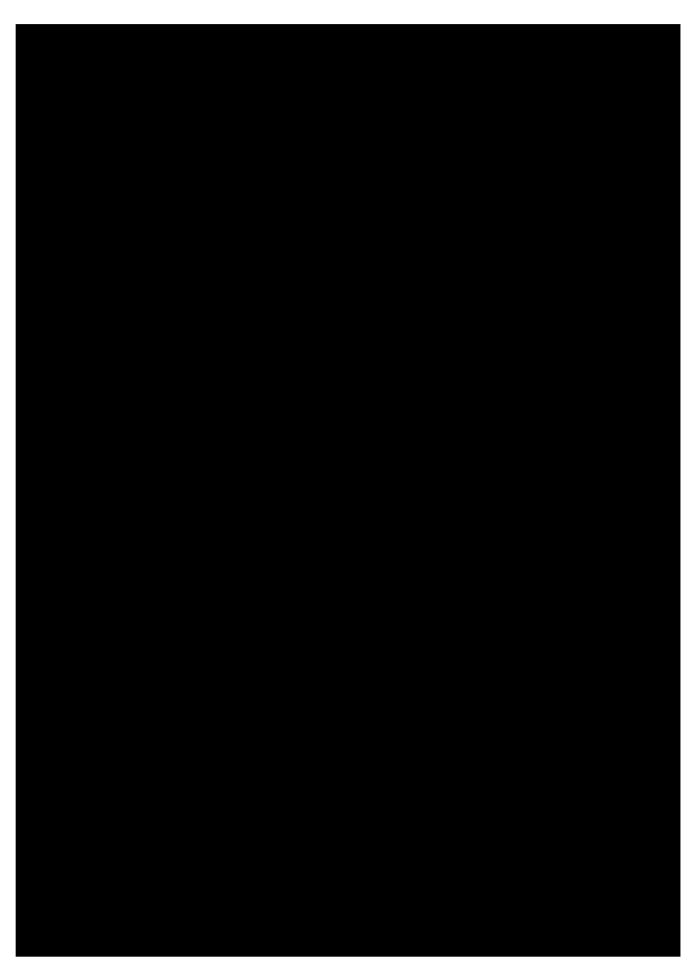


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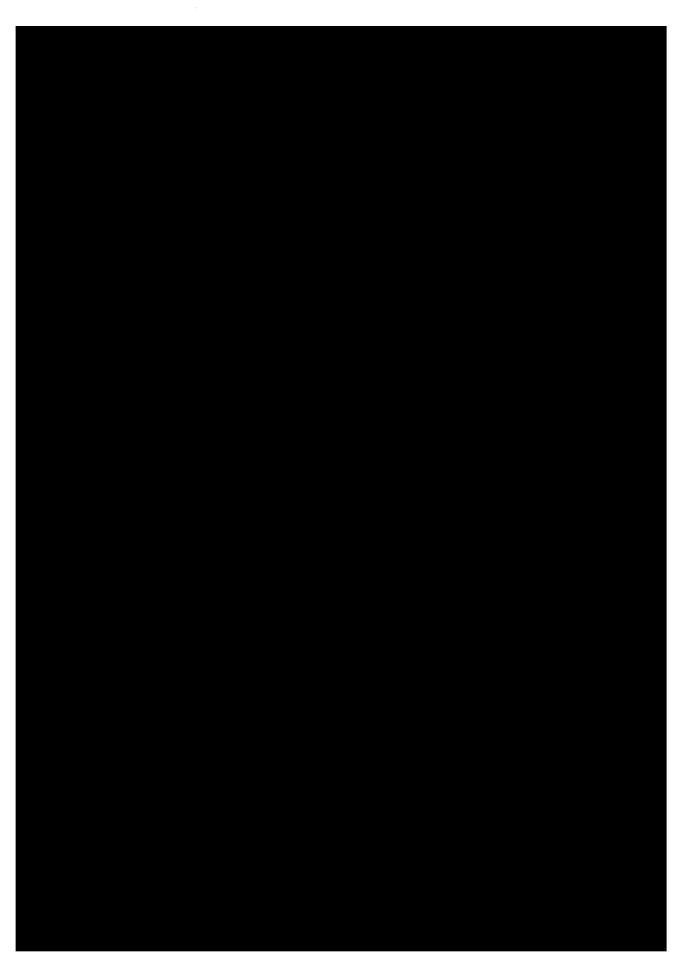


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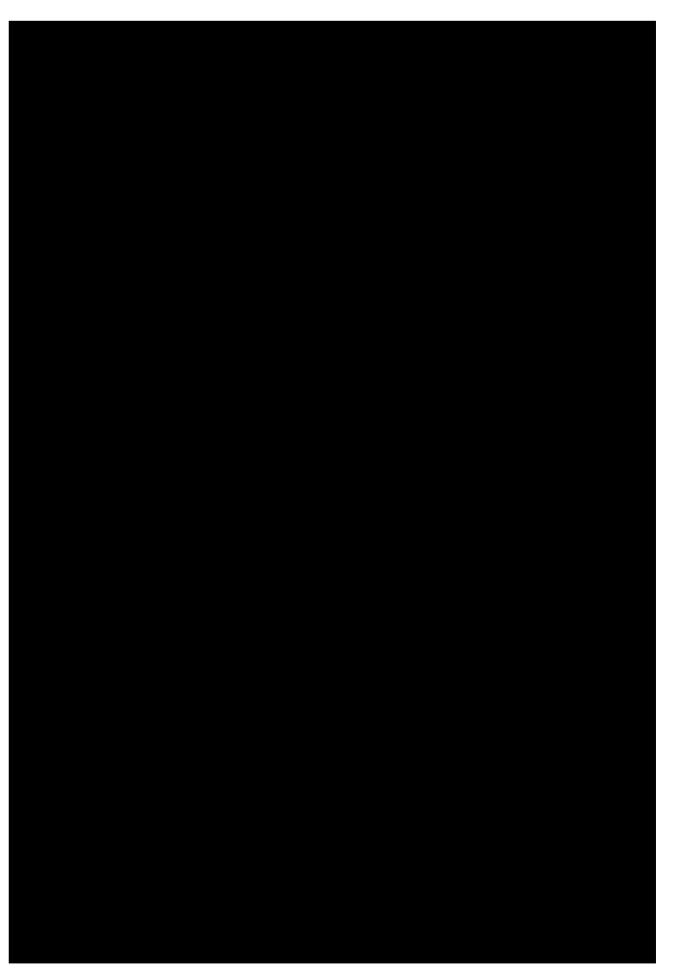


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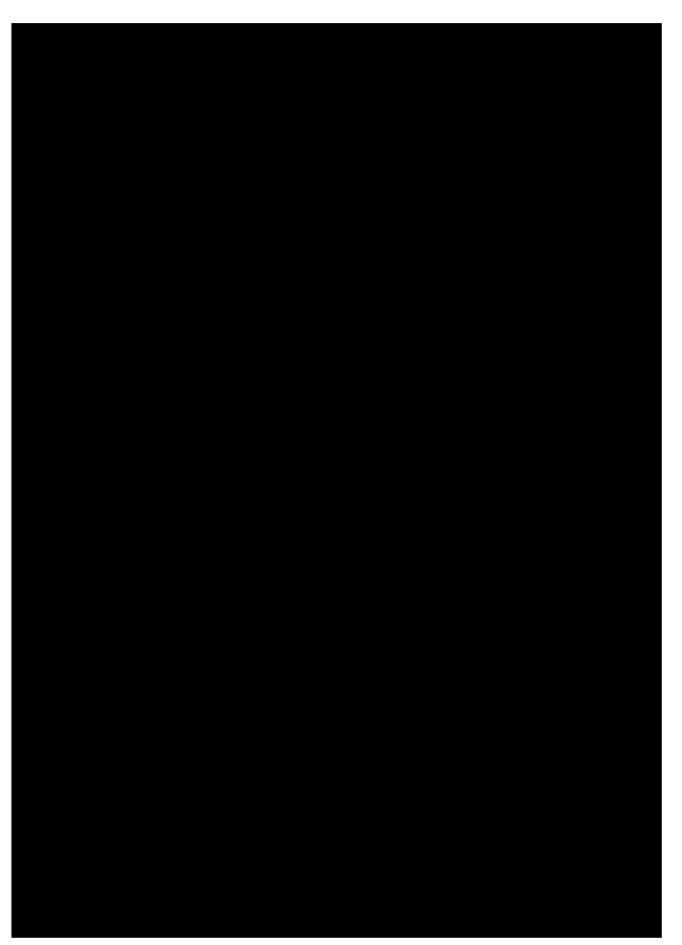
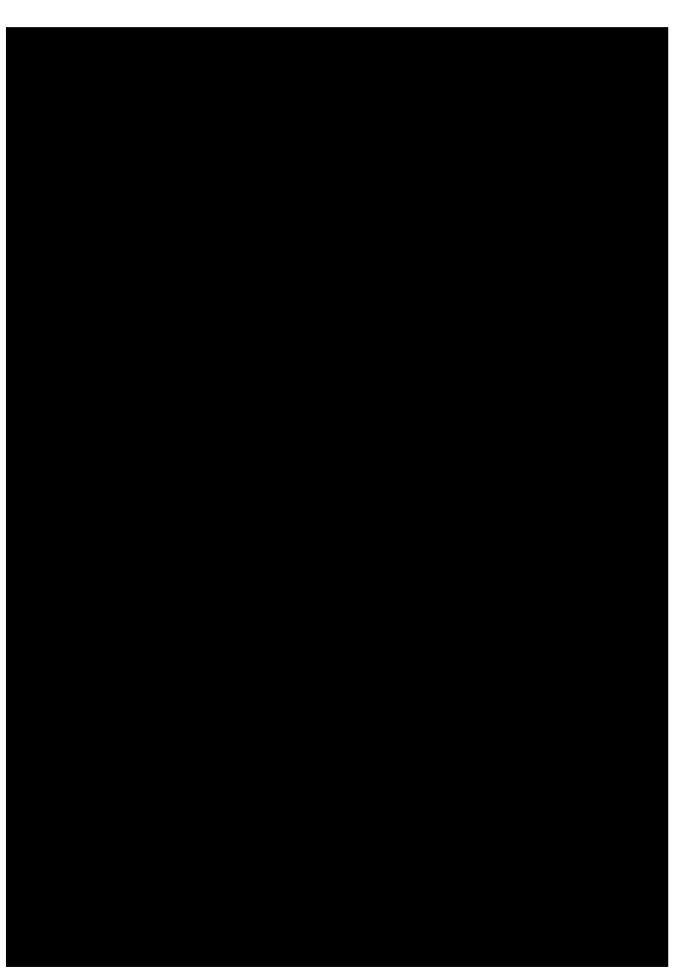


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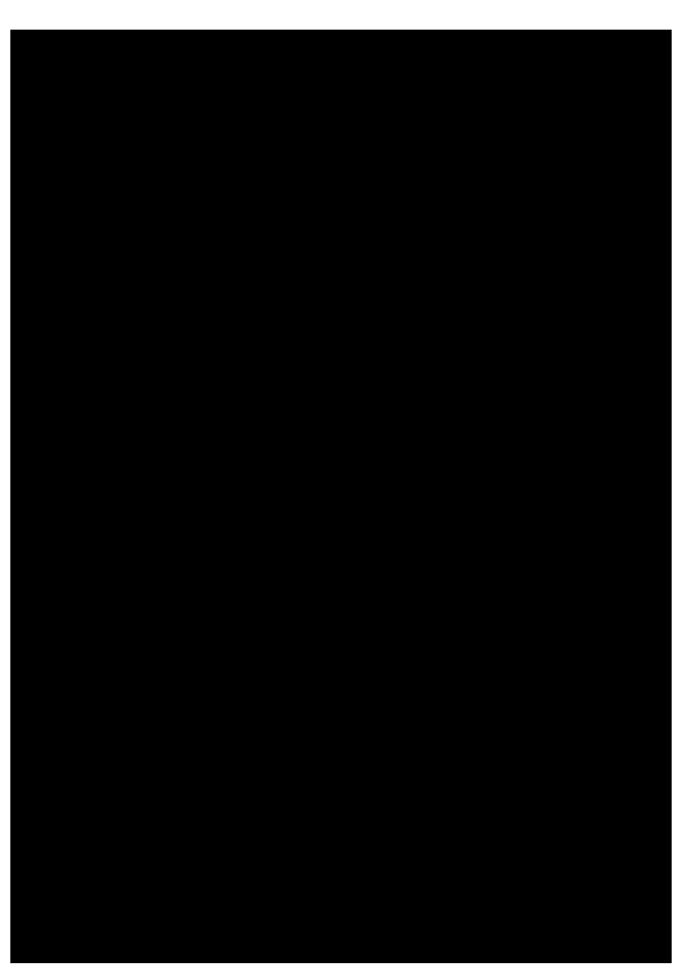


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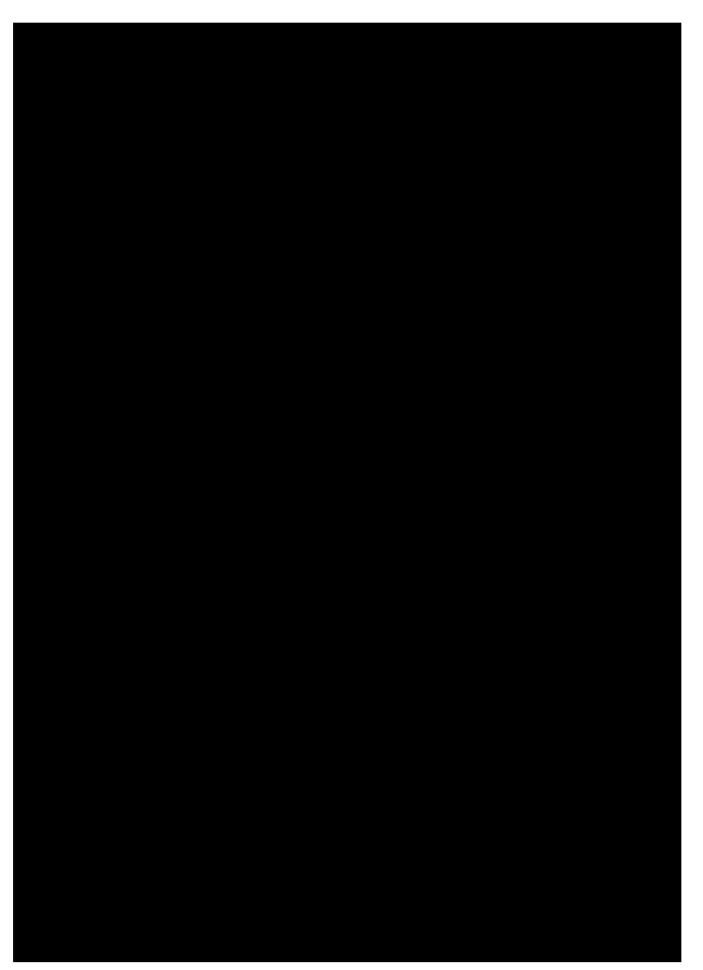


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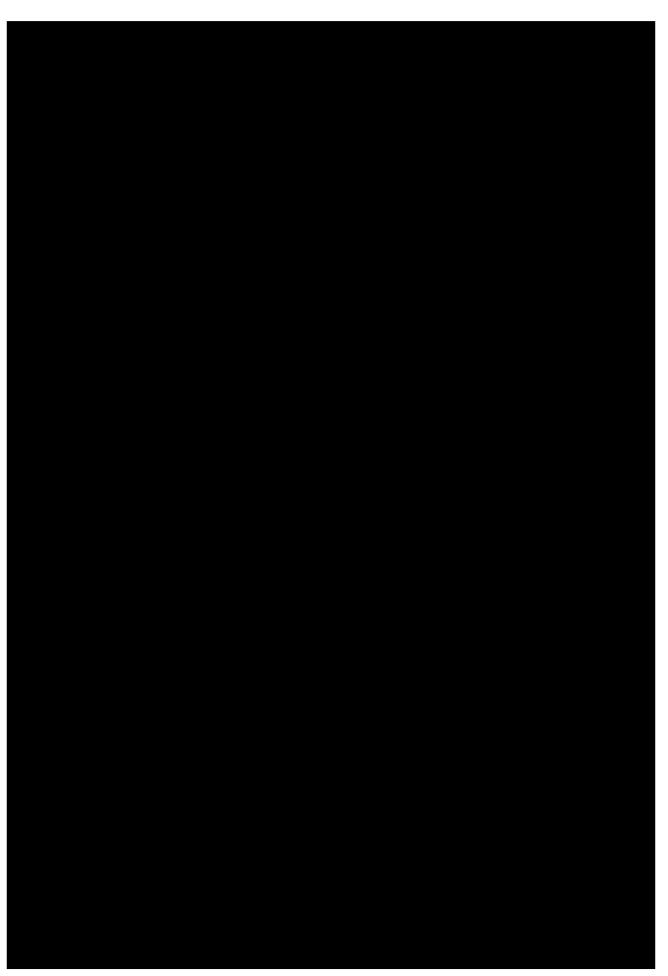




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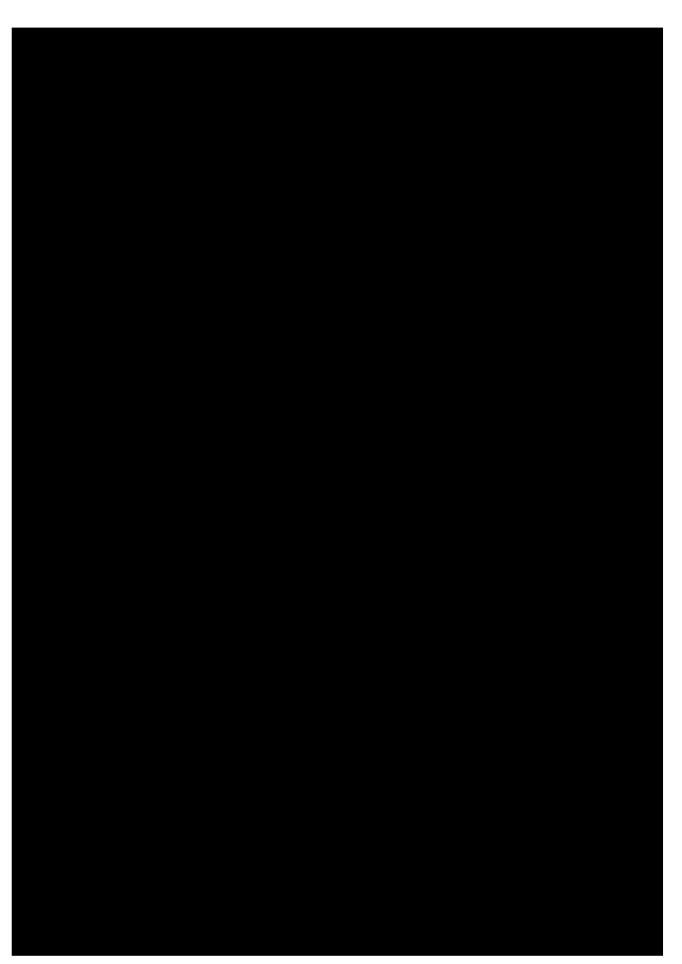


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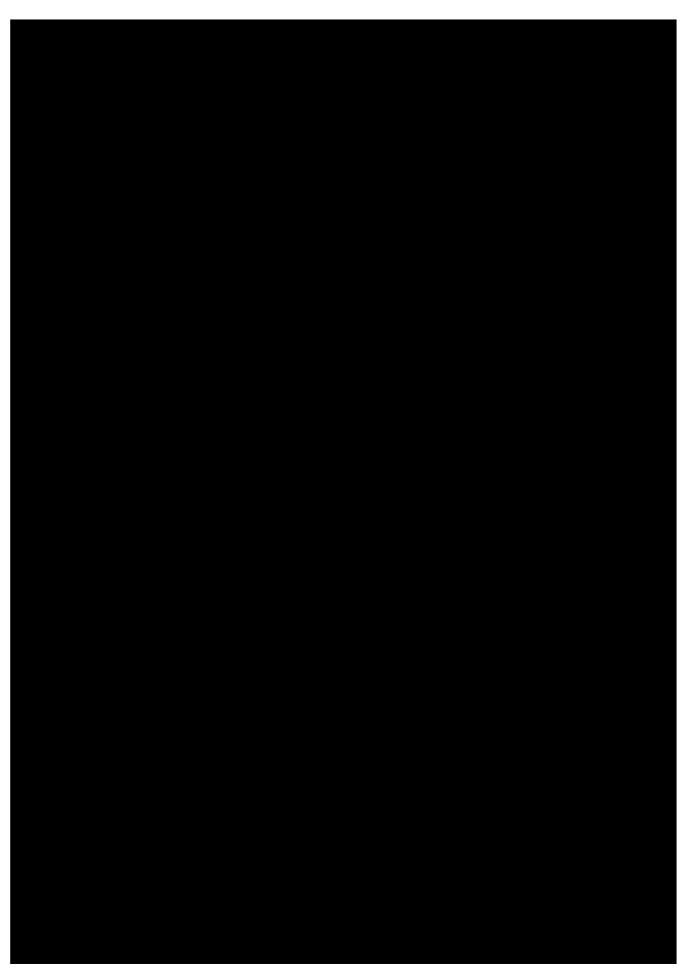


Exhibit A



Exhibit A



## STANDARD EXCLUSIVE LICENSE AGREEMENT Agreement No: A12337

## TABLE OF CONTENTS

Appendix C - Development Report

Appendix B - Development Plan

Appendix D - UFRF Royalty Report

Appendix E - Milestones

Appendix F - Equity Agreement

Appendix G - Business Plan

This Agreement is effective as of  $J_{40}$ , 29, 20, (the "Effective Date") between the University of Florida Research Foundation, Incorporated (hereinafter called "UFRF"), a nonstock, nonprofit Florida corporation, and US Bioplastics Inc. (hereinafter called "Licensee"), a small entity Florida corporation.

WHEREAS, Licensee is engaged in business relating to the development and commercialization of products that can use or incorporate UFRF's intellectual property rights and has the capability of developing commercial applications of the intellectual property; and

WHEREAS, UFRF owns inventions that are described below; UFRF is willing to

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grant a license to Licensee under the Patent Rights (defined in Section 1.6); and Licensee desires a license under them.

THEREFORE, the parties agree as follows:

## **Section 1 Definitions**

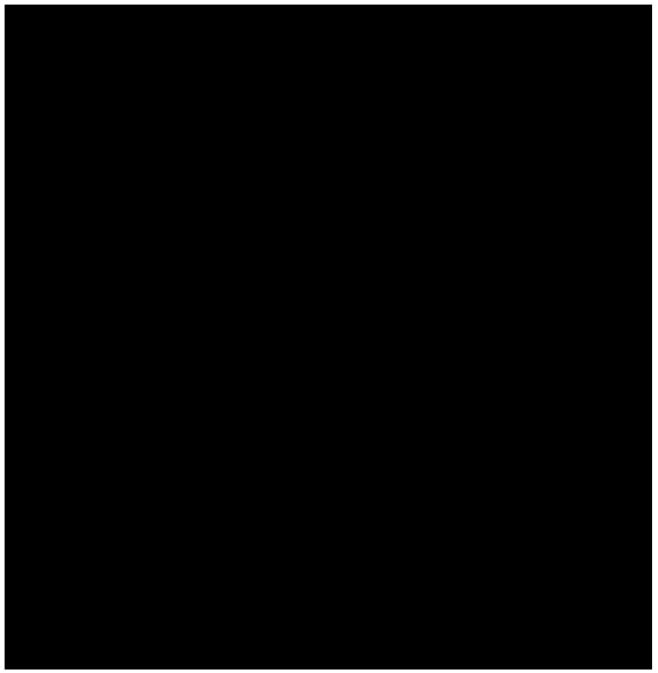
- 1.1 "Affiliate" means: (a) any entity which controls at least fifty percent (50%) of the equity or voting stock of the Licensee or (b) any entity fifty percent (50%) of whose equity or voting stock is owned or controlled by the Licensee or (c) any entity of which at least fifty percent (50%) of the equity or voting stock is owned or controlled by the same person or entity owning or controlling at least fifty percent (50%) of Licensee.
- 1.2 "Development Plan" means the written report summarizing the development activities that are to be undertaken by the Licensee to bring Licensed Products or Licensed Processes to the market that is attached as Appendix B.
- 1.3 "Development Report" means a written account of Licensee's progress under the Development Plan that includes at least the information specified on Appendix C.
  - 1.4 "Licensed Field" means All Fields.
- 1.5 "Licensed Process" means any process that is covered in whole or in part by an issued, unexpired claim or a pending Valid Claim in the Patent Rights in any country in which such process is practiced.
  - 1.6 "Licensed Product" means any product or part thereof that:
  - (a) is covered in whole or in part by an issued, unexpired Valid Claim or a pending claim in the Patent Rights in any country in which the product is made, used, imported or sold; or
  - (b) is manufactured by using a process which is covered in whole or in part by an issued, unexpired Valid Claim or a pending Valid Claim in the Patent Rights in any country in which any the process is used or in which the product is used, imported or sold.
  - 1.7 "Licensed Territory" means Worldwide.
- 1.8 "Net Sales" means the total dollar amount received on sales of Licensed Product and/or Licensed Processes by licensee or by any sub-licensee, less (a) promotional discounts, trade, chargebacks, rebates, quantity or cash discounts allowed in amounts customary in the trade; (b) amounts actually repaid or credited by reason of rejection or return of any previously sold, leased or otherwise transferred Licensed

Products, or Licensed Processes; (c) customer freight charges and insurance that are paid by or on behalf of the Company or its Affiliates; and (d) to the extent separately stated on purchase orders, invoices or other documents of sale, any sales, value added or similar taxes, custom duties or other similar governmental charges levied directly on the production, sale, transportation, delivery or use of a Licensed Product or Licensed Services; and (d) reservations of bad debt that are reasonable and taken in good faith collectively not to exceed five (5%) of gross.

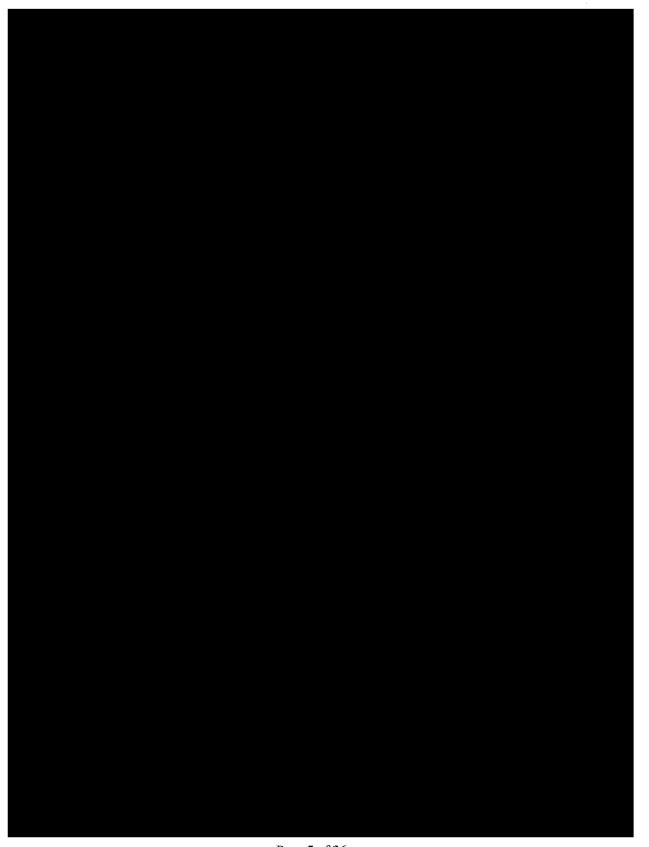
- 1.9 "Patent Challenge" means a legal proceeding to challenge the validity, patentability, enforceability and/or non-infringement of any of the Patent Rights or otherwise opposing through a legal proceeding any of the Patent Rights...
  - 1.10 "Patent Rights" means:
    - (a) the patent(s)/patent application(s) identified on Appendix A;
  - (b) all United States and foreign patent applications claiming priority to any of the patent(s) and patent application(s) identified in Appendix A; and
  - (c) all patents issuing from the patent applications identified in Subsections 1.10(a) and 1.10(b), including, letters patent, patents of addition, divisionals, reissues, re-examinations, extensions, restorations, and supplementary protection certificates.
- 1.11 "Sublicense" means the agreement to grant or agree not to assert any right licensed to Licensee under Section 2.1, including, any agreement that permits any use of all or part of the Patent Rights for research or development, or the manufacture, marketing, distribution, commercialization, sale, offer for sale, import or export of Licensed Products or Licensed Processes. An agreement that is described in this definition is a Sublicense whether or not it is called a "sublicense" and whether or not it is included in a stand-alone document or is part of a broader collaboration, development, or joint venture agreement or arrangement.
- 1.12 "Sublicensee" means any third party to whom Licensee grants a Sublicense.
- 1.13 "Valid Claim" means: (a) a claim of an issued and unexpired patent within the Patent Rights that has not been (i) held permanently revoked, unenforceable, unpatentable or invalid by a decision of a court or governmental body of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, (ii) rendered unenforceable through disclaimer or otherwise, (iii) abandoned or (iv) permanently lost through an interference or opposition proceeding without any right of appeal or review; or (b) a pending claim of a pending patent application within the Patent Rights that (i) has been asserted and continues to be prosecuted in good faith and and (ii) has not been abandoned or finally rejected without the possibility of appeal or refiling

# Section 2 Grant

2.1 <u>Patent Rights</u>. In return for the royalties and other payments described in Section 4, UFRF grants to Licensee a royalty-bearing, exclusive license under the Patent Rights in the Licensed Field and Licensed Territory to make, have made, use, sell, have sold, import, and export Licensed Products and Licensed Processes.



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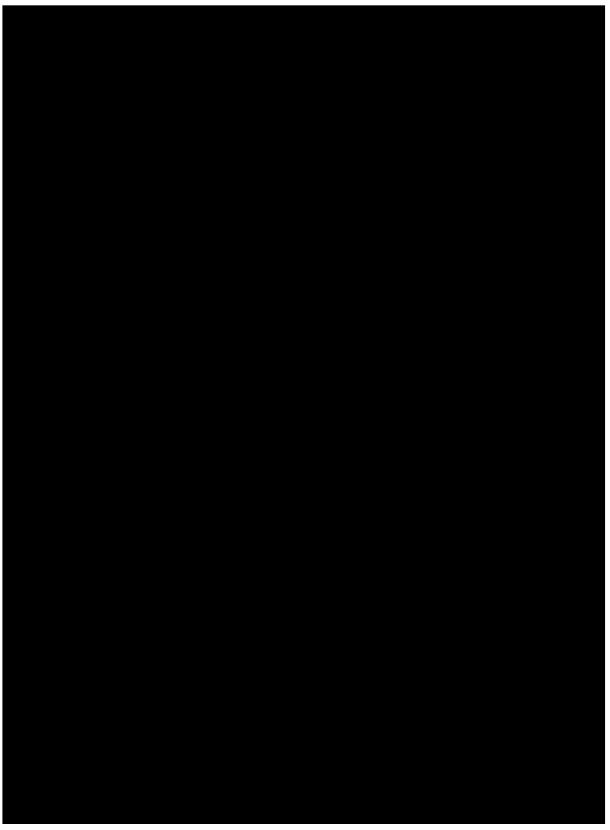
# Section 4 Payments

- 4.1 <u>License Issue Fee</u>. Licensee shall pay to UFRF a non-refundable license issue fee of Five Hundred dollars (\$500.00) within thirty (30) days of the Effective Date.
- 4.2 Annual License Maintenance Fee. Licensee will pay an annual license maintenance fee in the aggregate for License Agreement A12334, A13163, A12337 and A12927 in the aggregate as is listed in the following table. The annual license maintenance fee is payable on the anniversary date of the license agreement each year until the first commercial sale of a Licensed Product or a Licensed Process, after which time minimum royalties instead of the annual license maintenance fee will be due.

Year	Amount
Year 1	\$ 2,000
Year 2	\$ 3,000
Year 3	\$ 4,000
Year 4	\$ 5,000
and every year thereafter until 1st comme	ercial vear



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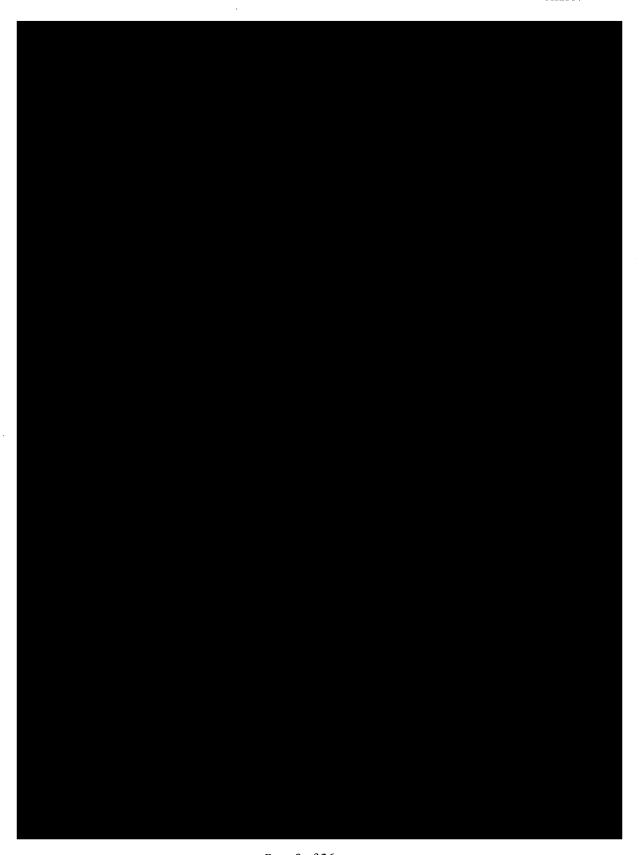
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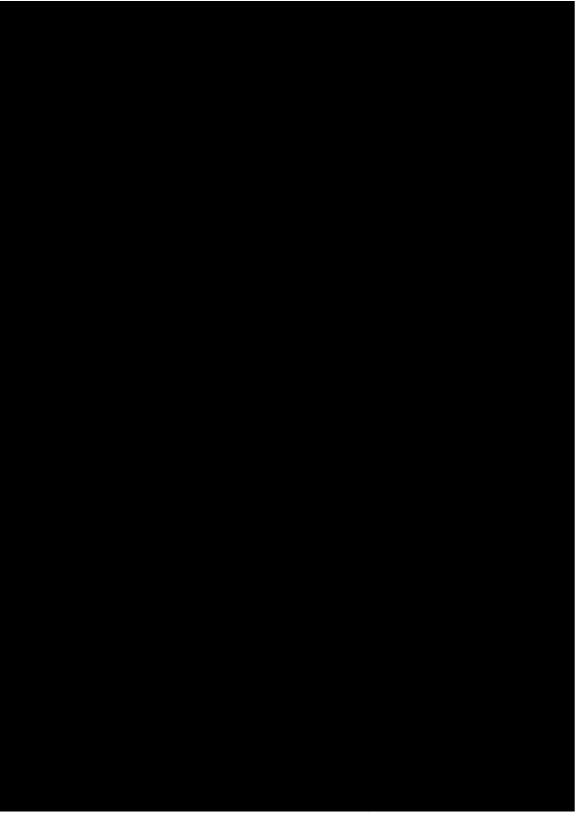


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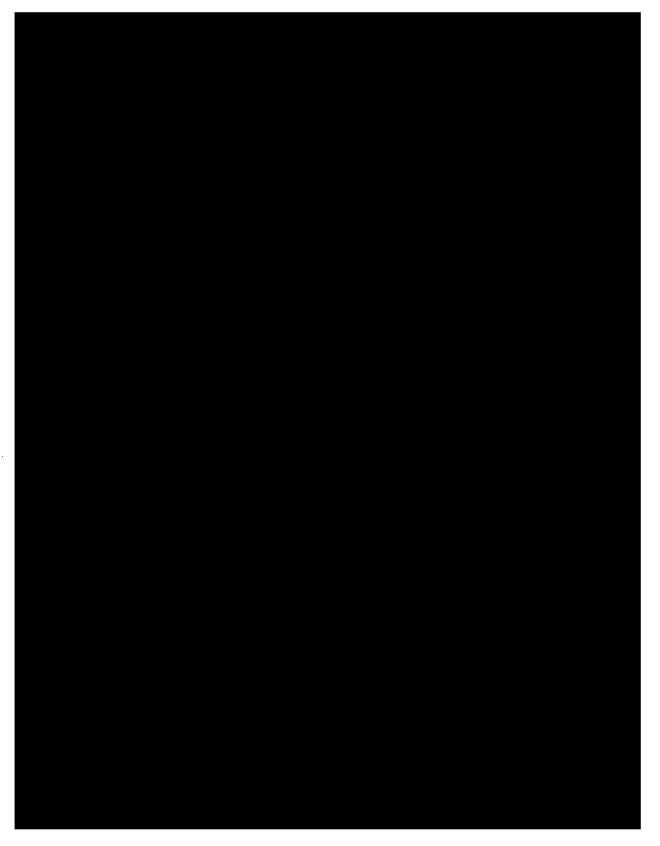


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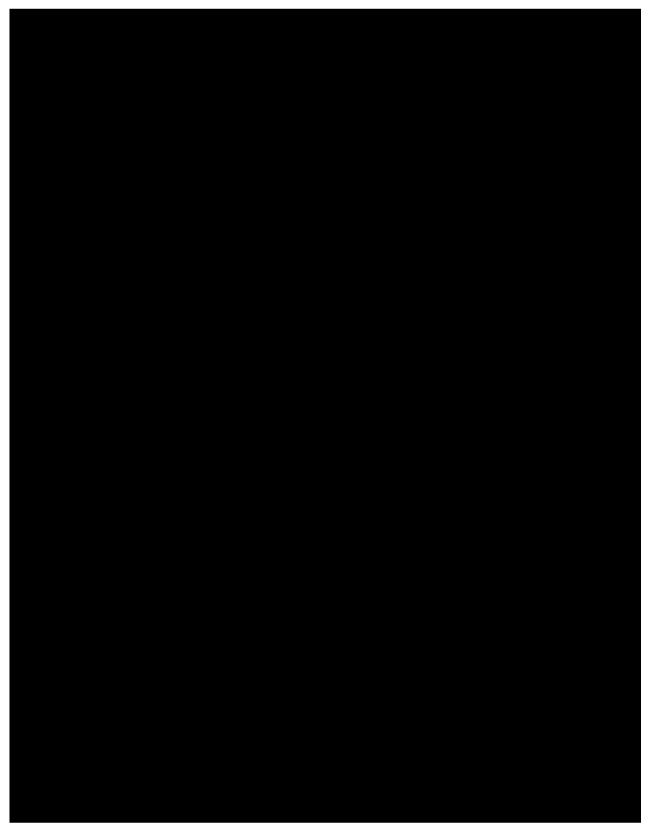


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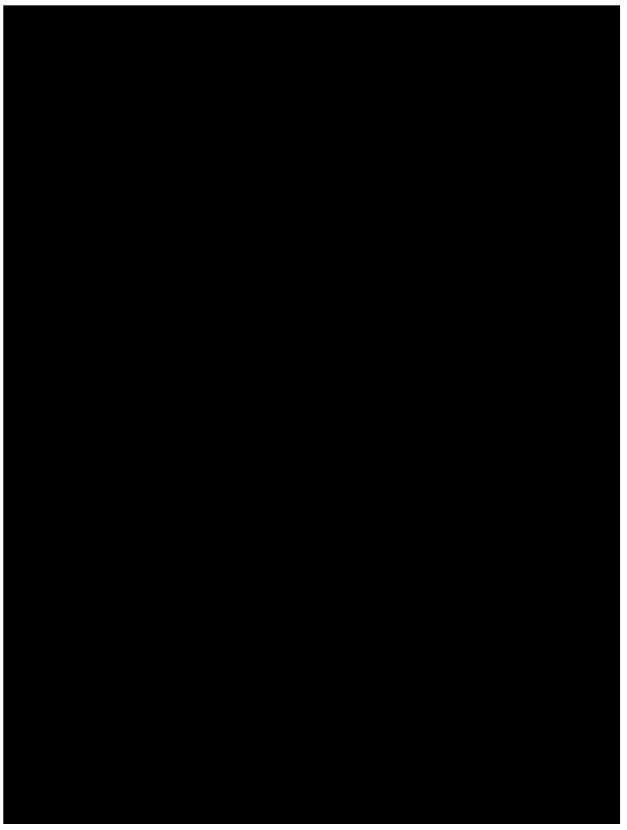
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UFRF



### 6.4 Accounting for Payments.

- (a) Any amounts which remain unpaid after the date they are due to UFRF under this Section 6, Section 7 or any other provision of this agreement accrue interest from the due date at the rate of one and one-half percent (1.5%) per month. This interest provision is not a grant of permission for any payment delays. Licensee is responsible for repayment to UFRF of any attorney, collection agency, and other out-of-pocket expenses to collect overdue payments.
- (b) Except as otherwise directed, Licensee shall pay all amounts owing to UFRF under this Agreement in United States dollars at the following address:

University of Florida Research Foundation, Inc. 288 Grinter Hall, PO Box 115500 Gainesville, Florida 32611-5500 Attention: Business Manager

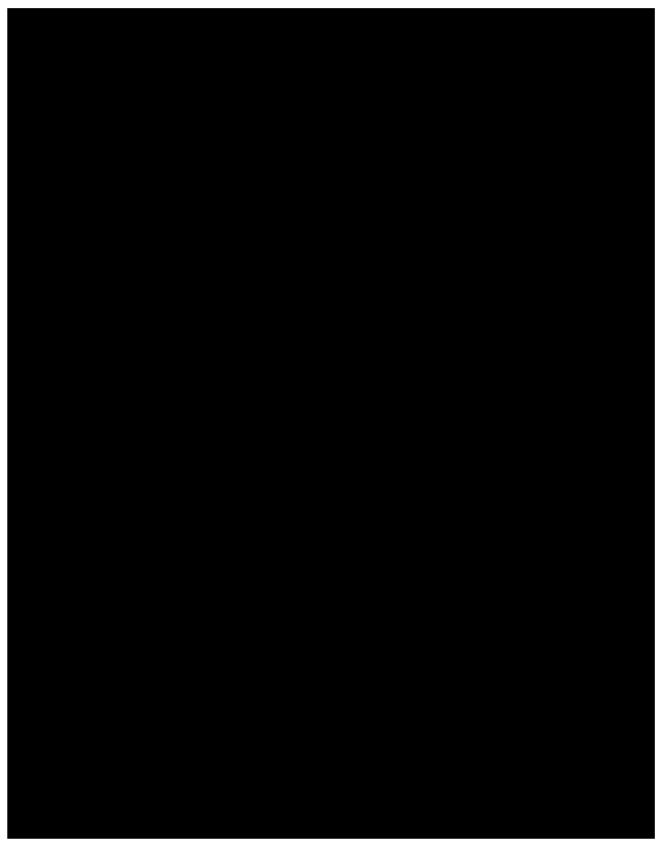
Licensee shall convert all monies owing in currencies other than United States dollars at the rate shown in the Federal Reserve Noon Valuation - Value of Foreign Currencies on the day preceding the payment due date.

(c) On the date of each payment to UFRF, Licensee shall submit a certified full accounting statement showing how any amounts payable to UFRF have been calculated. In addition to being certified, the Licensee shall include on all accounting statements a written representation signed by an executive officer of Licensee that states that the statements are true, accurate, and fairly represent in all material respects all amounts payable to UFRF pursuant to this Agreement. Licensee shall provide accounting on a per-country and product line, model or trade name basis and shall summarize them on the form shown in Appendix D–UFRF Royalty Report.

- (d) If no payment is owed to UFRF, Licensee shall supply information demonstrating that fact to UFRF.
- (e) Licensee shall make all payments due under this Agreement without deduction for taxes, assessments, or other charges of any kind which may be imposed on UFRF by any government or political subdivision with respect to any amounts payable to UFRF pursuant to this Agreement. All taxes, assessments, or other charges shall be assumed by Licensee. Licensee is responsible for all wire/bank fees associated with all payments due to UFRF pursuant to this Agreement.

#### **Section 7** Patent Prosecution

- 7.1 UFRF shall file, prosecute, and maintain the Patent Rights using counsel of its choice but will consider any comments provided by Licensee. UFRF shall provide Licensee with copies of all documents sent to and received from the United States Patent and Trademark Office and foreign patent offices (collectively, the "PTO") relating to Patent Rights. Licensee shall keep those documents confidential. UFRF will make reasonable efforts to allow Licensee fifteen days to review and respond or UFRF will take it as approval.
- 7.2 Licensee shall pay UFRF Fifty Four Thousand One Hundred Forty-Seven dollars (\$54,147.00), for License Agreements A12334, A13163, A12337 and A12927 in the aggregate over a period of twenty-four (24) months in equally quarterly payments starting within 90 days of the Effective date of the License Agreement to reimburse expenses associated with preparation, filing, prosecution, issuance, maintenance, defense, and reporting of the Patent Rights prior to the Effective Date. (NOTE: the above referenced dollar amount in this Section 7.2 is subject to change, as UFRF may not have received all related patent prosecution expense invoices from the law firm at the time of license negotiation.)
- 7.3 Licensee shall pay all costs and expenses incurred by UFRF related to the preparation, filing, prosecution (including interferences and oppositions), issuance, maintenance and reporting of the Patent Rights that were not reimbursed pursuant to Section 7.2 within thirty (30) days of receipt of an invoice from UFRF. Licensee shall keep UFRF fully apprised of the "small entity" status of Licensee and all Sublicensees with respect to United States and applicable foreign patent laws. Licensee shall inform UFRF of any changes in writing of the small entity status within thirty (30) days of any change.
- 7.4 Licensee may elect upon sixty (60) days' prior written notice to decline to reimburse UFRF for patent expenses for any Patent Rights in any particular country or jurisdiction. In that case, the license granted to Licensee by this Agreement terminates with respect to such Patent Rights after the sixty (60) days in that country or jurisdiction.



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#### **Section 9** Term and Termination

- 9.1 The term of this license begins on the Effective Date and continues 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' prior written notice to UFRF. Licensee shall include a statement of the reasons for termination in the notice.
- 9.3 UFRF may terminate this Agreement by giving Licensee at least thirty (30) days' written notice if Licensee:
  - (a) is delinquent on any report, payment or required documents as specified in any section of this Agreement;
  - (b) is not diligently developing and commercializing Licensed Products or Licensed Processes;
  - (c) is in breach of any provision of this Agreement(d) provides any false report required to be made hereunder;
  - (d) files for bankruptcy, liquidation or has a receiver control any of its assets provided that in the case of an involuntary petition filed against the Licensee, the Licensee shall have 180 days to dismiss such petition;

- (e) violates any laws or regulations which constitute a felony applicable to development or commercialization of Licensed Products or Licensed Processes;
  - (f) ceases to carry on its business pertaining to Patent Rights;
- (g) fails to provide UFRF with un-redacted copies of the Change Of Control documents within thirty (30) days of their execution.

Termination under this Section 9.3 takes effect thirty (30) days after written notice that is provided by UFRF according to this Section 9.3, unless Licensee remedies the problem in that thirty (30) day period or unless a longer period for cure is provided hereunder.

- 9.4 If Licensee or any of its Affiliates brings a Patent Challenge against UFRF or assists others in bringing a Patent Challenge against UFRF (except as required under a court order or subpoena), then UFRF may immediately terminate this Agreement. If a Sublicensee brings a Patent Challenge or assists another party in bringing a Patent Challenge (for example, except as required under a court order or subpoena), then UFRF may send a written demand to Licensee to terminate the sublicense. If Licensee fails to terminate the Sublicense within forty-five (45) days after UFRF's demand, UFRF may immediately terminate this Agreement.
- 9.5 UFRF may immediately terminate this Agreement upon the occurrence of the third separate default by Licensee within any consecutive three-year period for failure to pay any monies due under this Agreement when due, unless the Licensee is disputing such payment in good faith. Any payment made pursuant to Section 6.2 and 6.3 shall not be deemed to be a default under this Section 9.5 provided that a payment was made for the royalty period in question.
- 9.6 Termination of this Agreement for any reason does not release either party from any obligation that matured prior to the effective date of termination. Licensee remains obligated to provide an accounting for and to pay royalties earned. Licensee may prorate any minimum royalties that are due as of the date of termination by the number of days elapsed in the applicable calendar year. Licensee and its Sublicensees may, however, during the six (6) months after the effective date of termination, sell all Licensed Products that are in inventory and complete and sell Licensed Products that are in the process of manufacture, provided that Licensee provides an accounting for and pays all earned royalties and other payments that are due under the terms of the Agreement.
  - 9.7 Upon termination of the Agreement for any reason, the following sections

of the License Agreement remain in force as non-cancelable obligations:

Section 6 Record Keeping

• Section 9.6 Effect of Termination

• Section 12 Indemnification; Insurance

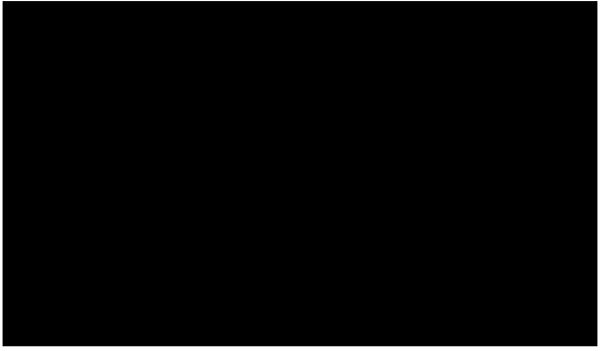
• Section 13 Use of Names

• Section 14 Miscellaneous

• Section 18 Confidentiality

9.8 Licensee shall deliver to UFRF, within ninety (90) days after the date of termination of this agreement, complete and un-redacted copies of all documentation prepared for or submitted for all regulatory approvals of Licensed Products or Licensed Processes.

9.8. Upon termination of this Agreement, any existing agreements that contain a Sublicense shall terminate to the extent of such Sublicense; provided, however, that, for each Sublicensee, upon termination of the Sublicense agreement with such Sublicensee, if the Sublicensee is not then in breach of its Sublicense agreement with Licensee such that Licensee would have the right to terminate such Sublicense, such Sublicensee shall have the right to seek a license from UFRF. For clarity, termination of this Agreement does not affect the rights of any lawful customer of a Licensed Product to use such Licensed Product, which may, by its use, also include the practice of a Licensed Method. UFRF agrees to negotiate such licenses in good faith under reasonable terms and conditions, which shall not impose any representations, warranties, obligations or liabilities on UFRF that are not included in this Agreement.

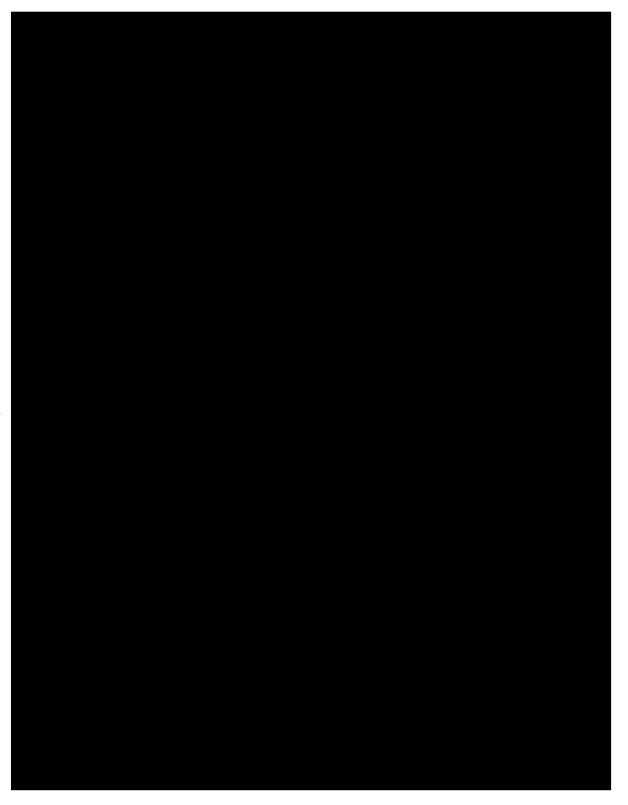


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### **Section 11** Dispute Resolution

- 11.1 <u>Mandatory Procedures</u>. Before either party intends to file a lawsuit against the other with respect to any matter in connection with this Agreement, except with regard to any payments made or due under this Agreement, it shall first comply with the procedures set forth in this Section 11, other than for injunctive relief to enforce the provisions of this Section 11.
  - (a) When a party intends to invoke the procedures set forth in this Section 11, it shall provide written notice to the other party. Within thirty (30) days after the date of that notice, senior representatives of the parties shall engage in good faith negotiations at a mutually convenient location to resolve the dispute. In the case of UFRF, that representative is the Director of Technology Licensing. In the case of License, that representative is the Lee Strait.
  - (b) If the parties fail to meet within the time period set forth in Section 11(a) 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.
  - (c) Not more than fifteen (15) days after the notice of issues, the President of UFRF and the Chief Executive Officer of the Licensee shall meet and engage in good faith negotiations at a mutually convenient location to resolve the dispute.
- 11.2 <u>Failure to Resolve Dispute</u>. If (a) any issue is not resolved at the meeting of the President and Chief Executive Officer within fifteen (15) days after they first meet; or (b) there is a dispute regarding payments made or due under this Agreement, either party may file appropriate administrative or judicial proceedings with respect to the issue in dispute. The parties agree to consider in good faith any proposals to address issues through alternative dispute resolution.



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#### Section 14 Miscellaneous

- 14.1 <u>Governing Law</u>. This Agreement shall be governed and construed in accordance with the internal laws of the State of Florida without regard to its conflict of laws provisions, and venue for all claims or other causes of action arising out of this Agreement is Gainesville, Florida.
- 14.2 <u>Independent Contractors</u>. The parties are independent contractors and not joint venturers or partners.
- 14.3 <u>Integration</u>. This Agreement constitutes the full understanding between the parties with reference to its subject matter, and no statements or agreements by the parties, whether oral or in writing, may modify the terms of this Agreement. Neither party may claim any amendment, modification, or release from any provisions of this Agreement, unless the mutual agreement is in writing and signed by both parties.
- 14.4 <u>No Security Interest</u>. Licensee may not encumber or otherwise grant a security interest in any of the rights granted under this Agreement to any third party.
- 14.5 <u>Laws and Regulations</u>. Licensee shall comply with all local, state, federal, and international laws and regulations that are applicable to the development, manufacture, use, and sale of Licensed Products and Licensed Processes, including:
  - (a) Licensee acknowledges that it is subject to and agrees to abide by United States laws and regulations (including the Export Administration Act of 1979 and Arms Export Control Act) controlling the export of technical data, computer software, laboratory prototypes, biological material, and other commodities. The transfer of those items may require a license from the cognizant agency of the United States Government or written assurances by Licensee that it will not export items to certain foreign countries or persons without prior approval by that agency. UFRF neither represents that a license is or is not required nor that, if required, it will be issued.
  - (b) Licensee shall obtain all necessary approvals from the United States Food & Drug Administration, Environmental Protection Agency, Department of Agriculture and any similar governmental authorities of foreign jurisdictions in which Licensee intends to make, use, or sell Licensed Products or perform Licensed Processes.
- 14.6 <u>Force Majeure</u>. Neither party is responsible for default, delay, or failure to perform, if such default, delay or failure to perform is due to causes beyond the party's reasonable control, including, but not limited to, strikes, lockouts, inactions of governmental authorities, war, fire, hurricane or other natural disaster, provided that the nonperforming party uses commercially reasonable efforts to avoid or remove those causes of nonperformance and continues performance under this Agreement with reasonable dispatch when the causes are removed. In the event of a default, delay or

failure to perform described in this Section 14.6, any date or times by which either party is scheduled to perform is extended automatically for a time equal to the time lost by reason of the excused default, delay or failure to perform.

#### Section 15 Notices

The parties shall provide any notice required to be given pursuant to this Agreement in writing to the addresses listed in this Section 15. Notice is effective on the day it is delivered personally with written receipt from an authorized signatory, on the second day after the day on which the notice has been delivered for next day delivery prepaid to a nationally recognized courier service, on the fifth business day following deposit in the United States mail if sent certified or registered mail, (return receipt acknowledgement is not required to certify delivery).

#### If to UFRF:

President University of Florida Research Foundation, Incorporated 223 Grinter Hall

University of Florida Gainesville, FL 32611-5500

with a copy to:

Office of Technology Licensing University of Florida

Attn: Director (Rm. 112) 747 SW 2nd Avenue Post Office Box 115575

Gainesville, Florida 32611-5575

If to Licensee:

Lee Strait, CEO U.S. Bioplastics, Inc. 515 N Park Avenue, Suite 216 Winter Park, FL 32789



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## Section 17 Confidentiality

- Unless required by Florida Law, the parties (a) may only use each other's Confidential Information (as defined below) as necessary to perform the obligations set forth in this Agreement (b) may not disclose the other's Confidential Information to any third party, and (c) shall protect each other's Confidential Information with the same degree of care that they exercise with their own Confidential Information but in no event less than a reasonable degree of care. The parties may disclose this Agreement and Confidential Information to their authorized Affiliates, directors, officers, employees, consultants, subcontractors, Sublicensees or agents and investors who are bound by similar confidentiality provisions. For the purposes of this Agreement, "Confidential Information" means the terms of this Agreement and information disclosed by one party to the other that is marked "confidential" by the disclosing party or that is confirmed in writing within ten (10) days after verbal disclosure. Confidential Information does not include information that (i) is publicly known; (ii) is already known or independently developed without use of the Confidential Information as shown by written records; or (iii) is disclosed by a third party having no known obligation of confidentiality with respect to the Confidential Information. These confidentiality obligations remain effective for five (5) years after disclosure of the Confidential Information.
- (b) Notwithstanding the foregoing, any Party to this Agreement shall have the right to disclose such Confidential Information pursuant to (i) a judicial order issued by a court of competent jurisdiction, (ii) other valid and binding court ordered discovery, (iii) lawful governmental order or (iv) law, regulation or rule (including, without limitation, the Securities Exchange Act of 1934, as amended), but only to the extent so ordered or legally required, provided, however, that in each case the Party so ordered or obligated shall promptly notify the other Party to this Agreement, in writing, of such pending action The recipient of such Confidential Information shall cooperate reasonably with the disclosing party at the disclosing party's expense and direction in any legal action to oppose or limit such disclosure order or legal requirement. Disclosure under clauses (i) through (iii) shall not in and of itself render the Confidential Information non confidential



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### Section 19 Contract Formation and Authority

- 19.1 The submission of this Agreement is not an offer, and this document is 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 do not evidence an agreement between the parties. UFRF may terminate this Agreement without the requirement of any notice to Licensee, if UFRF does not receive the License Issue Fee or certificates representing the Equity Interests to be issued to UFRF pursuant to this Agreement, as applicable, within thirty (30) days of the Effective Date.
- 19.2 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.

The parties have duly executed this Agreement on the dates indicated below.

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INCORPORATED U.S. Bioplastics, Inc.

David L. Day

Director of Technology Licensing

Date: 6/29, 20 / 9

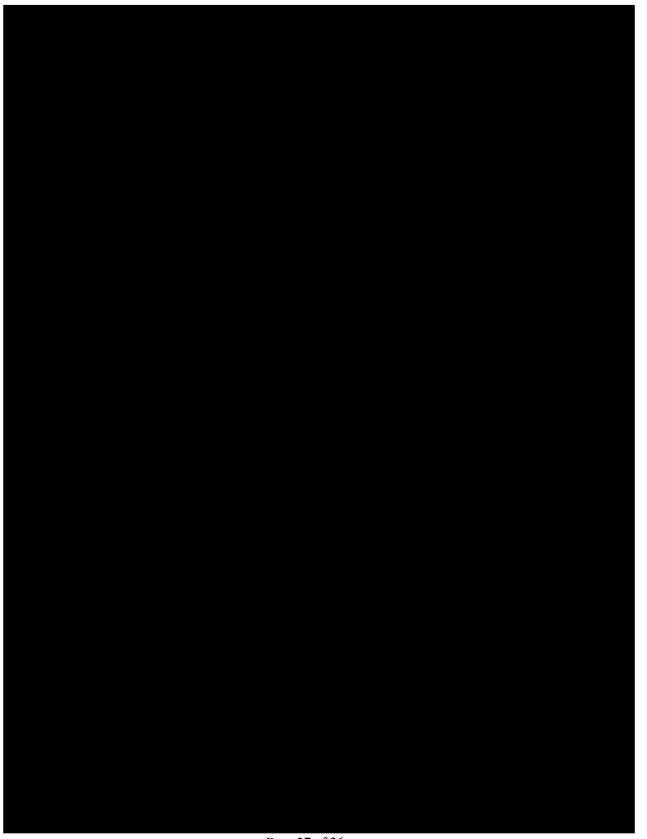
By: \_\_\_\_\_Name:

Title: CEO

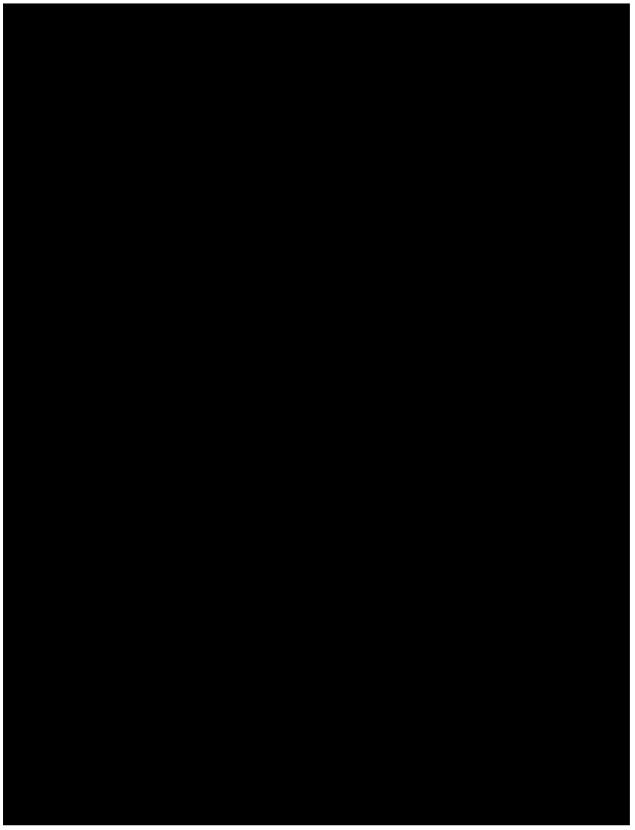
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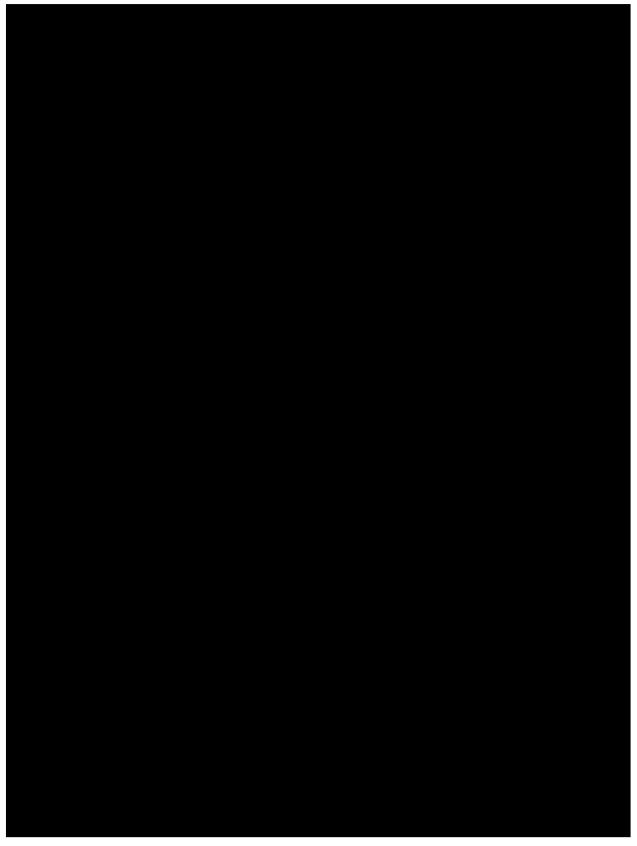
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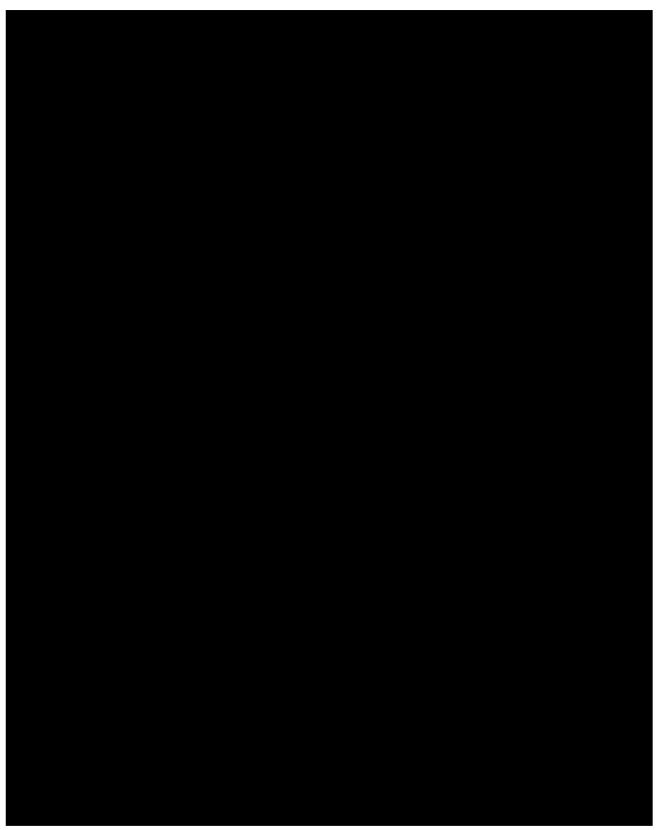
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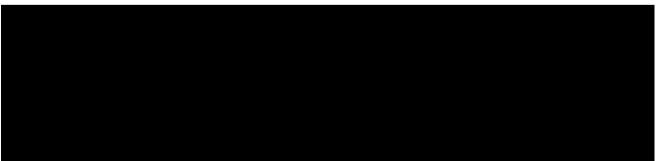
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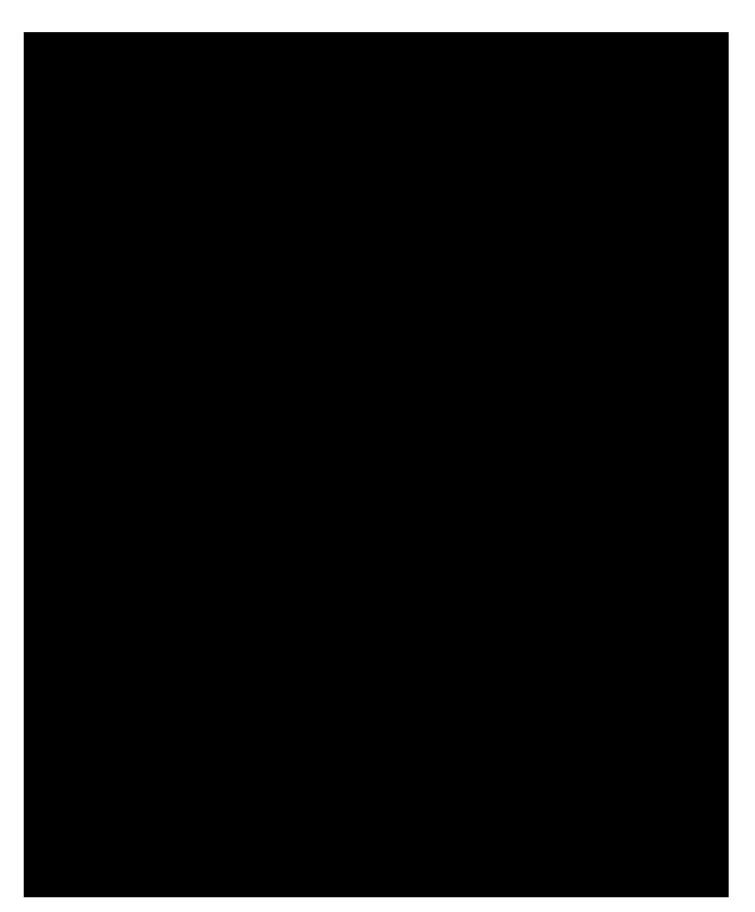


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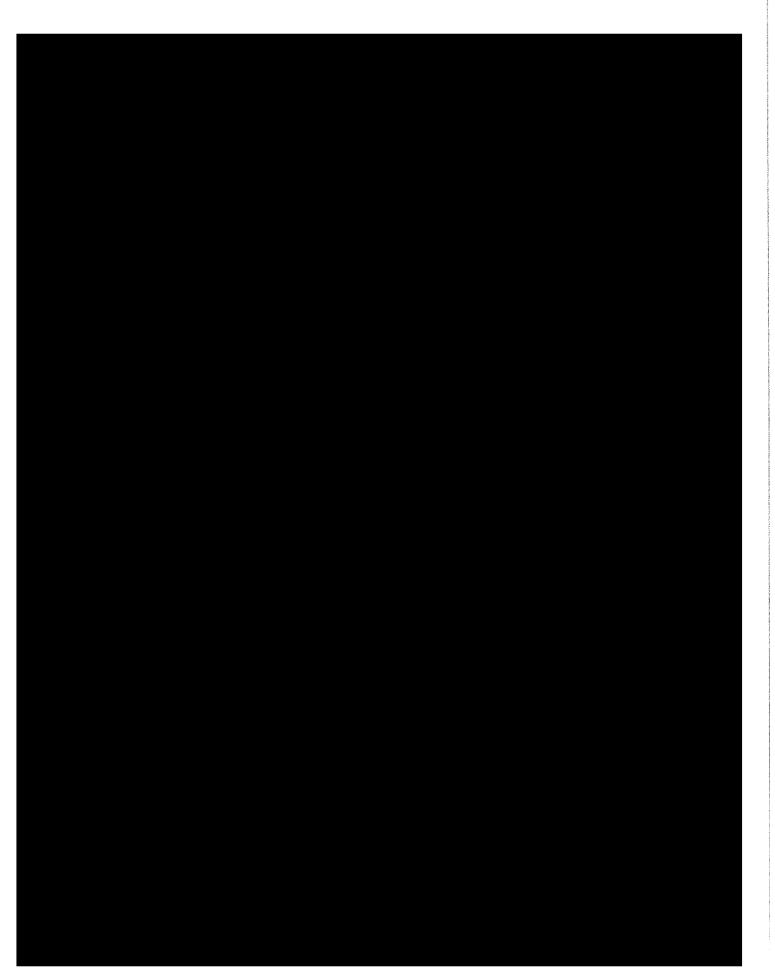


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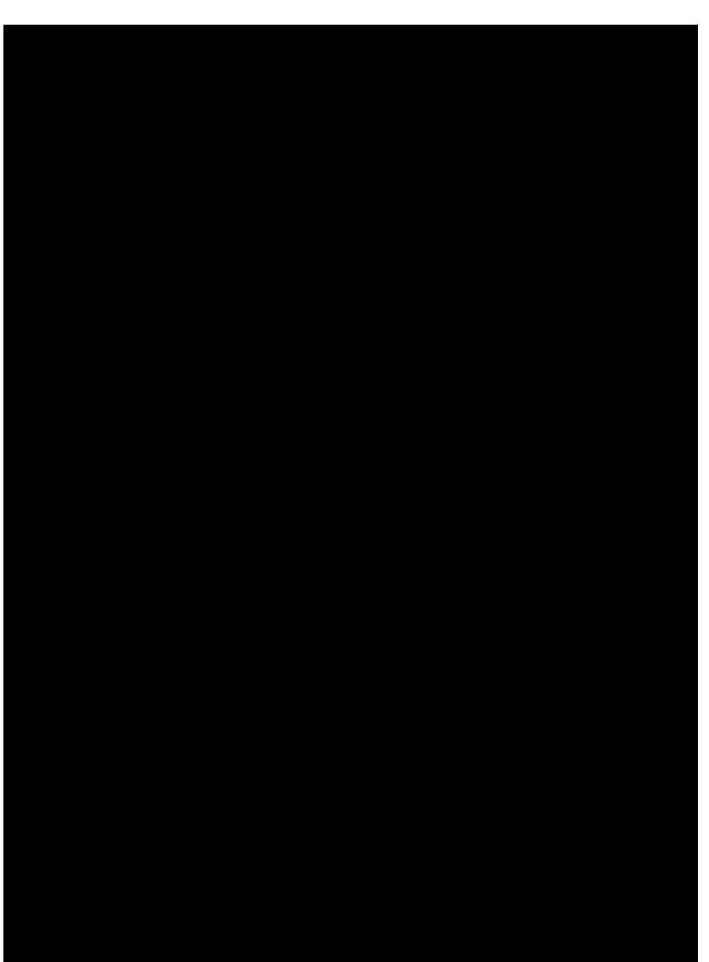
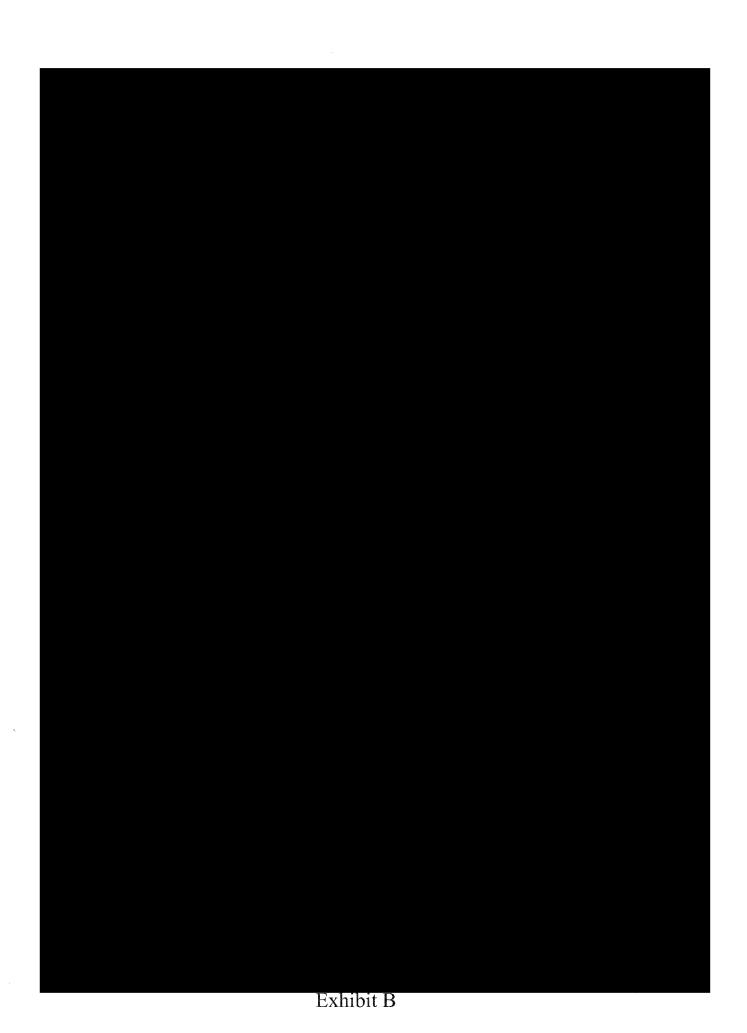


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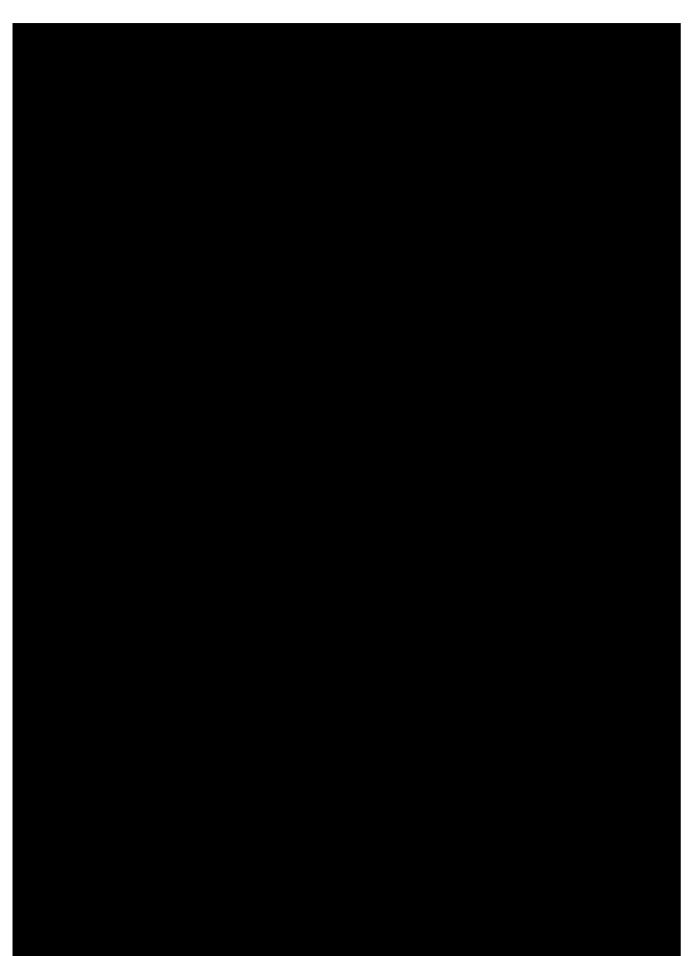


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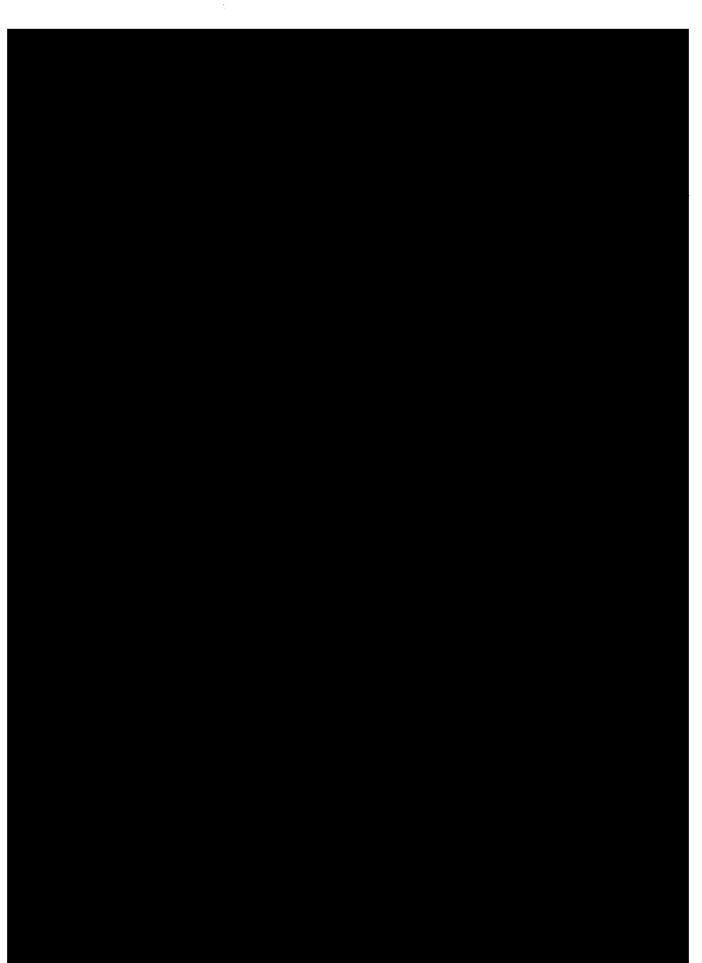


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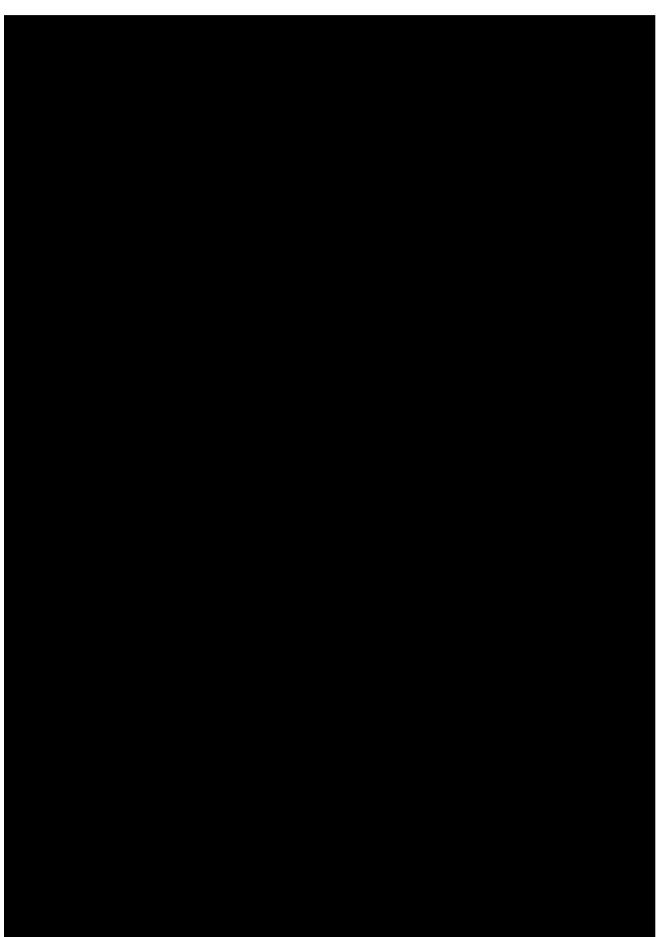


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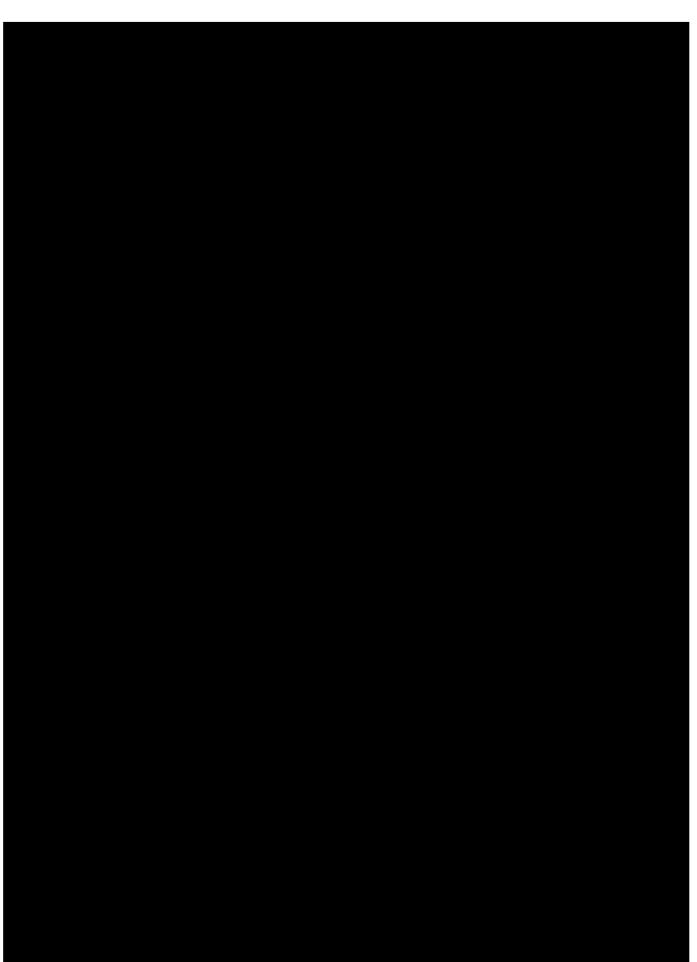


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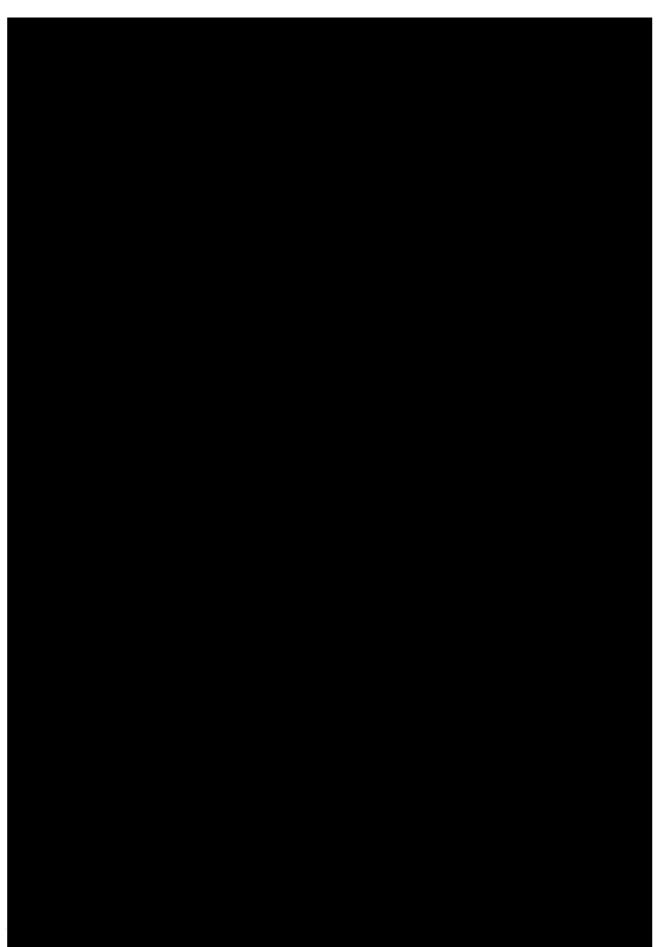
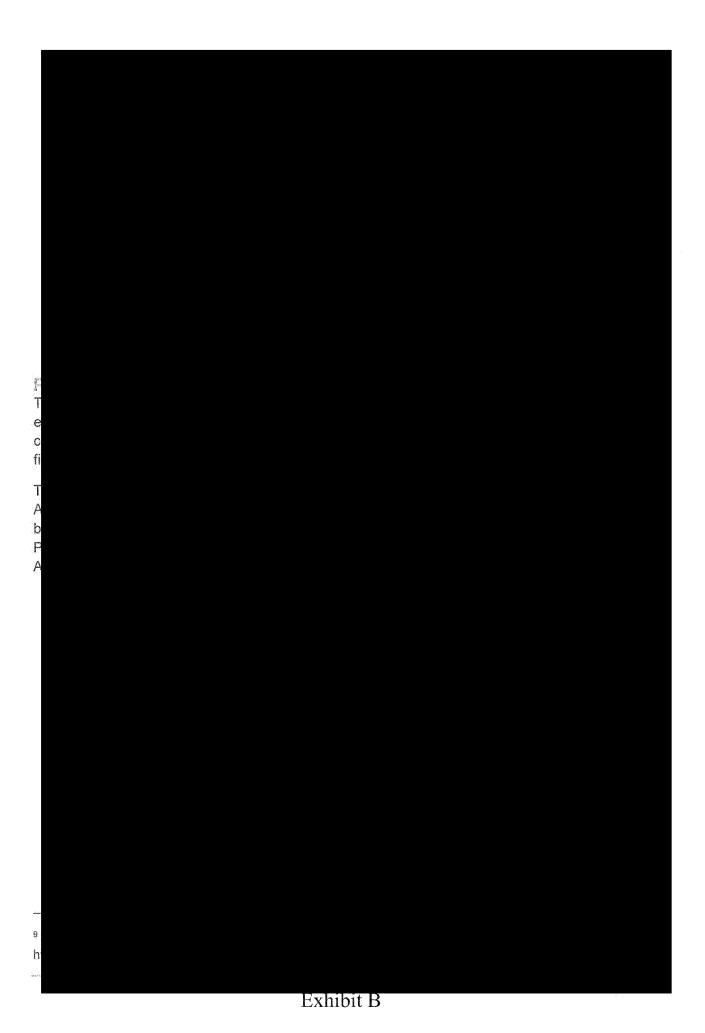


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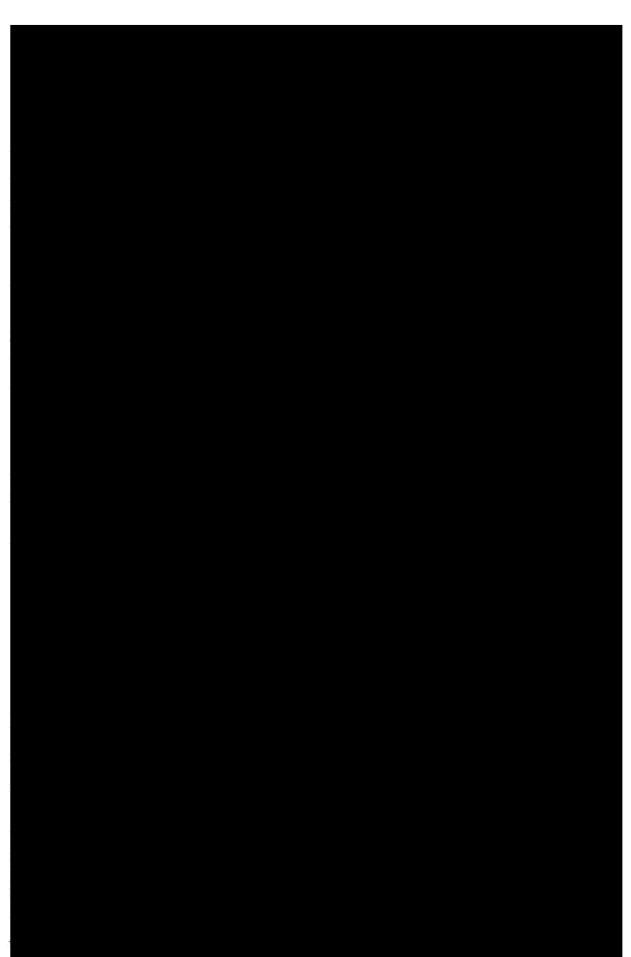
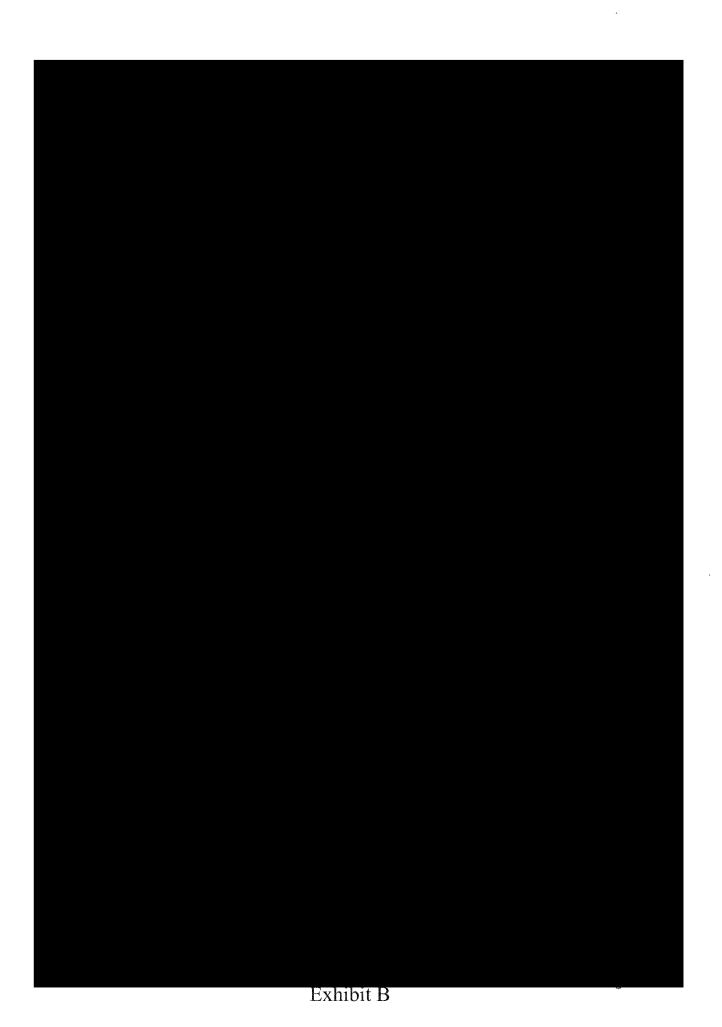


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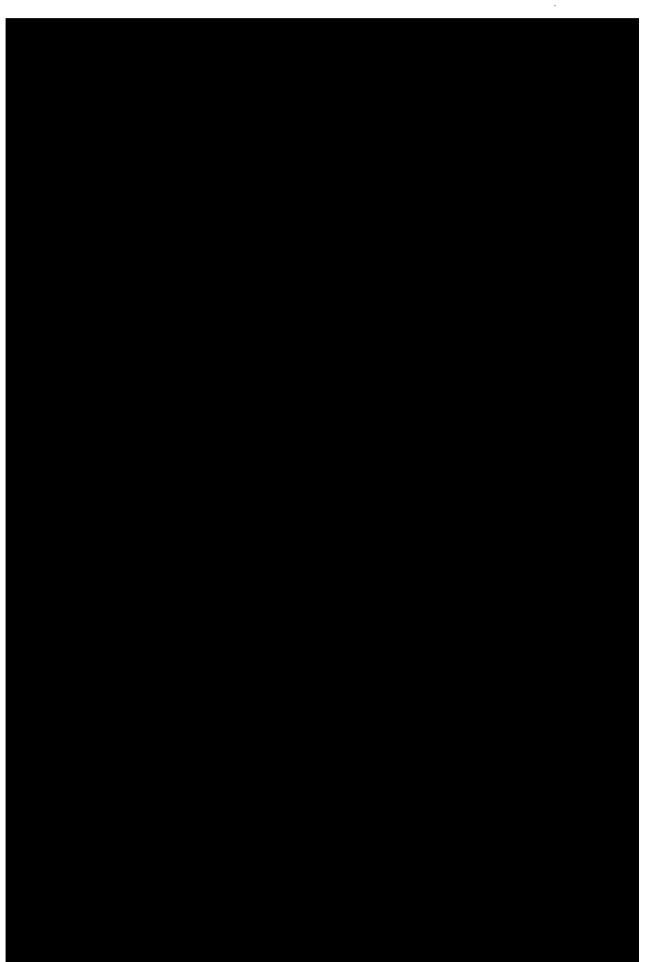


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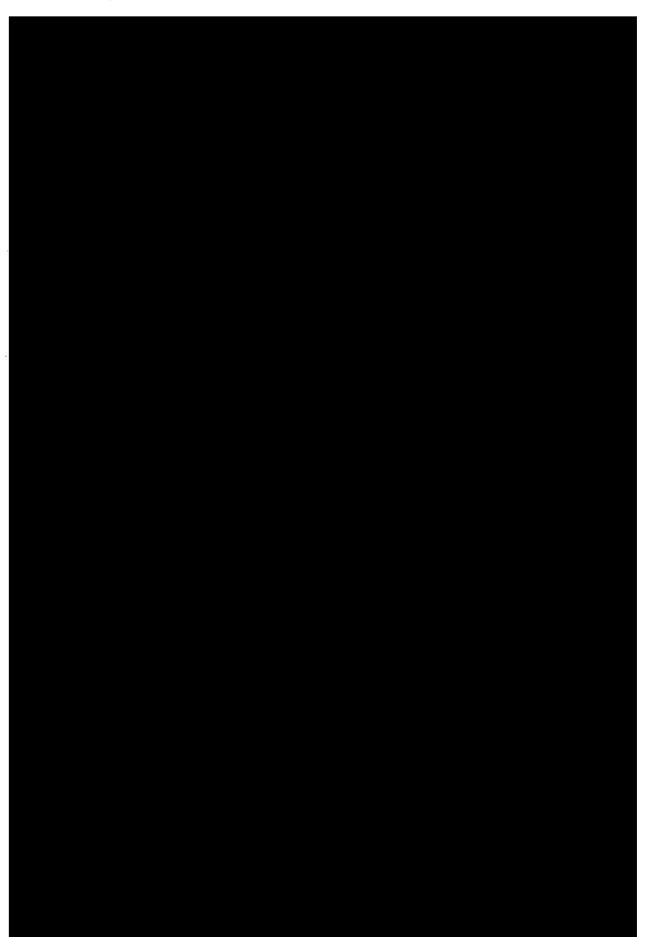
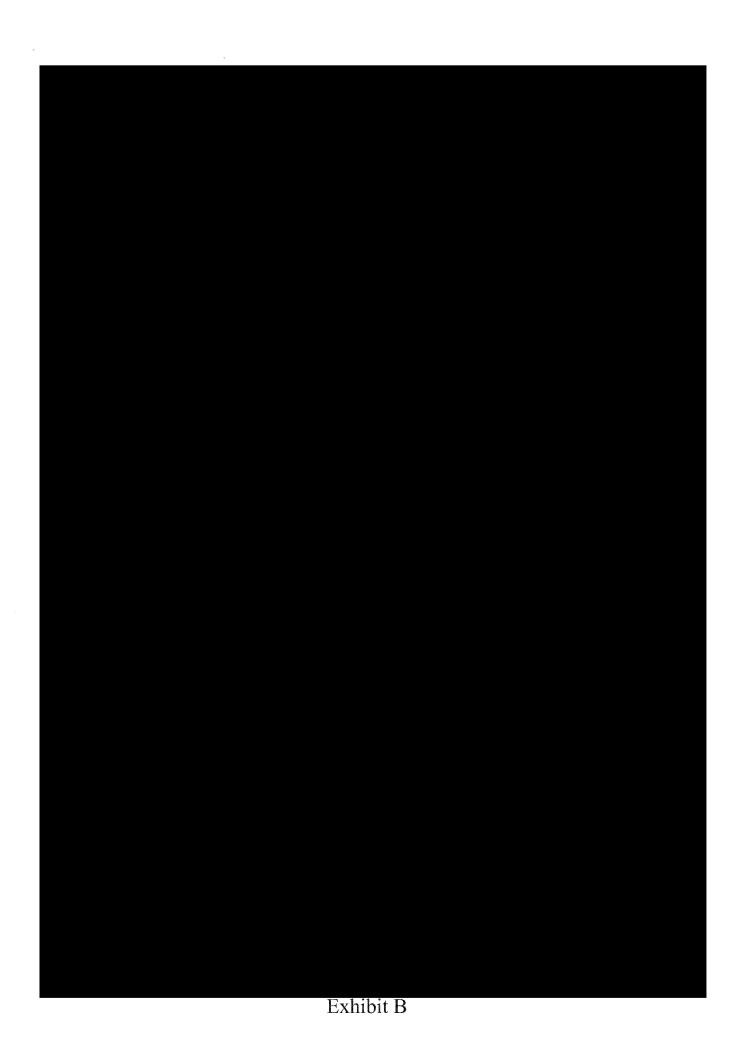


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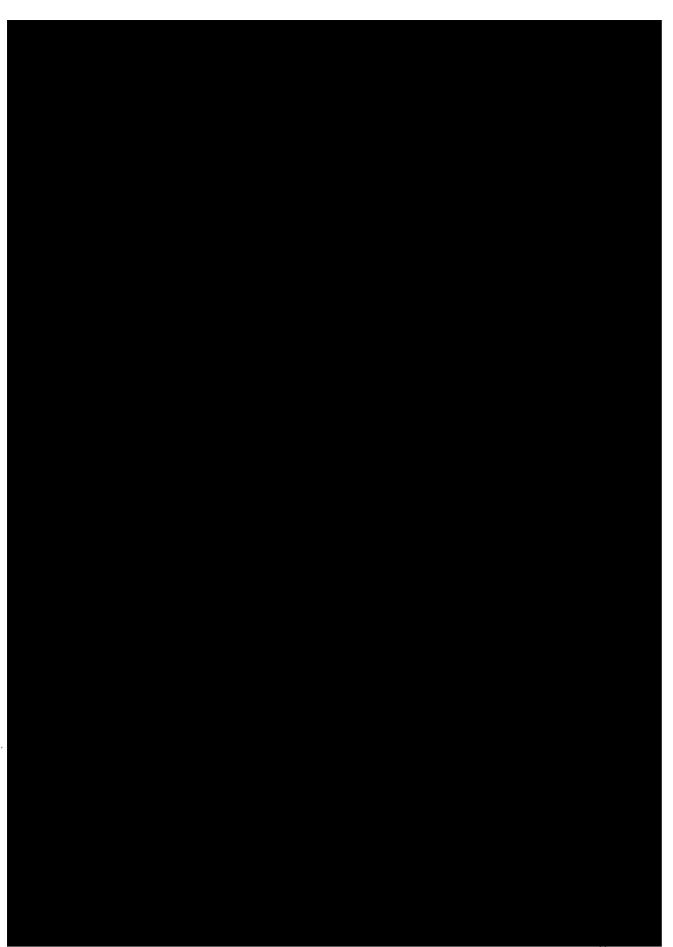


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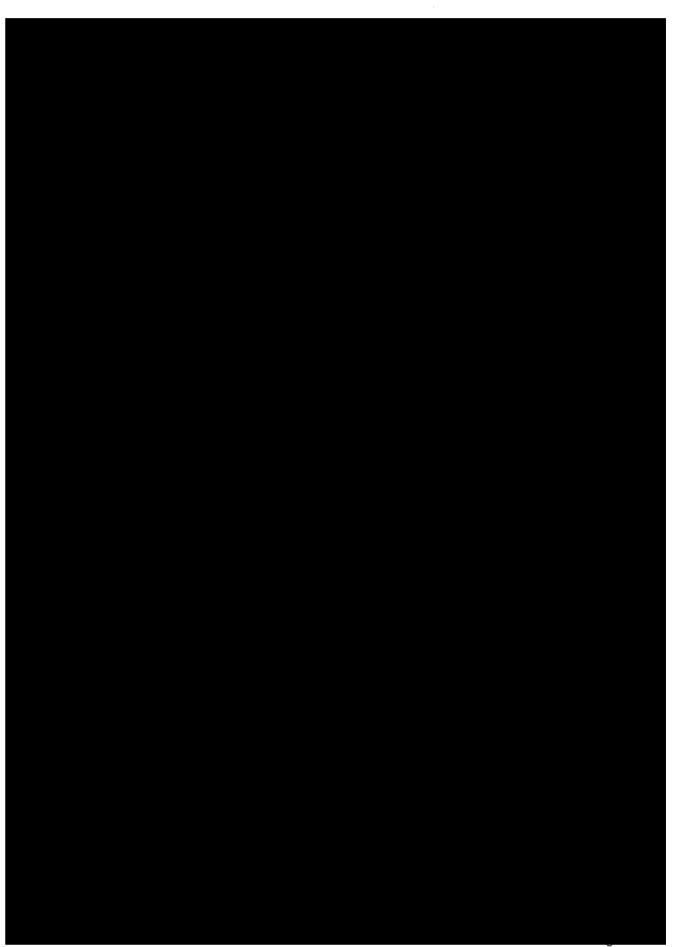


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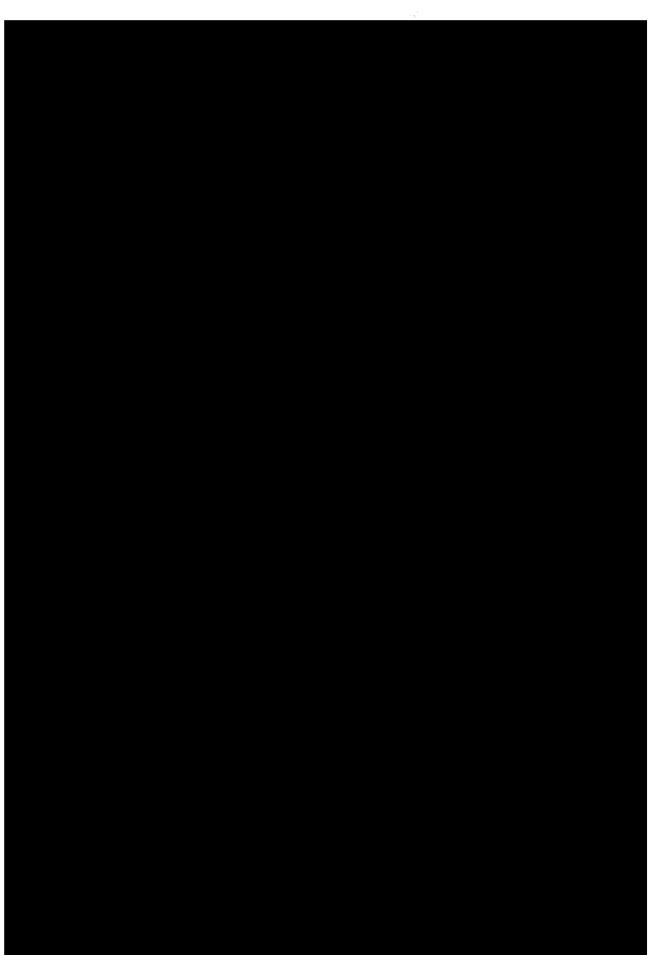
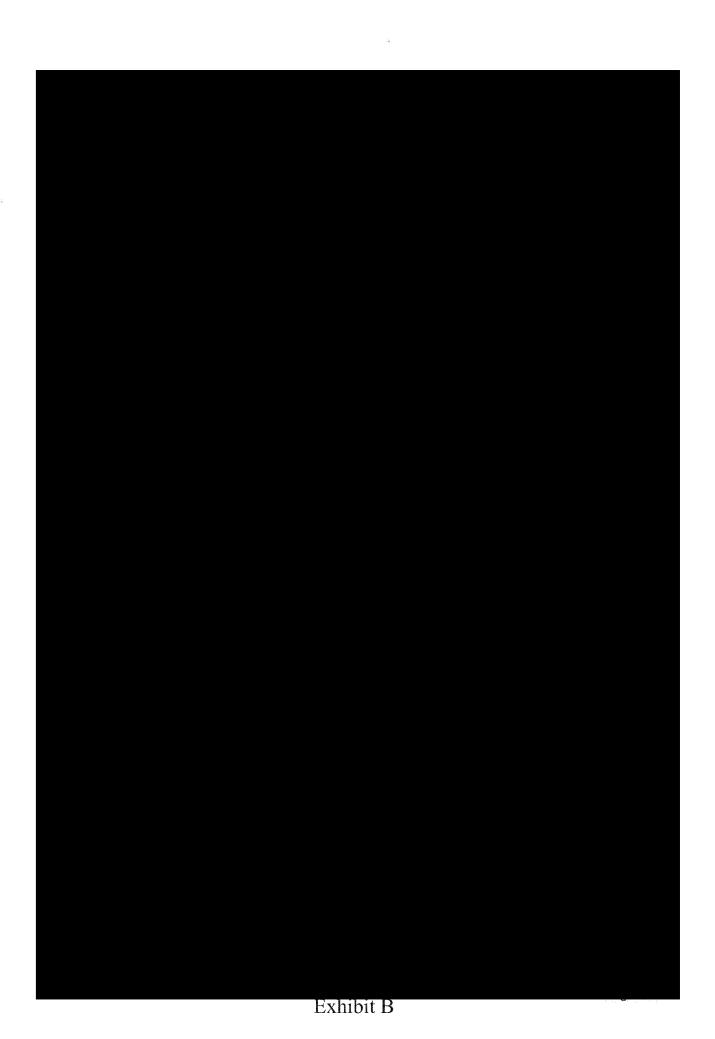


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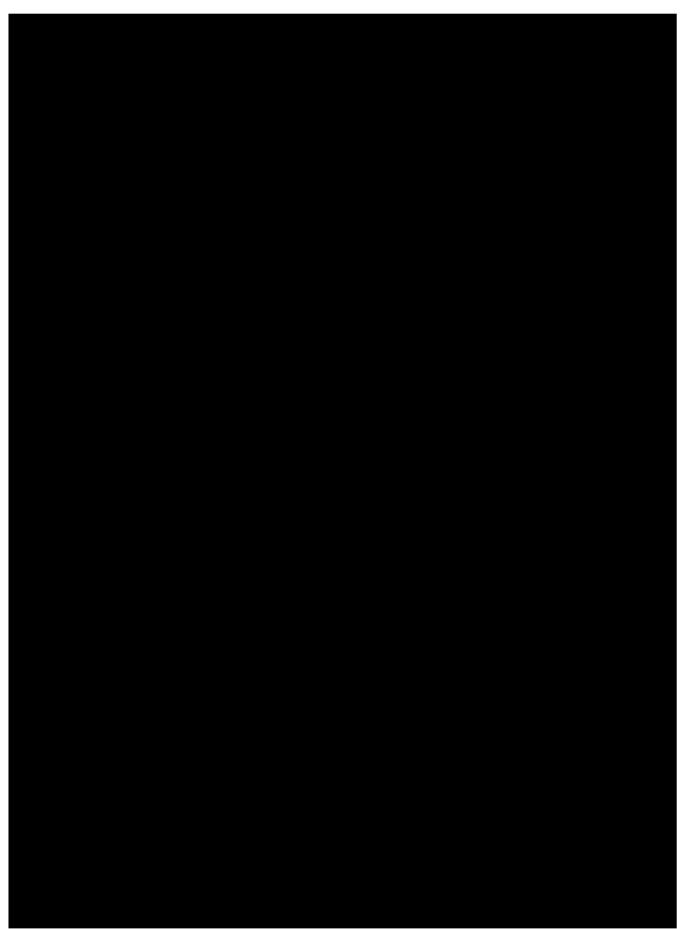


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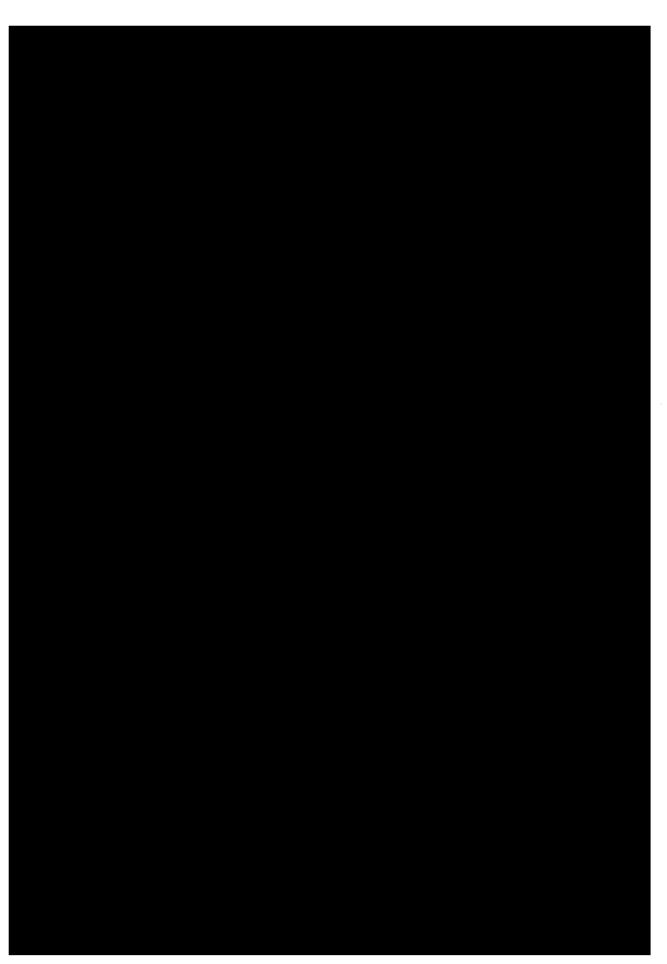


Exhibit B

# STANDARD EXCLUSIVE LICENSE AGREEMENT Agreement No: A12927

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Section 1	<u>Definitions</u>
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Section 3	<u>Due Diligence</u>
Section 4	<u>Payments</u>
Section 5	Certain Warranties and Disclaimers of UFRF
Section 6	Record Keeping
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Section 17	United States Government Interests
Section 18	Confidentiality
Section 19	University Rules and Regulations

Appendix A – Patents and Patent Applications

Appendix B - Development Plan

Appendix C - Development Report

Appendix D - UFRF Royalty Report

Appendix E - Milestones

Appendix F - Equity Agreement

Appendix G - Business Plan

This Agreement is effective as of <u>June 29</u>, 20 <u>H</u>, (the "Effective Date") between the University of Florida Research Foundation, Incorporated (hereinafter called "UFRF"), a nonstock, nonprofit Florida corporation, and US Bioplastics Inc. (hereinafter called "Licensee"), a small entity Florida corporation.

WHEREAS, Licensee is engaged in business relating to the development and commercialization of products that can use or incorporate UFRF's intellectual property rights and has the capability of developing commercial applications of the intellectual property; and

WHEREAS, UFRF owns inventions that are described below; UFRF is willing to

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grant a license to Licensee under the Patent Rights (defined in Section 1.6); and Licensee desires a license under them.

THEREFORE, the parties agree as follows:

#### **Section 1 Definitions**

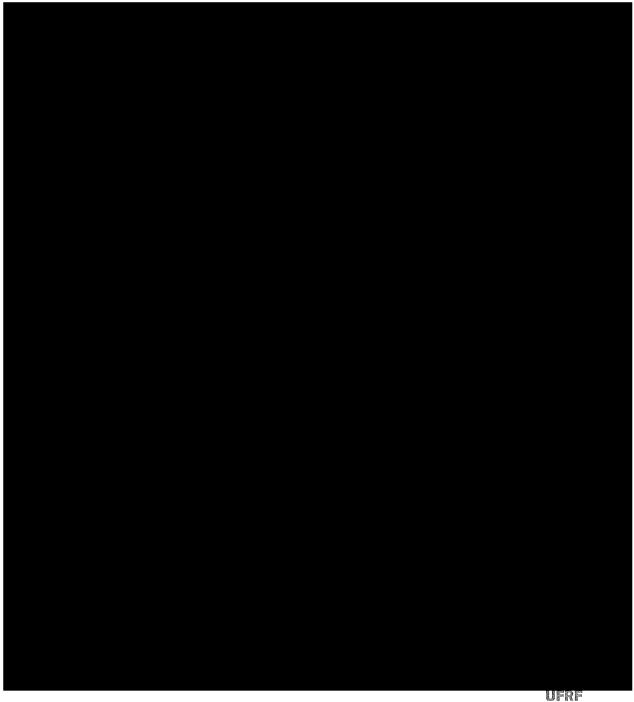
- 1.1 "Affiliate" means: (a) any entity which controls at least fifty percent (50%) of the equity or voting stock of the Licensee or (b) any entity fifty percent (50%) of whose equity or voting stock is owned or controlled by the Licensee or (c) any entity of which at least fifty percent (50%) of the equity or voting stock is owned or controlled by the same person or entity owning or controlling at least fifty percent (50%) of Licensee.
- 1.2 "Development Plan" means the written report summarizing the development activities that are to be undertaken by the Licensee to bring Licensed Products or Licensed Processes to the market that is attached as Appendix B.
- 1.3 "Development Report" means a written account of Licensee's progress under the Development Plan that includes at least the information specified on Appendix C.
  - 1.4 "Licensed Field" means All Fields.
- 1.5 "Licensed Process" means any process that is covered in whole or in part by an issued, unexpired claim or a pending Valid Claim in the Patent Rights in any country in which such process is practiced.
  - 1.6 "Licensed Product" means any product or part thereof that:
  - (a) is covered in whole or in part by an issued, unexpired Valid Claim or a pending claim in the Patent Rights in any country in which the product is made, used, imported or sold; or
  - (b) is manufactured by using a process which is covered in whole or in part by an issued, unexpired Valid Claim or a pending Valid Claim in the Patent Rights in any country in which any the process is used or in which the product is used, imported or sold.
  - 1.7 "Licensed Territory" means Worldwide.
- 1.8 "Net Sales" means the total dollar amount received on sales of Licensed Product and/or Licensed Processes by licensee or by any sub-licensee, less (a) promotional discounts, trade, chargebacks, rebates, quantity or cash discounts allowed in amounts customary in the trade; (b) amounts actually repaid or credited by reason of rejection or return of any previously sold, leased or otherwise transferred Licensed

Products, or Licensed Processes; (c) customer freight charges and insurance that are paid by or on behalf of the Company or its Affiliates; and (d) to the extent separately stated on purchase orders, invoices or other documents of sale, any sales, value added or similar taxes, custom duties or other similar governmental charges levied directly on the production, sale, transportation, delivery or use of a Licensed Product or Licensed Services; and (d) reservations of bad debt that are reasonable and taken in good faith collectively not to exceed five (5%) of gross.

- 1.9 "Patent Challenge" means a legal proceeding to challenge the validity, patentability, enforceability and/or non-infringement of any of the Patent Rights or otherwise opposing through a legal proceeding any of the Patent Rights...
  - 1.10 "Patent Rights" means:
    - (a) the patent(s)/patent application(s) identified on Appendix A;
  - (b) all United States and foreign patent applications claiming priority to any of the patent(s) and patent application(s) identified in Appendix A; and
  - (c) all patents issuing from the patent applications identified in Subsections 1.10(a) and 1.10(b), including, letters patent, patents of addition, divisionals, reissues, re-examinations, extensions, restorations, and supplementary protection certificates.
- 1.11 "Sublicense" means the agreement to grant or agree not to assert any right licensed to Licensee under Section 2.1, including, any agreement that permits any use of all or part of the Patent Rights for research or development, or the manufacture, marketing, distribution, commercialization, sale, offer for sale, import or export of Licensed Products or Licensed Processes. An agreement that is described in this definition is a Sublicense whether or not it is called a "sublicense" and whether or not it is included in a stand-alone document or is part of a broader collaboration, development, or joint venture agreement or arrangement.
- 1.12 "Sublicensee" means any third party to whom Licensee grants a Sublicense.
- 1.13 "Valid Claim" means: (a) a claim of an issued and unexpired patent within the Patent Rights that has not been (i) held permanently revoked, unenforceable, unpatentable or invalid by a decision of a court or governmental body of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, (ii) rendered unenforceable through disclaimer or otherwise, (iii) abandoned or (iv) permanently lost through an interference or opposition proceeding without any right of appeal or review; or (b) a pending claim of a pending patent application within the Patent Rights that (i) has been asserted and continues to be prosecuted in good faith and and (ii) has not been abandoned or finally rejected without the possibility of appeal or refiling

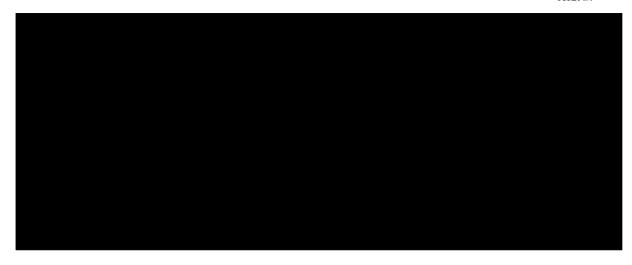
#### **Grant** Section 2

2.1 Patent Rights. In return for the royalties and other payments described in Section 4, UFRF grants to Licensee a royalty-bearing, exclusive license under the Patent Rights in the Licensed Field and Licensed Territory to make, have made, use, sell, have sold, import, and export Licensed Products and Licensed Processes.





UFRF



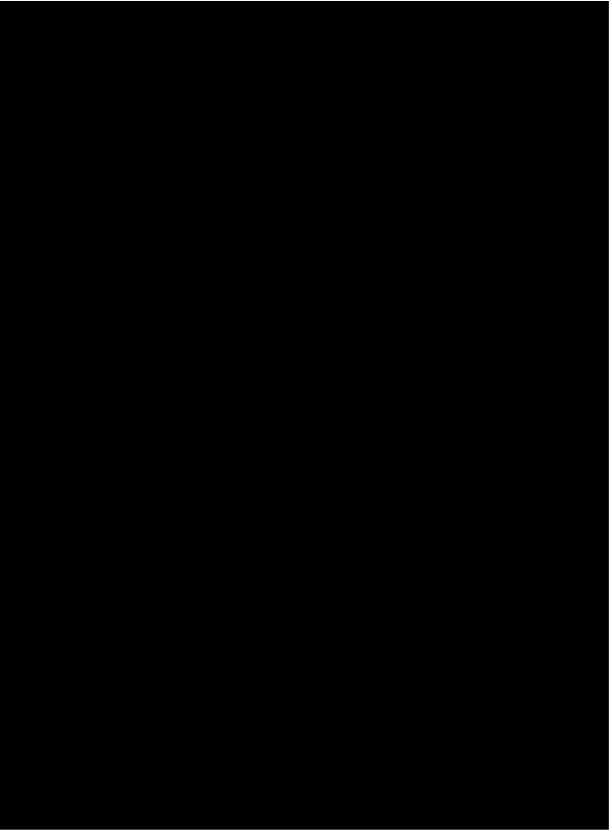
## Section 4 Payments

- 4.1 <u>License Issue Fee</u>. Licensee shall pay to UFRF a non-refundable license issue fee of Five Hundred dollars (\$500.00) within thirty (30) days of the Effective Date.
- 4.2 Annual License Maintenance Fee. Licensee will pay an annual license maintenance fee in the aggregate for License Agreement A12334, A13163, A12337 and A12927 in the aggregate as is listed in the following table. The annual license maintenance fee is payable on the anniversary date of the license agreement each year until the first commercial sale of a Licensed Product or a Licensed Process, after which time minimum royalties instead of the annual license maintenance fee will be due.

Year	Amount
Year 1	\$ 2,000
Year 2	\$ 3,000
Year 3	\$ 4,000
Year 4	\$ 5,000
and every year thereafter until 1st commercial year	



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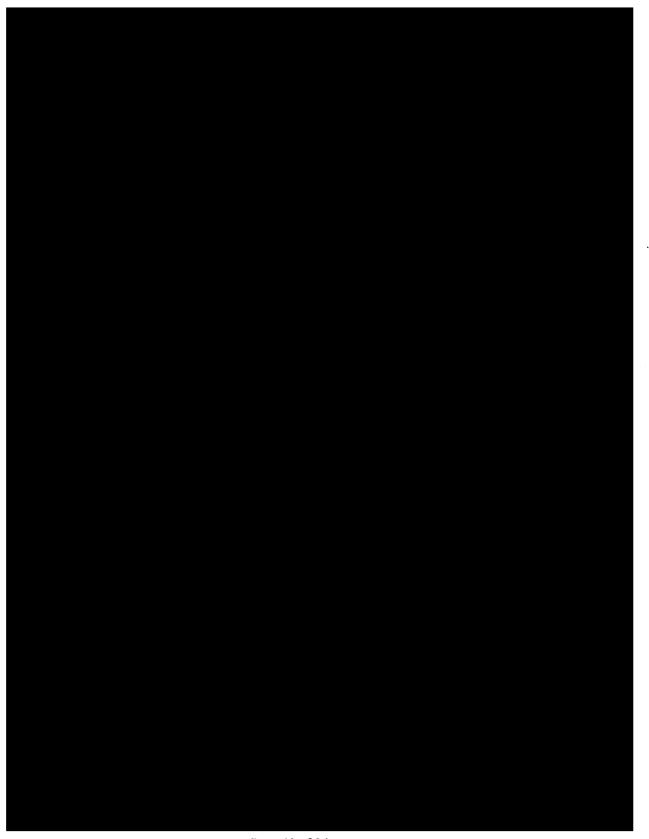
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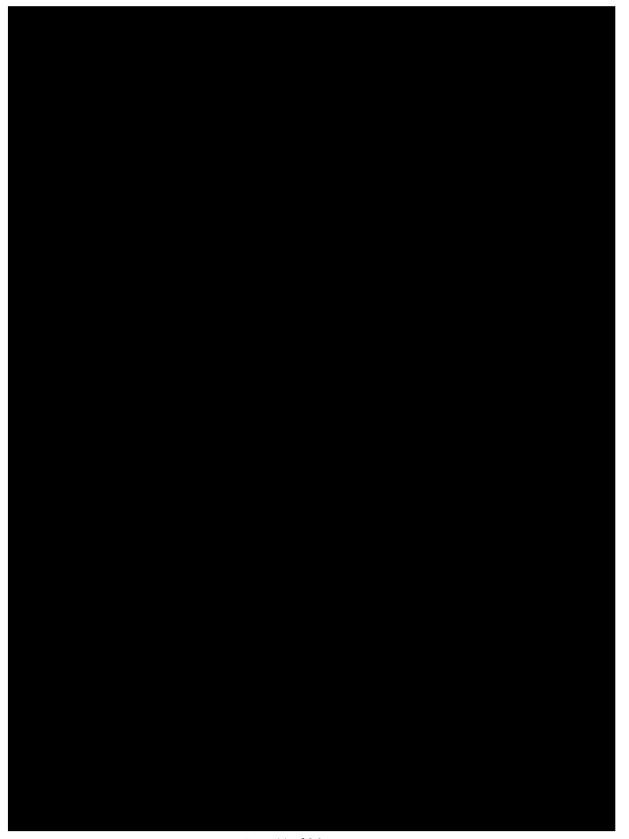
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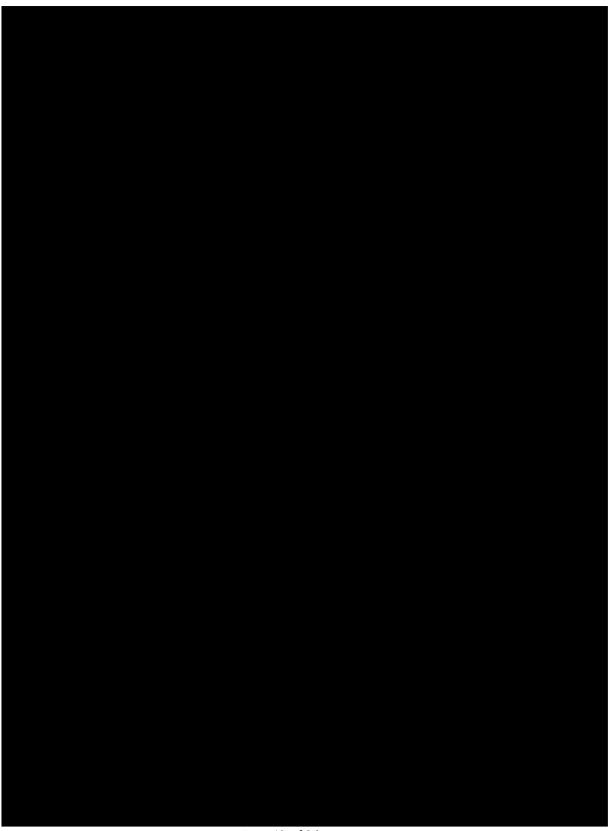
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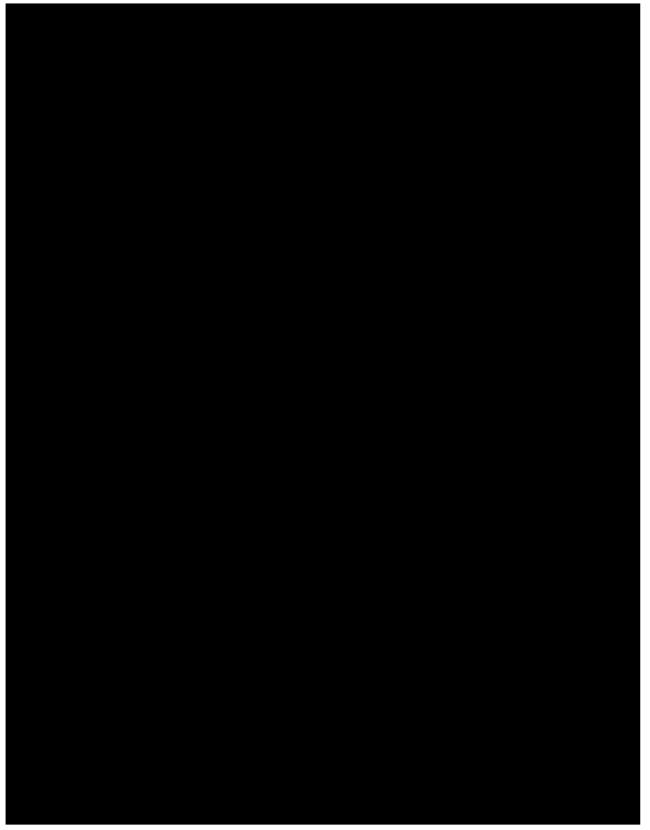
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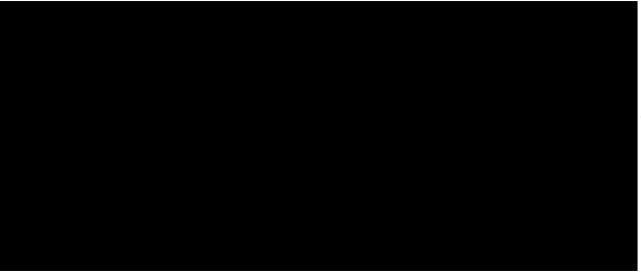
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# 6.4 Accounting for Payments.

- (a) Any amounts which remain unpaid after the date they are due to UFRF under this Section 6, Section 7 or any other provision of this agreement accrue interest from the due date at the rate of one and one-half percent (1.5%) per month. This interest provision is not a grant of permission for any payment delays. Licensee is responsible for repayment to UFRF of any attorney, collection agency, and other out-of-pocket expenses to collect overdue payments.
- (b) Except as otherwise directed, Licensee shall pay all amounts owing to UFRF under this Agreement in United States dollars at the following address:

University of Florida Research Foundation, Inc. 288 Grinter Hall, PO Box 115500
Gainesville, Florida 32611-5500
Attention: Business Manager

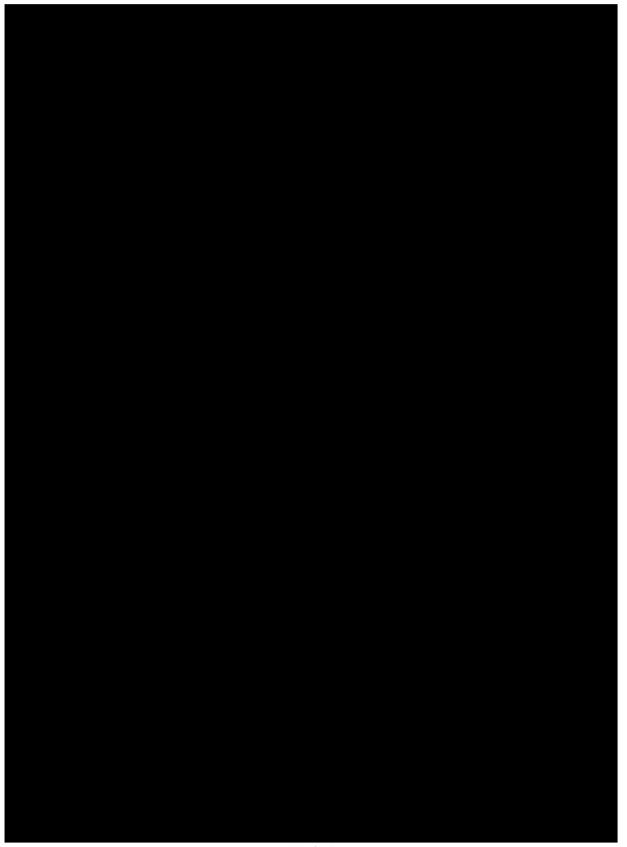
Licensee shall convert all monies owing in currencies other than United States dollars at the rate shown in the Federal Reserve Noon Valuation - Value of Foreign Currencies on the day preceding the payment due date.

(c) On the date of each payment to UFRF, Licensee shall submit a certified full accounting statement showing how any amounts payable to UFRF have been calculated. In addition to being certified, the Licensee shall include on all accounting statements a written representation signed by an executive officer of Licensee that states that the statements are true, accurate, and fairly represent in all material respects all amounts payable to UFRF pursuant to this Agreement. Licensee shall provide accounting on a per-country and product line, model or trade name basis and shall summarize them on the form shown in Appendix D–UFRF Royalty Report.

- (d) If no payment is owed to UFRF, Licensee shall supply information demonstrating that fact to UFRF.
- (e) Licensee shall make all payments due under this Agreement without deduction for taxes, assessments, or other charges of any kind which may be imposed on UFRF by any government or political subdivision with respect to any amounts payable to UFRF pursuant to this Agreement. All taxes, assessments, or other charges shall be assumed by Licensee. Licensee is responsible for all wire/bank fees associated with all payments due to UFRF pursuant to this Agreement.

#### **Section 7** Patent Prosecution

- 7.1 UFRF shall file, prosecute, and maintain the Patent Rights using counsel of its choice but will consider any comments provided by Licensee. UFRF shall provide Licensee with copies of all documents sent to and received from the United States Patent and Trademark Office and foreign patent offices (collectively, the "PTO") relating to Patent Rights. Licensee shall keep those documents confidential. UFRF will make reasonable efforts to allow Licensee fifteen days to review and respond or UFRF will take it as approval.
- 7.2 Licensee shall pay UFRF Fifty Four Thousand One Hundred Forty-Seven dollars (\$54,147.00), for License Agreements A12334, A13163, A12337 and A12927 in the aggregate over a period of twenty-four (24) months in equally quarterly payments starting within 90 days of the Effective date of the License Agreement to reimburse expenses associated with preparation, filing, prosecution, issuance, maintenance, defense, and reporting of the Patent Rights prior to the Effective Date. (NOTE: the above referenced dollar amount in this Section 7.2 is subject to change, as UFRF may not have received all related patent prosecution expense invoices from the law firm at the time of license negotiation.)
- 7.3 Licensee shall pay all costs and expenses incurred by UFRF related to the preparation, filing, prosecution (including interferences and oppositions), issuance, maintenance and reporting of the Patent Rights that were not reimbursed pursuant to Section 7.2 within thirty (30) days of receipt of an invoice from UFRF. Licensee shall keep UFRF fully apprised of the "small entity" status of Licensee and all Sublicensees with respect to United States and applicable foreign patent laws. Licensee shall inform UFRF of any changes in writing of the small entity status within thirty (30) days of any change.
- 7.4 Licensee may elect upon sixty (60) days' prior written notice to decline to reimburse UFRF for patent expenses for any Patent Rights in any particular country or jurisdiction. In that case, the license granted to Licensee by this Agreement terminates with respect to such Patent Rights after the sixty (60) days in that country or jurisdiction.



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## **Section 9** Term and Termination

- 9.1 The term of this license begins on the Effective Date and continues 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' prior written notice to UFRF. Licensee shall include a statement of the reasons for termination in the notice.
- 9.3 UFRF may terminate this Agreement by giving Licensee at least thirty (30) days' written notice if Licensee:
  - (a) is delinquent on any report, payment or required documents as specified in any section of this Agreement;
  - (b) is not diligently developing and commercializing Licensed Products or Licensed Processes;
  - (c) is in breach of any provision of this Agreement(d) provides any false report required to be made hereunder;
  - (d) files for bankruptcy, liquidation or has a receiver control any of its assets provided that in the case of an involuntary petition filed against the Licensee, the Licensee shall have 180 days to dismiss such petition;

- (e) violates any laws or regulations which constitute a felony applicable to development or commercialization of Licensed Products or Licensed Processes;
  - (f) ceases to carry on its business pertaining to Patent Rights;
- (g) fails to provide UFRF with un-redacted copies of the Change Of Control documents within thirty (30) days of their execution.

Termination under this Section 9.3 takes effect thirty (30) days after written notice that is provided by UFRF according to this Section 9.3, unless Licensee remedies the problem in that thirty (30) day period or unless a longer period for cure is provided hereunder.

- 9.4 If Licensee or any of its Affiliates brings a Patent Challenge against UFRF or assists others in bringing a Patent Challenge against UFRF (except as required under a court order or subpoena), then UFRF may immediately terminate this Agreement. If a Sublicensee brings a Patent Challenge or assists another party in bringing a Patent Challenge (for example, except as required under a court order or subpoena), then UFRF may send a written demand to Licensee to terminate the sublicense. If Licensee fails to terminate the Sublicense within forty-five (45) days after UFRF's demand, UFRF may immediately terminate this Agreement.
- 9.5 UFRF may immediately terminate this Agreement upon the occurrence of the third separate default by Licensee within any consecutive three-year period for failure to pay any monies due under this Agreement when due, unless the Licensee is disputing such payment in good faith. Any payment made pursuant to Section 6.2 and 6.3 shall not be deemed to be a default under this Section 9.5 provided that a payment was made for the royalty period in question.
- 9.6 Termination of this Agreement for any reason does not release either party from any obligation that matured prior to the effective date of termination. Licensee remains obligated to provide an accounting for and to pay royalties earned. Licensee may prorate any minimum royalties that are due as of the date of termination by the number of days elapsed in the applicable calendar year. Licensee and its Sublicensees may, however, during the six (6) months after the effective date of termination, sell all Licensed Products that are in inventory and complete and sell Licensed Products that are in the process of manufacture, provided that Licensee provides an accounting for and pays all earned royalties and other payments that are due under the terms of the Agreement.
  - 9.7 Upon termination of the Agreement for any reason, the following sections

of the License Agreement remain in force as non-cancelable obligations:

• Section 6 Record Keeping

• Section 9.6 Effect of Termination

• Section 12 Indemnification; Insurance

• Section 13 Use of Names

• Section 14 Miscellaneous

Section 18 Confidentiality

9.8 Licensee shall deliver to UFRF, within ninety (90) days after the date of termination of this agreement, complete and un-redacted copies of all documentation prepared for or submitted for all regulatory approvals of Licensed Products or Licensed Processes.

9.8. Upon termination of this Agreement, any existing agreements that contain a Sublicense shall terminate to the extent of such Sublicense; provided, however, that, for each Sublicensee, upon termination of the Sublicense agreement with such Sublicensee, if the Sublicensee is not then in breach of its Sublicense agreement with Licensee such that Licensee would have the right to terminate such Sublicense, such Sublicensee shall have the right to seek a license from UFRF. For clarity, termination of this Agreement does not affect the rights of any lawful customer of a Licensed Product to use such Licensed Product, which may, by its use, also include the practice of a Licensed Method. UFRF agrees to negotiate such licenses in good faith under reasonable terms and conditions, which shall not impose any representations, warranties, obligations or liabilities on UFRF that are not included in this Agreement.

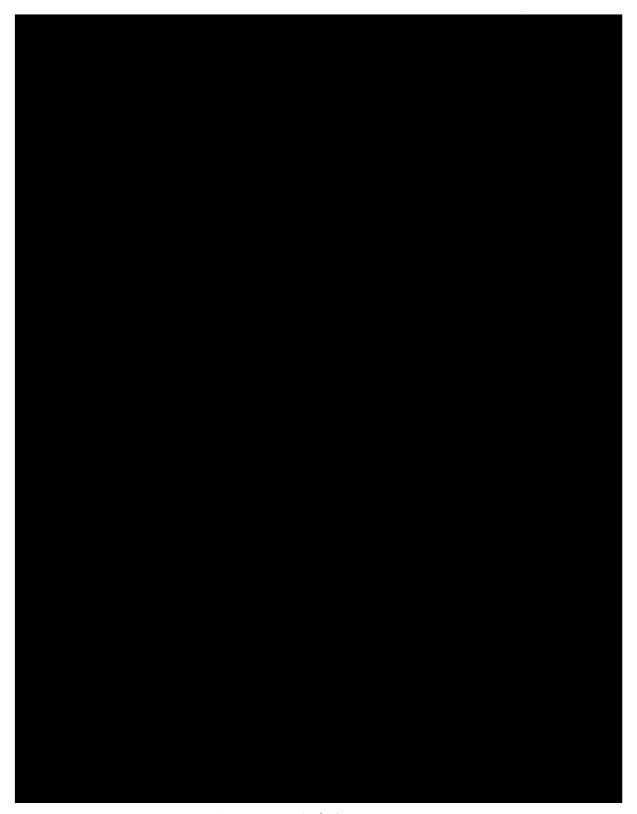


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## **Section 11** Dispute Resolution

- 11.1 <u>Mandatory Procedures</u>. Before either party intends to file a lawsuit against the other with respect to any matter in connection with this Agreement, except with regard to any payments made or due under this Agreement, it shall first comply with the procedures set forth in this Section 11, other than for injunctive relief to enforce the provisions of this Section 11.
  - (a) When a party intends to invoke the procedures set forth in this Section 11, it shall provide written notice to the other party. Within thirty (30) days after the date of that notice, senior representatives of the parties shall engage in good faith negotiations at a mutually convenient location to resolve the dispute. In the case of UFRF, that representative is the Director of Technology Licensing. In the case of License, that representative is the Lee Strait.
  - (b) If the parties fail to meet within the time period set forth in Section 11(a) 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.
  - (c) Not more than fifteen (15) days after the notice of issues, the President of UFRF and the Chief Executive Officer of the Licensee shall meet and engage in good faith negotiations at a mutually convenient location to resolve the dispute.
- 11.2 <u>Failure to Resolve Dispute</u>. If (a) any issue is not resolved at the meeting of the President and Chief Executive Officer within fifteen (15) days after they first meet; or (b) there is a dispute regarding payments made or due under this Agreement, either party may file appropriate administrative or judicial proceedings with respect to the issue in dispute. The parties agree to consider in good faith any proposals to address issues through alternative dispute resolution.



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## Section 14 Miscellaneous

- 14.1 <u>Governing Law.</u> This Agreement shall be governed and construed in accordance with the internal laws of the State of Florida without regard to its conflict of laws provisions, and venue for all claims or other causes of action arising out of this Agreement is Gainesville, Florida.
- 14.2 <u>Independent Contractors</u>. The parties are independent contractors and not joint venturers or partners.
- 14.3 <u>Integration</u>. This Agreement constitutes the full understanding between the parties with reference to its subject matter, and no statements or agreements by the parties, whether oral or in writing, may modify the terms of this Agreement. Neither party may claim any amendment, modification, or release from any provisions of this Agreement, unless the mutual agreement is in writing and signed by both parties.
- 14.4 <u>No Security Interest</u>. Licensee may not encumber or otherwise grant a security interest in any of the rights granted under this Agreement to any third party.
- 14.5 <u>Laws and Regulations</u>. Licensee shall comply with all local, state, federal, and international laws and regulations that are applicable to the development, manufacture, use, and sale of Licensed Products and Licensed Processes, including:
  - (a) Licensee acknowledges that it is subject to and agrees to abide by United States laws and regulations (including the Export Administration Act of 1979 and Arms Export Control Act) controlling the export of technical data, computer software, laboratory prototypes, biological material, and other commodities. The transfer of those items may require a license from the cognizant agency of the United States Government or written assurances by Licensee that it will not export items to certain foreign countries or persons without prior approval by that agency. UFRF neither represents that a license is or is not required nor that, if required, it will be issued.
  - (b) Licensee shall obtain all necessary approvals from the United States Food & Drug Administration, Environmental Protection Agency, Department of Agriculture and any similar governmental authorities of foreign jurisdictions in which Licensee intends to make, use, or sell Licensed Products or perform Licensed Processes.
- 14.6 <u>Force Majeure</u>. Neither party is responsible for default, delay, or failure to perform, if such default, delay or failure to perform is due to causes beyond the party's reasonable control, including, but not limited to, strikes, lockouts, inactions of governmental authorities, war, fire, hurricane or other natural disaster, provided that the nonperforming party uses commercially reasonable efforts to avoid or remove those causes of nonperformance and continues performance under this Agreement with reasonable dispatch when the causes are removed. In the event of a default, delay or

failure to perform described in this Section 14.6, any date or times by which either party is scheduled to perform is extended automatically for a time equal to the time lost by reason of the excused default, delay or failure to perform.

#### **Section 15 Notices**

The parties shall provide any notice required to be given pursuant to this Agreement in writing to the addresses listed in this Section 15. Notice is effective on the day it is delivered personally with written receipt from an authorized signatory, on the second day after the day on which the notice has been delivered for next day delivery prepaid to a nationally recognized courier service, on the fifth business day following deposit in the United States mail if sent certified or registered mail, (return receipt acknowledgement is not required to certify delivery).

If to UFRF:

President University of Florida Research Foundation, Incorporated 223 Grinter Hall University of Florida Gainesville, FL 32611-5500

with a copy to:

Office of Technology Licensing University of Florida Attn: Director (Rm. 112)

747 SW 2nd Avenue Post Office Box 115575

Gainesville, Florida 32611-5575

If to Licensee:

Lee Strait, CEO U.S. Bioplastics, Inc. 515 N Park Avenue, Suite 216 Winter Park, FL 32789



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UFRF

## Section 17 Confidentiality

- Unless required by Florida Law, the parties (a) may only use each other's Confidential Information (as defined below) as necessary to perform the obligations set forth in this Agreement (b) may not disclose the other's Confidential Information to any third party, and (c) shall protect each other's Confidential Information with the same degree of care that they exercise with their own Confidential Information but in no event less than a reasonable degree of care. The parties may disclose this Agreement and Confidential Information to their authorized Affiliates, directors, officers, employees, consultants, subcontractors, Sublicensees or agents and investors who are bound by similar confidentiality provisions. For the purposes of this Agreement, "Confidential Information" means the terms of this Agreement and information disclosed by one party to the other that is marked "confidential" by the disclosing party or that is confirmed in writing within ten (10) days after verbal disclosure. Confidential Information does not include information that (i) is publicly known; (ii) is already known or independently developed without use of the Confidential Information as shown by written records; or (iii) is disclosed by a third party having no known obligation of confidentiality with respect to the Confidential Information. These confidentiality obligations remain effective for five (5) years after disclosure of the Confidential Information.
- (b) Notwithstanding the foregoing, any Party to this Agreement shall have the right to disclose such Confidential Information pursuant to (i) a judicial order issued by a court of competent jurisdiction, (ii) other valid and binding court ordered discovery, (iii) lawful governmental order or (iv) law, regulation or rule (including, without limitation, the Securities Exchange Act of 1934, as amended), but only to the extent so ordered or legally required, provided, however, that in each case the Party so ordered or obligated shall promptly notify the other Party to this Agreement, in writing, of such pending action The recipient of such Confidential Information shall cooperate reasonably with the disclosing party at the disclosing party's expense and direction in any legal action to oppose or limit such disclosure order or legal requirement. Disclosure under clauses (i) through (iii) shall not in and of itself render the Confidential Information non confidential



## Section 19 Contract Formation and Authority

- 19.1 The submission of this Agreement is not an offer, and this document is 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 do not evidence an agreement between the parties. UFRF may terminate this Agreement without the requirement of any notice to Licensee, if UFRF does not receive the License Issue Fee or certificates representing the Equity Interests to be issued to UFRF pursuant to this Agreement, as applicable, within thirty (30) days of the Effective Date.
- 19.2 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.

The parties have duly executed this Agreement on the dates indicated below.

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INCORPORATED U.S. Bioplastics, Inc.

David L. Day

Director of Technology Licensing

Date: 6/29, 20/4

By: \_\_\_\_\_

Title: CEO

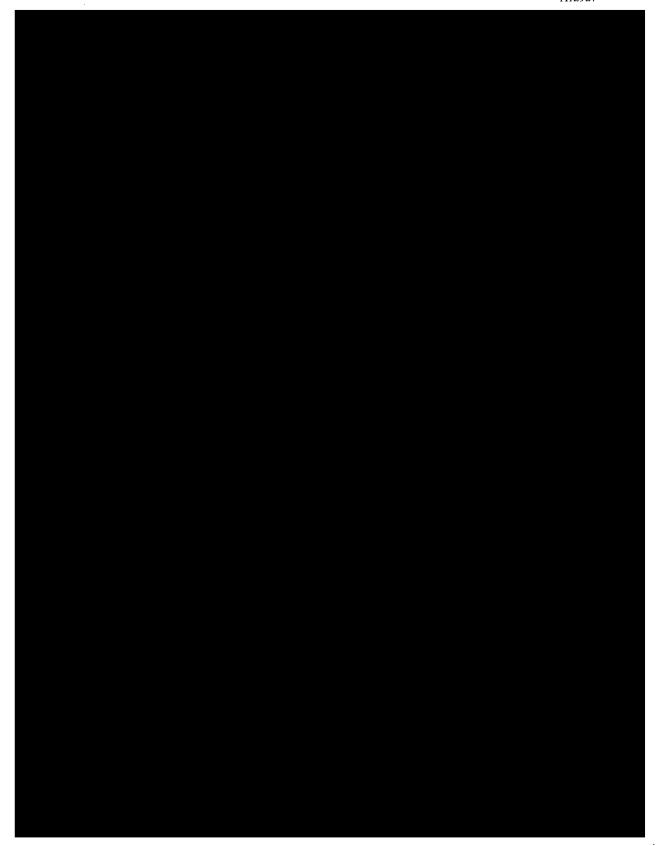
Date: <u>6-27</u>, 20<u>14</u>





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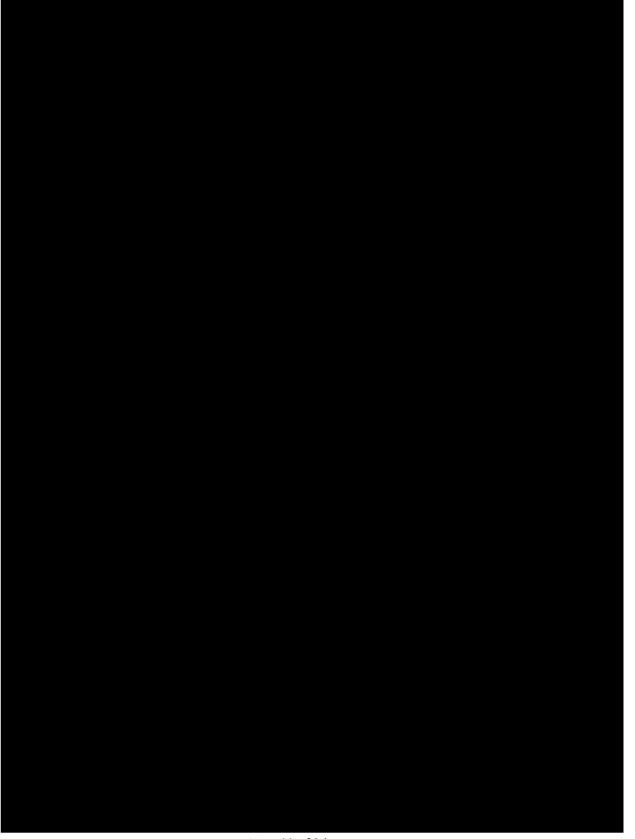
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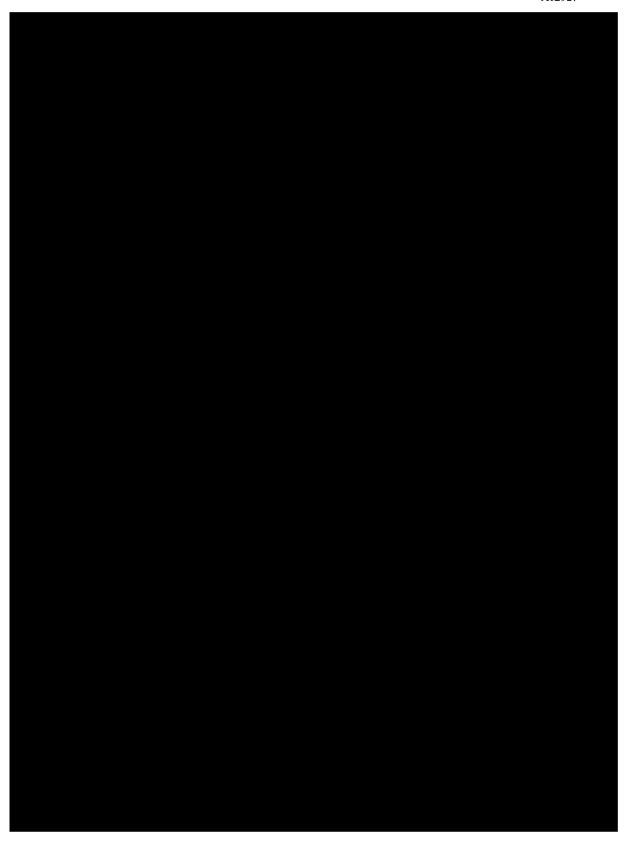


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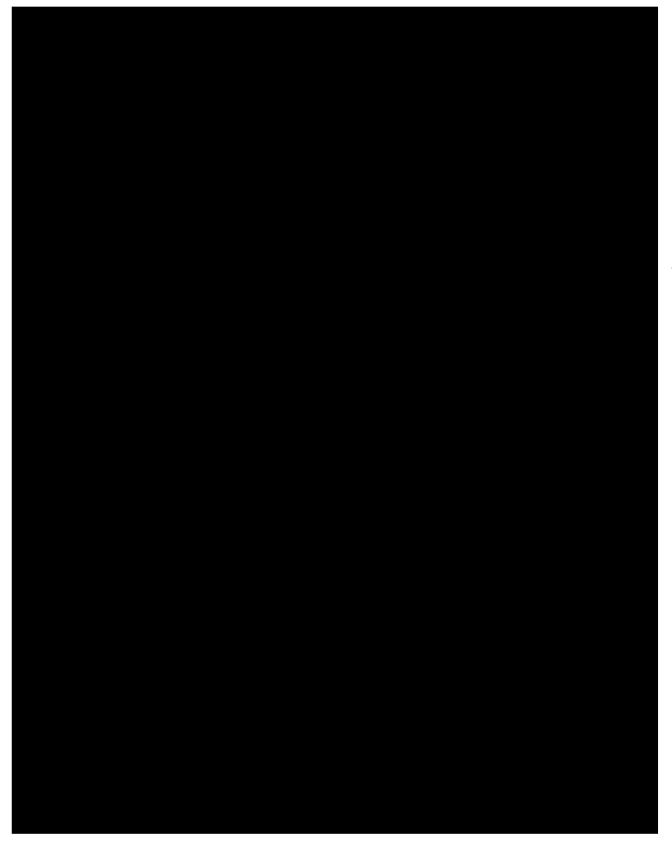


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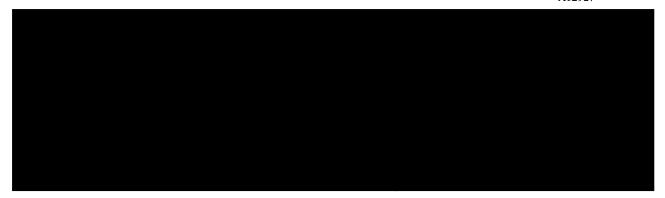
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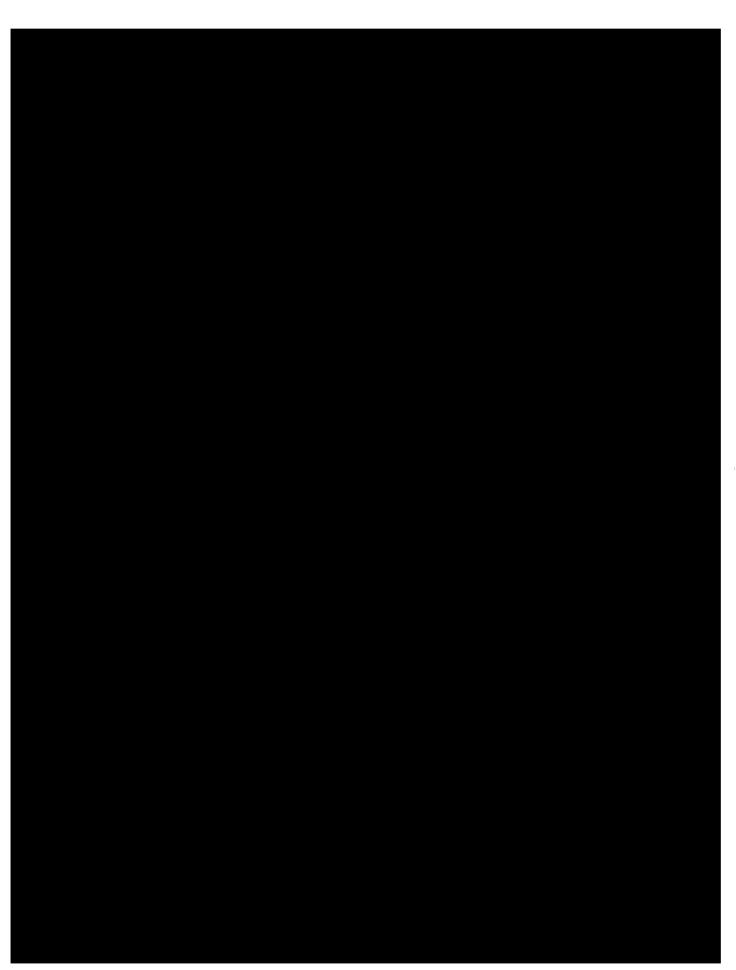


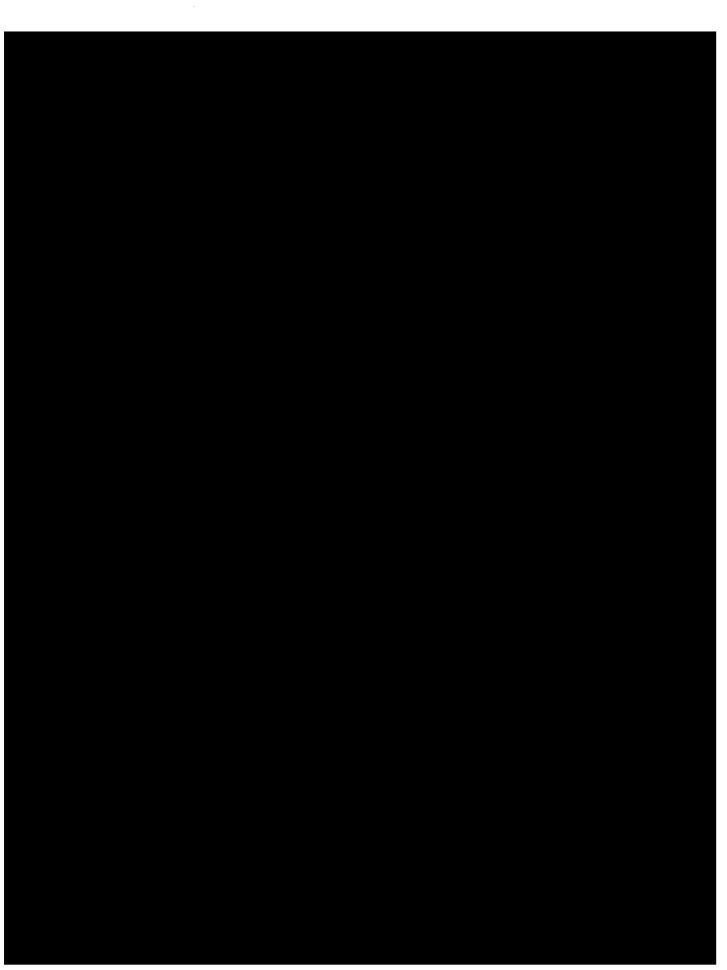
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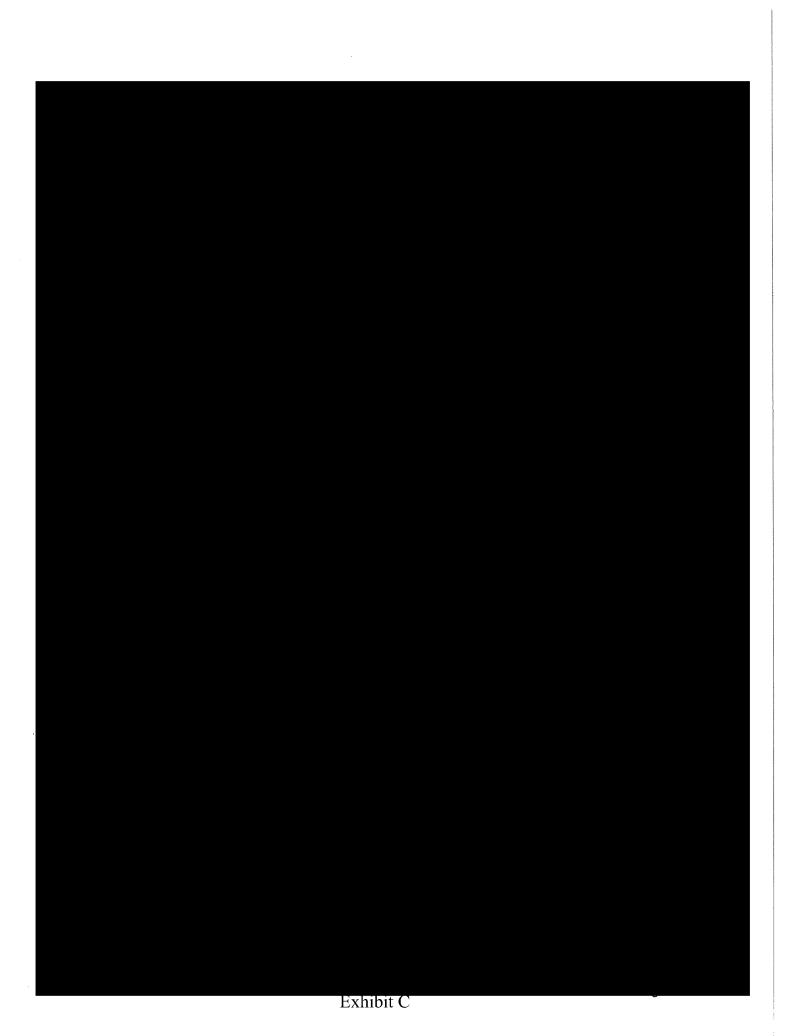


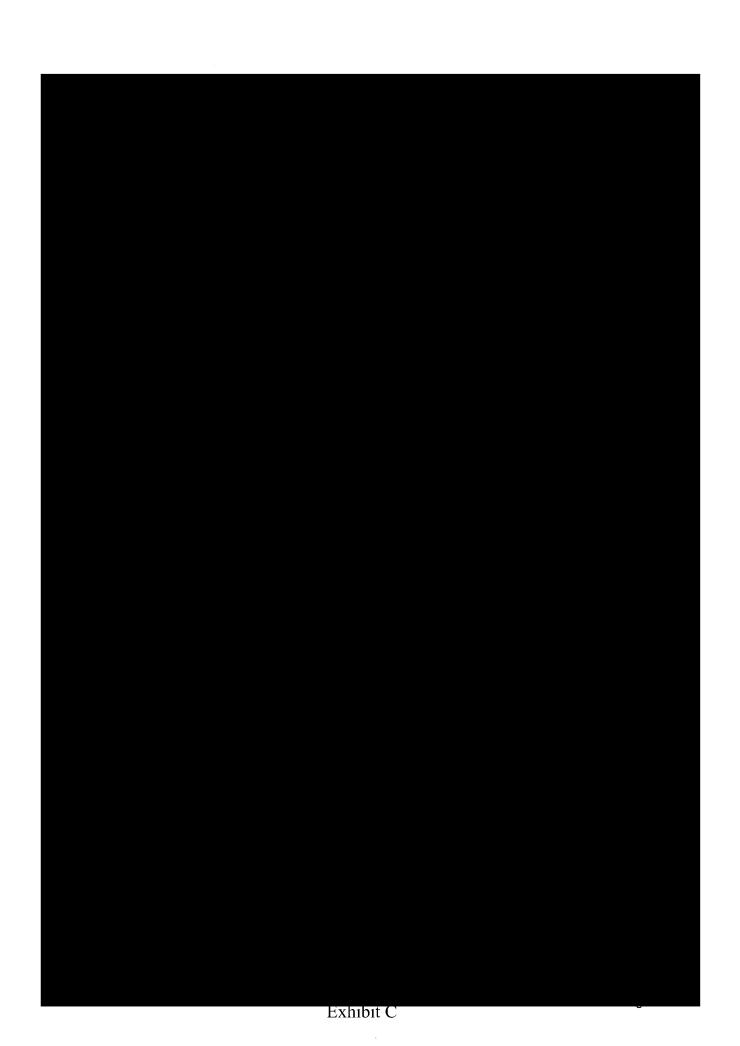
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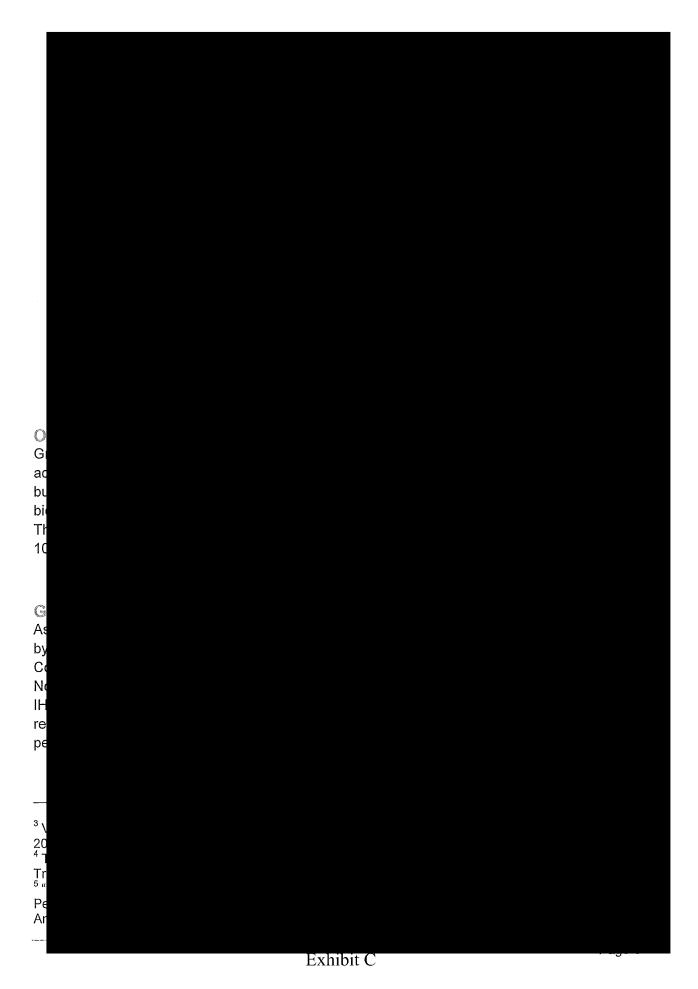




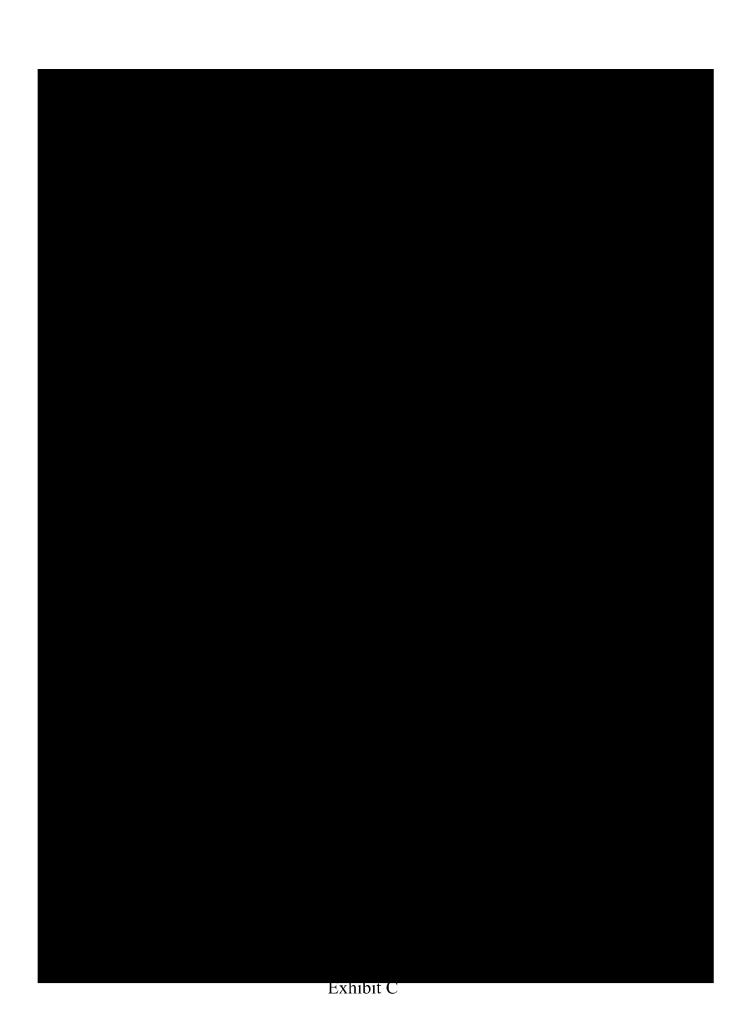


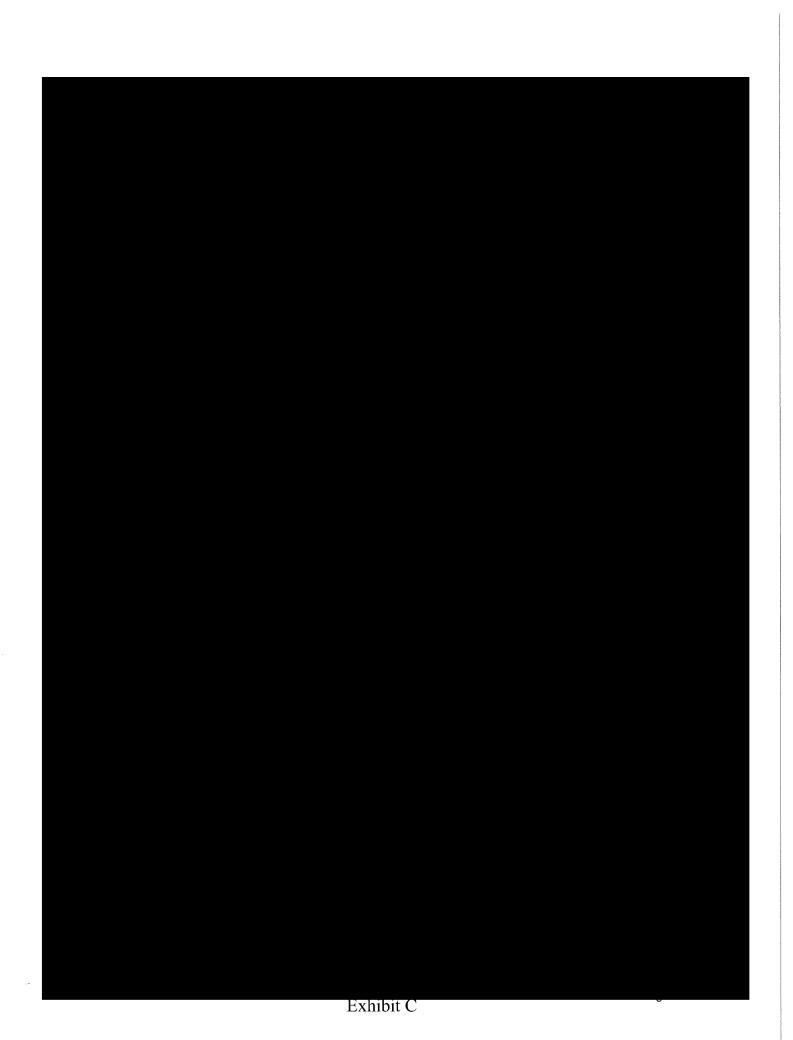


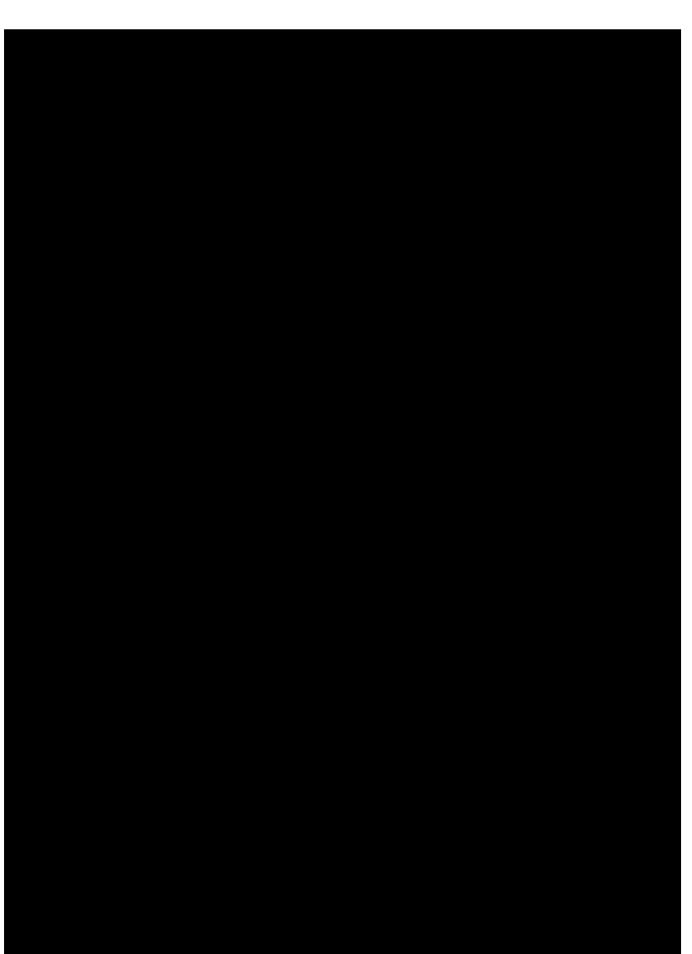


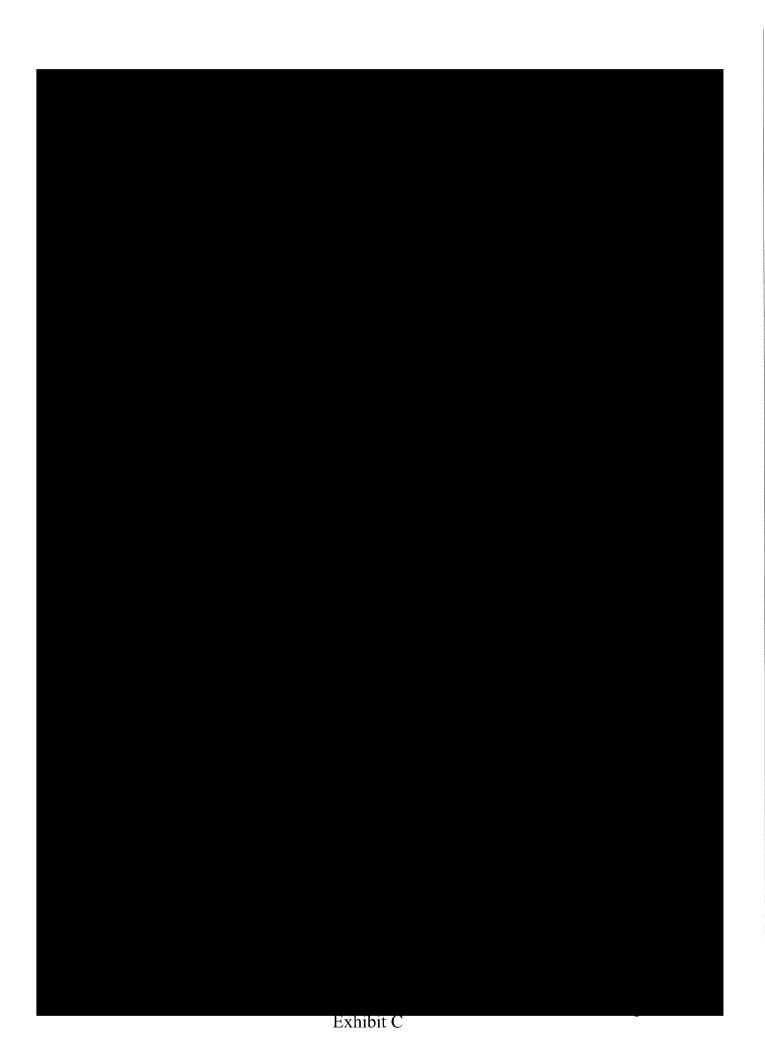


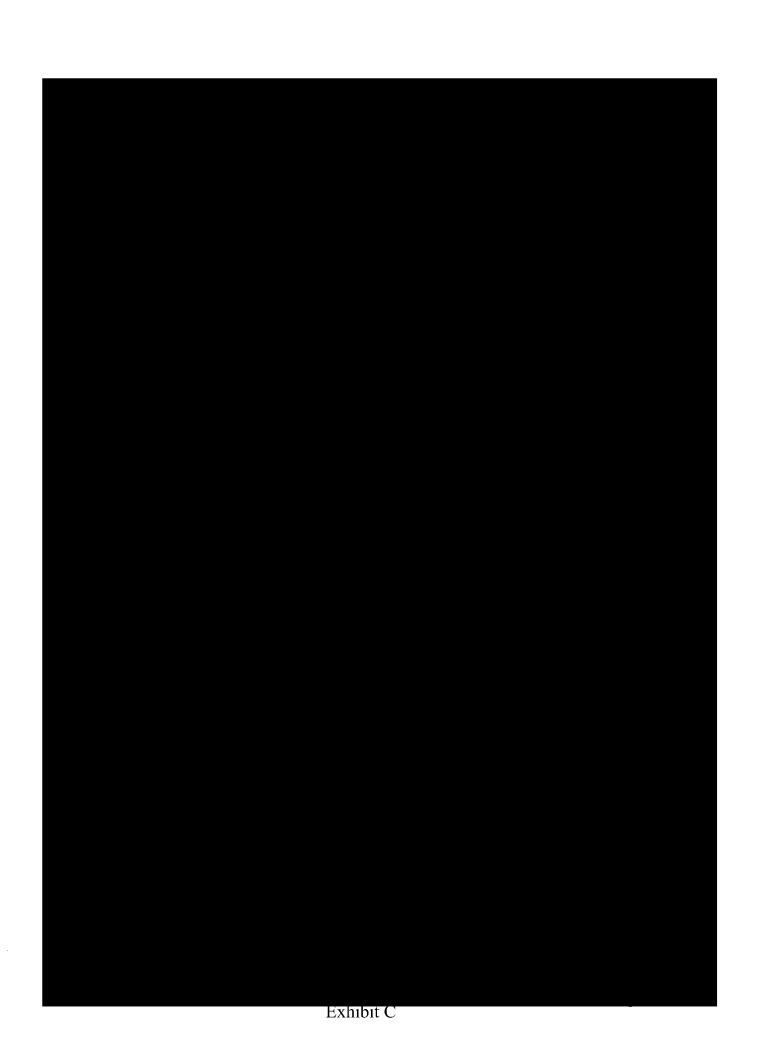


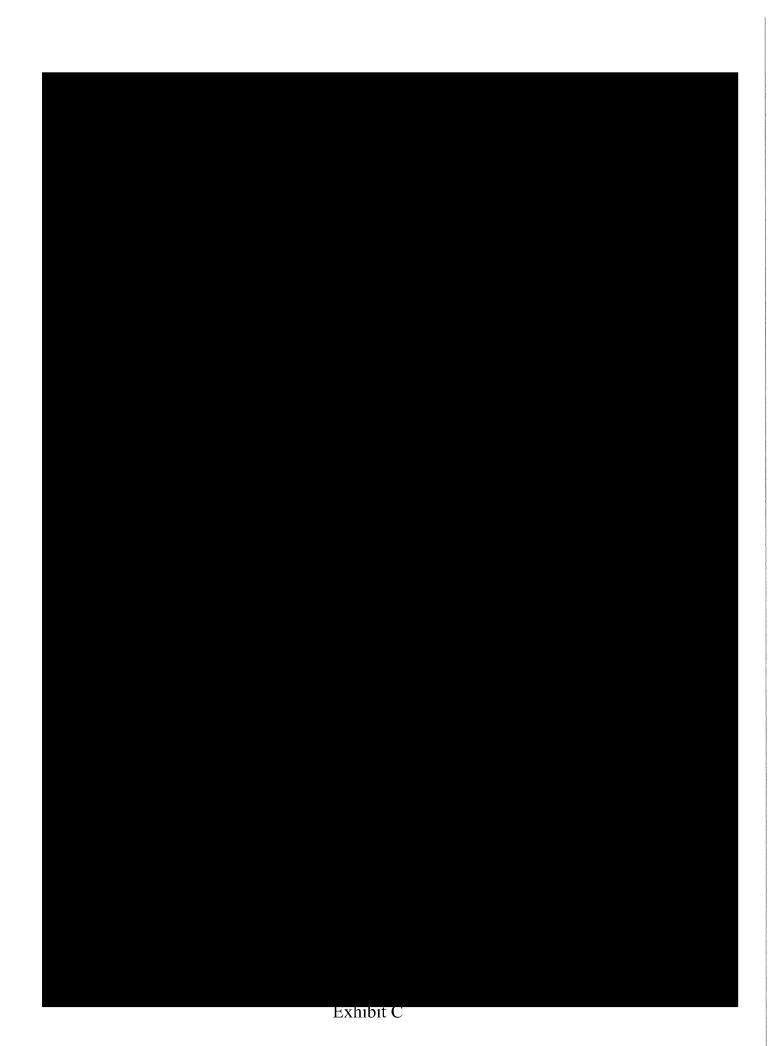










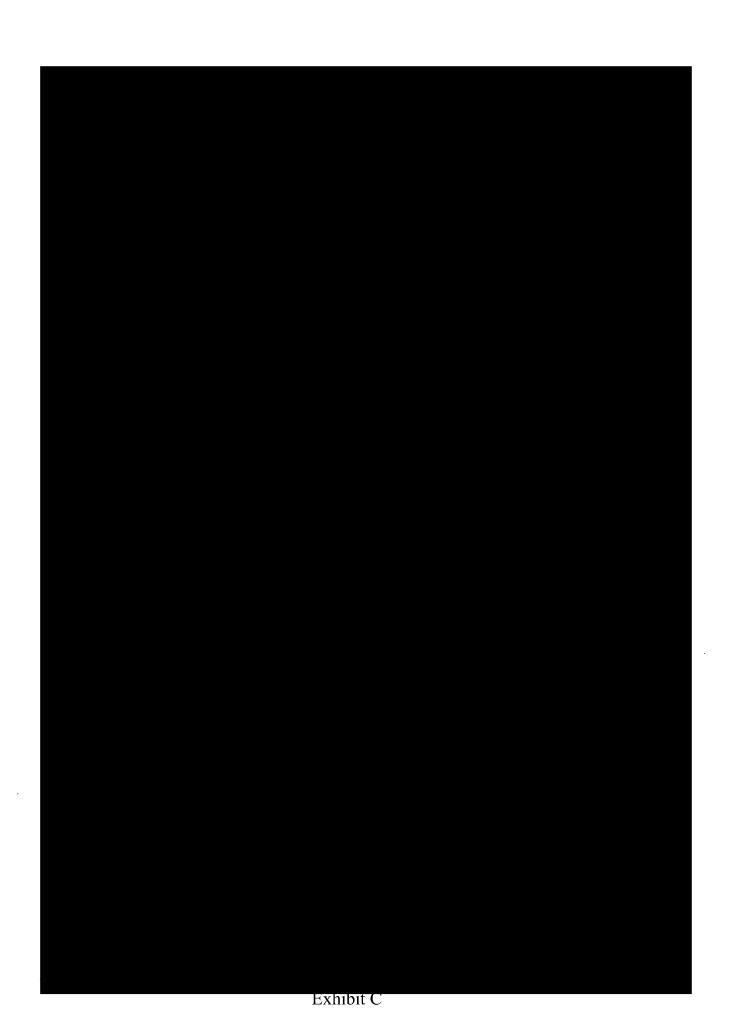


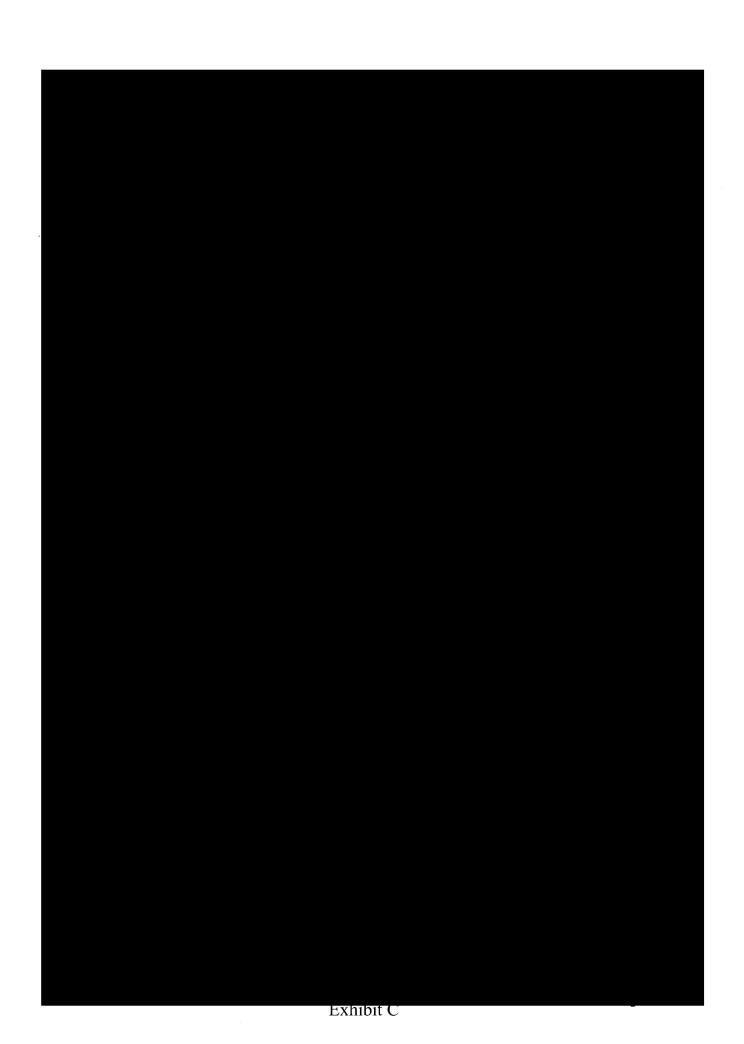






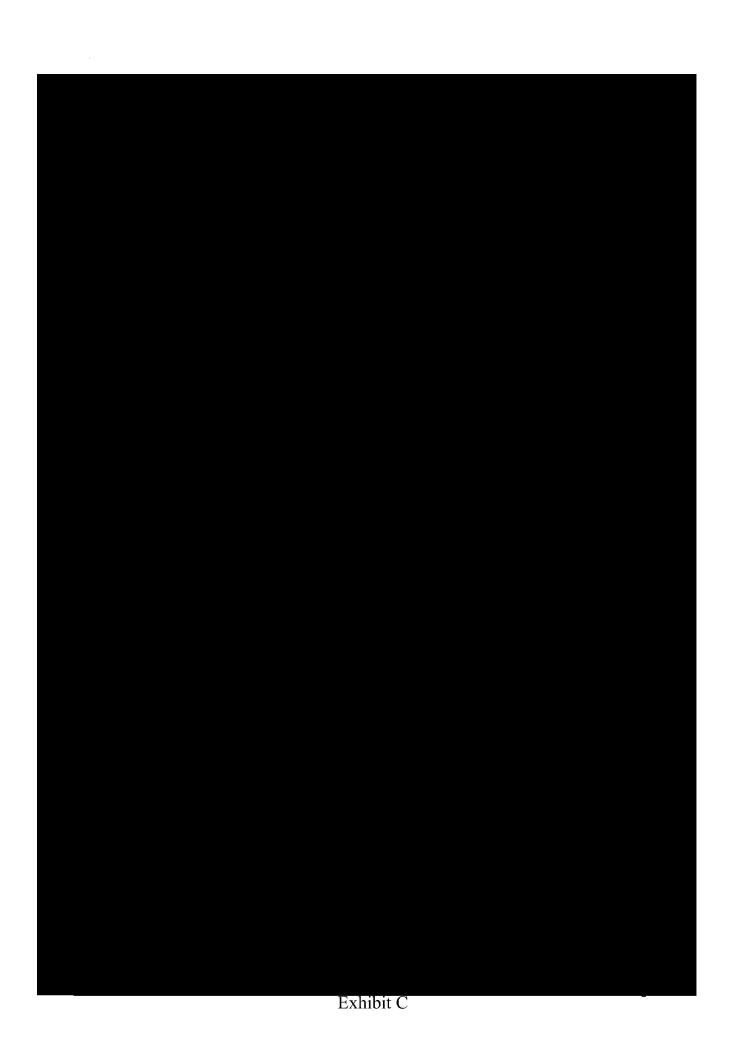


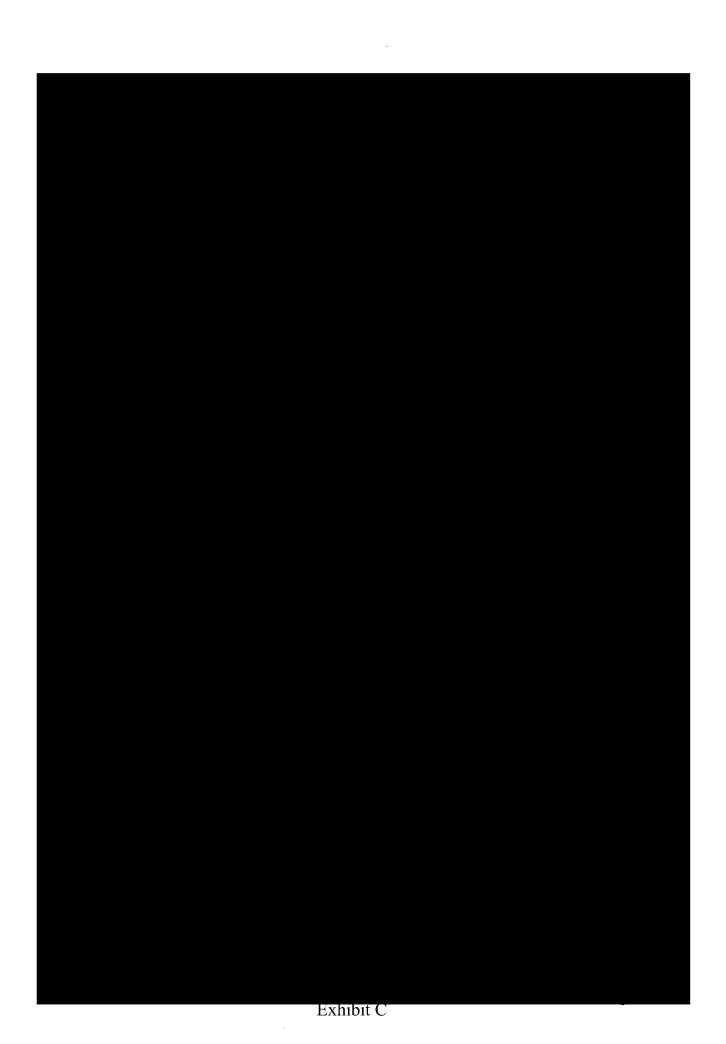






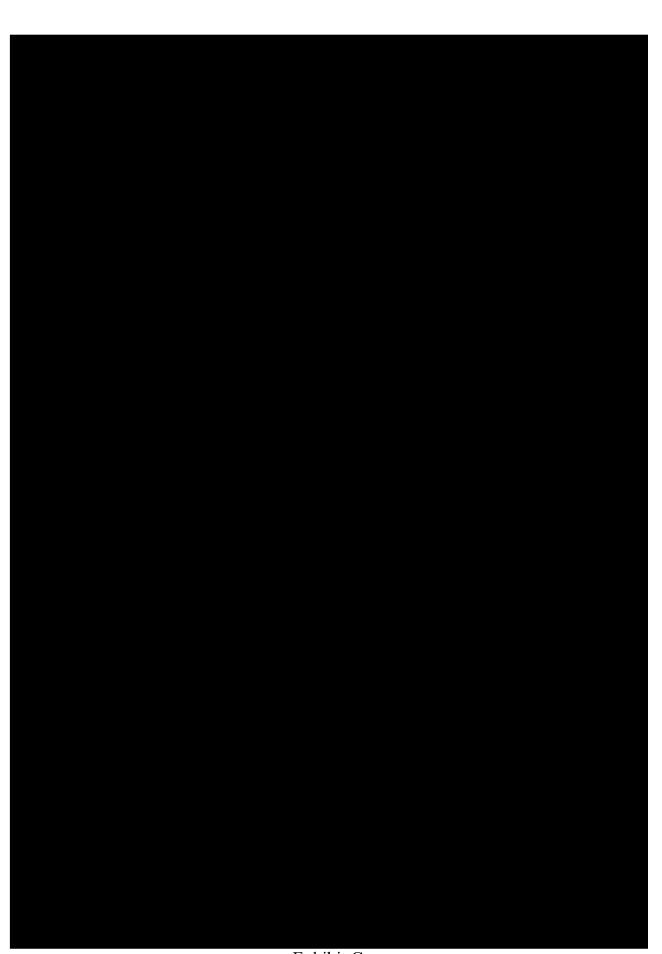


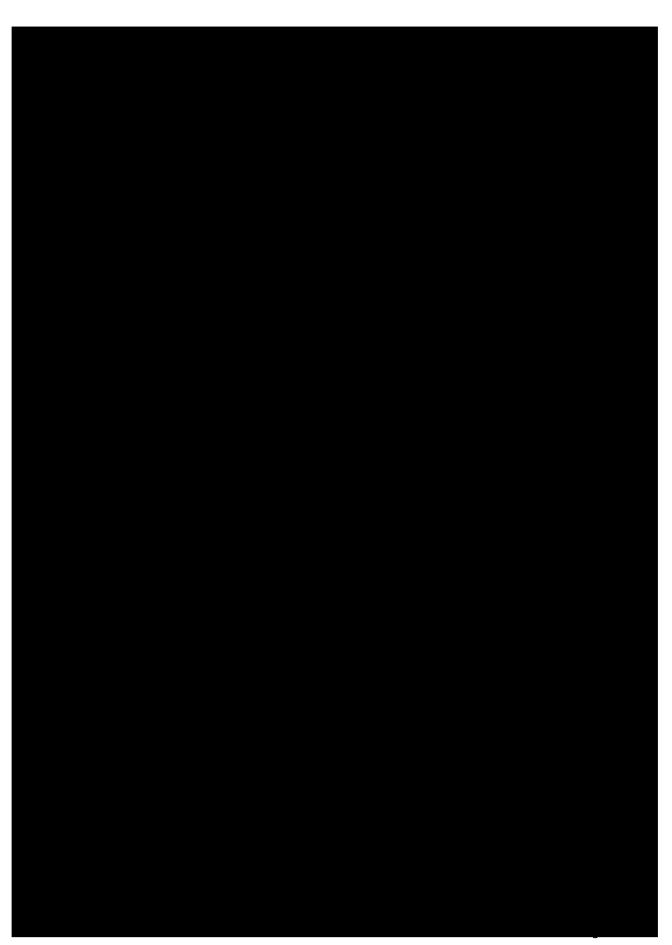












# STANDARD EXCLUSIVE LICENSE AGREEMENT Agreement No: A13163\_\_\_\_

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Appendix A – Patents and Patent Applications

Appendix B - Development Plan

Appendix C - Development Report

Appendix D - UFRF Royalty Report

Appendix E - Milestones

Appendix F - Equity Agreement

Appendix G - Business Plan

This Agreement is effective as of \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) (the "Effective Date") between the University of Florida Research Foundation, Incorporated (hereinafter called "UFRF"), a nonstock, nonprofit Florida corporation, and US Bioplastics Inc. (hereinafter called "Licensee"), a small entity Florida corporation.

WHEREAS, Licensee is engaged in business relating to the development and commercialization of products that can use or incorporate UFRF's intellectual property rights and has the capability of developing commercial applications of the intellectual property; and

WHEREAS, UFRF owns inventions that are described below; UFRF is willing to

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grant a license to Licensee under the Patent Rights (defined in Section 1.6); and Licensee desires a license under them.

THEREFORE, the parties agree as follows:

## **Section 1** Definitions

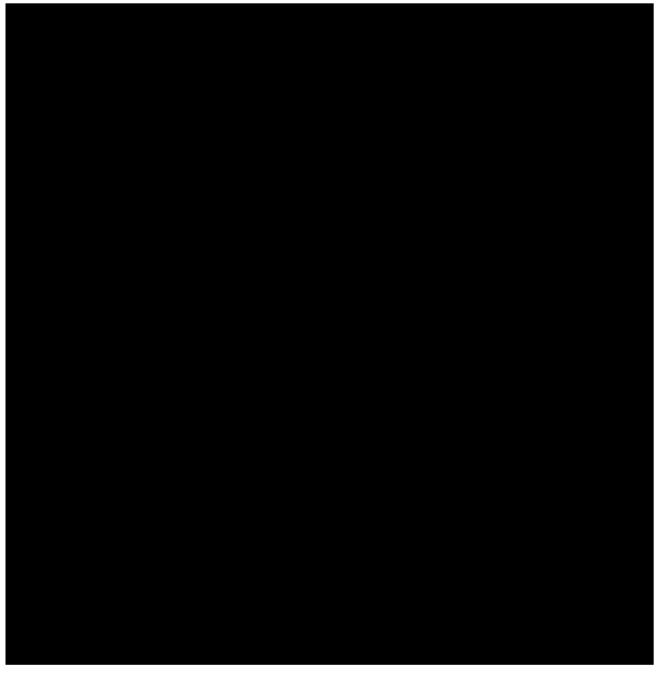
- 1.1 "Affiliate" means: (a) any entity which controls at least fifty percent (50%) of the equity or voting stock of the Licensee or (b) any entity fifty percent (50%) of whose equity or voting stock is owned or controlled by the Licensee or (c) any entity of which at least fifty percent (50%) of the equity or voting stock is owned or controlled by the same person or entity owning or controlling at least fifty percent (50%) of Licensee.
- 1.2 "Development Plan" means the written report summarizing the development activities that are to be undertaken by the Licensee to bring Licensed Products or Licensed Processes to the market that is attached as Appendix B.
- 1.3 "Development Report" means a written account of Licensee's progress under the Development Plan that includes at least the information specified on Appendix C.
  - 1.4 "Licensed Field" means All Fields.
- 1.5 "Licensed Process" means any process that is covered in whole or in part by an issued, unexpired claim or a pending Valid Claim in the Patent Rights in any country in which such process is practiced.
  - 1.6 "Licensed Product" means any product or part thereof that:
  - (a) is covered in whole or in part by an issued, unexpired Valid Claim or a pending claim in the Patent Rights in any country in which the product is made, used, imported or sold; or
  - (b) is manufactured by using a process which is covered in whole or in part by an issued, unexpired Valid Claim or a pending Valid Claim in the Patent Rights in any country in which any the process is used or in which the product is used, imported or sold.
  - 1.7 "Licensed Territory" means Worldwide.
- 1.8 "Net Sales" means the total dollar amount received on sales of Licensed Product and/or Licensed Processes by licensee or by any sub-licensee, less (a) promotional discounts, trade, chargebacks, rebates, quantity or cash discounts allowed in amounts customary in the trade; (b) amounts actually repaid or credited by reason of rejection or return of any previously sold, leased or otherwise transferred Licensed

Products, or Licensed Processes; (c) customer freight charges and insurance that are paid by or on behalf of the Company or its Affiliates; and (d) to the extent separately stated on purchase orders, invoices or other documents of sale, any sales, value added or similar taxes, custom duties or other similar governmental charges levied directly on the production, sale, transportation, delivery or use of a Licensed Product or Licensed Services; and (d) reservations of bad debt that are reasonable and taken in good faith collectively not to exceed five (5%) of gross.

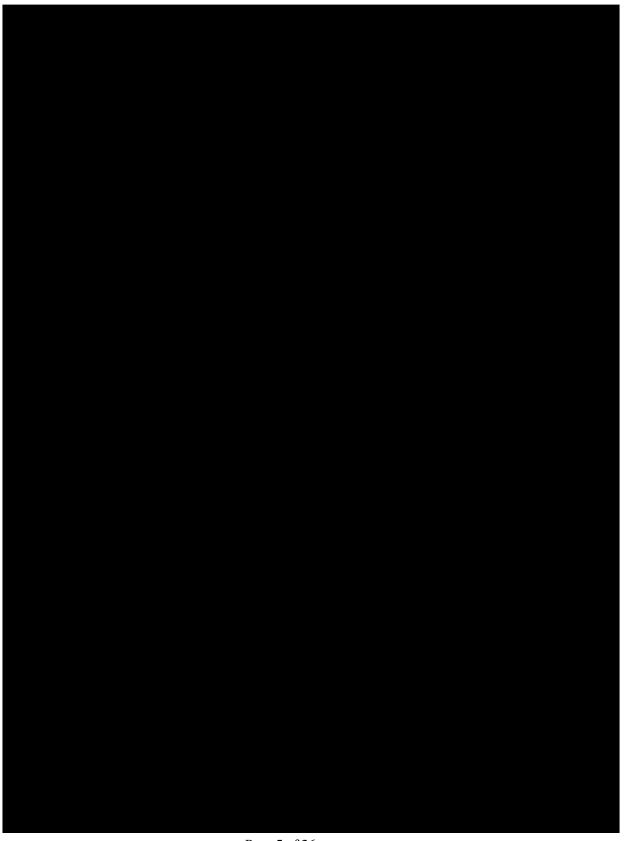
- 1.9 "Patent Challenge" means a legal proceeding to challenge the validity, patentability, enforceability and/or non-infringement of any of the Patent Rights or otherwise opposing through a legal proceeding any of the Patent Rights...
  - 1.10 "Patent Rights" means:
    - (a) the patent(s)/patent application(s) identified on Appendix A;
  - (b) all United States and foreign patent applications claiming priority to any of the patent(s) and patent application(s) identified in Appendix A; and
  - (c) all patents issuing from the patent applications identified in Subsections 1.10(a) and 1.10(b), including, letters patent, patents of addition, divisionals, reissues, re-examinations, extensions, restorations, and supplementary protection certificates.
- 1.11 "Sublicense" means the agreement to grant or agree not to assert any right licensed to Licensee under Section 2.1, including, any agreement that permits any use of all or part of the Patent Rights for research or development, or the manufacture, marketing, distribution, commercialization, sale, offer for sale, import or export of Licensed Products or Licensed Processes. An agreement that is described in this definition is a Sublicense whether or not it is called a "sublicense" and whether or not it is included in a stand-alone document or is part of a broader collaboration, development, or joint venture agreement or arrangement.
- 1.12 "Sublicensee" means any third party to whom Licensee grants a Sublicense.
- 1.13 "Valid Claim" means: (a) a claim of an issued and unexpired patent within the Patent Rights that has not been (i) held permanently revoked, unenforceable, unpatentable or invalid by a decision of a court or governmental body of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, (ii) rendered unenforceable through disclaimer or otherwise, (iii) abandoned or (iv) permanently lost through an interference or opposition proceeding without any right of appeal or review; or (b) a pending claim of a pending patent application within the Patent Rights that (i) has been asserted and continues to be prosecuted in good faith and and (ii) has not been abandoned or finally rejected without the possibility of appeal or refiling

# Section 2 Grant

2.1 <u>Patent Rights</u>. In return for the royalties and other payments described in Section 4, UFRF grants to Licensee a royalty-bearing, exclusive license under the Patent Rights in the Licensed Field and Licensed Territory to make, have made, use, sell, have sold, import, and export Licensed Products and Licensed Processes.



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UFRF



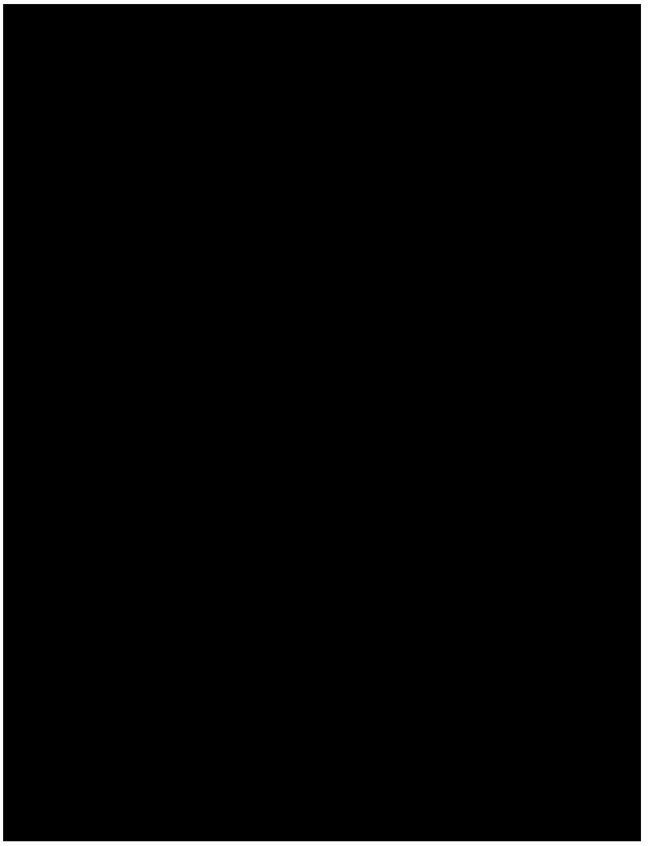
# Section 4 Payments

- 4.1 <u>License Issue Fee</u>. Licensee shall pay to UFRF a non-refundable license issue fee of Five Hundred dollars (\$500.00) within thirty (30) days of the Effective Date.
- 4.2 Annual License Maintenance Fee. Licensee will pay an annual license maintenance fee in the aggregate for License Agreement A12334, A13163, A12337 and A12927 in the aggregate as is listed in the following table. The annual license maintenance fee is payable on the anniversary date of the license agreement each year until the first commercial sale of a Licensed Product or a Licensed Process, after which time minimum royalties instead of the annual license maintenance fee will be due.

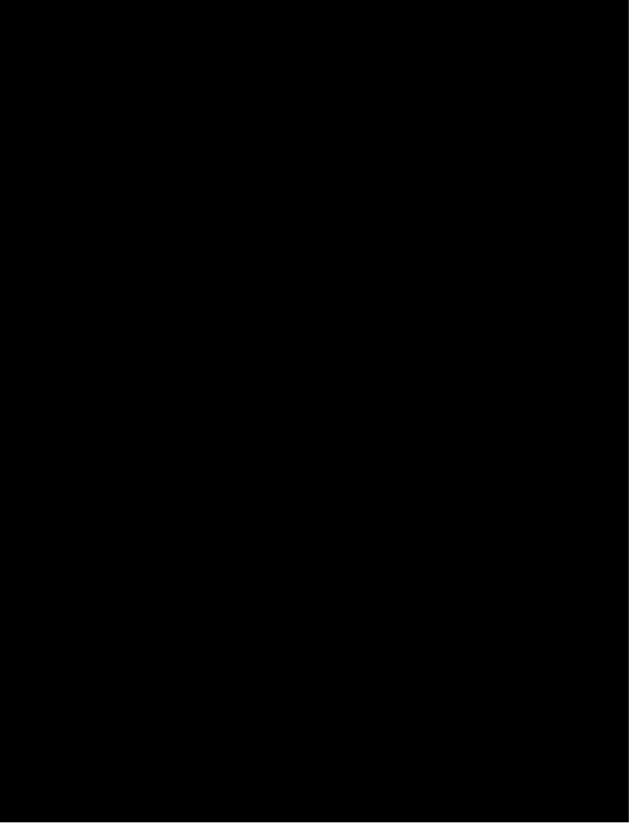
Year	Amount
Year 1	\$ 2,000
Year 2	\$ 3,000
Year 3	\$ 4,000
Year 4	\$ 5,000
and every year thereafter until 1s	t commercial vear



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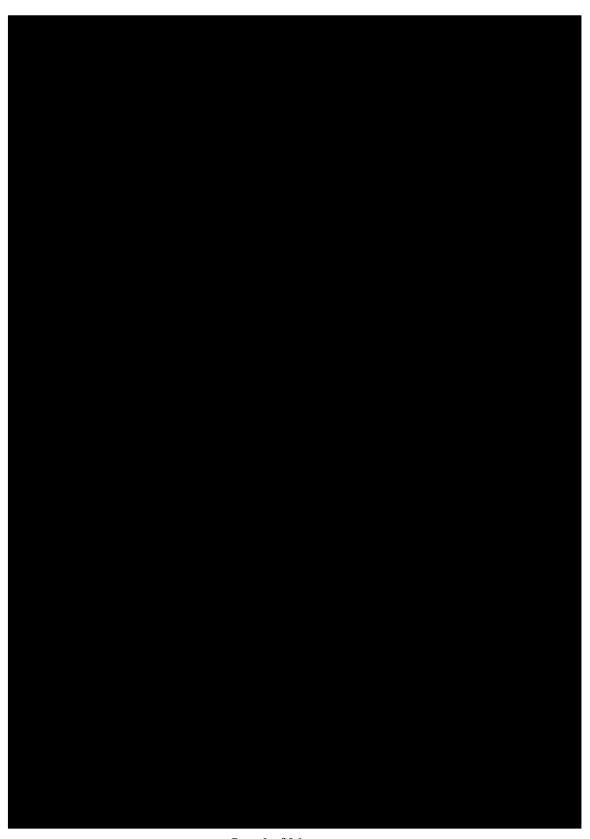


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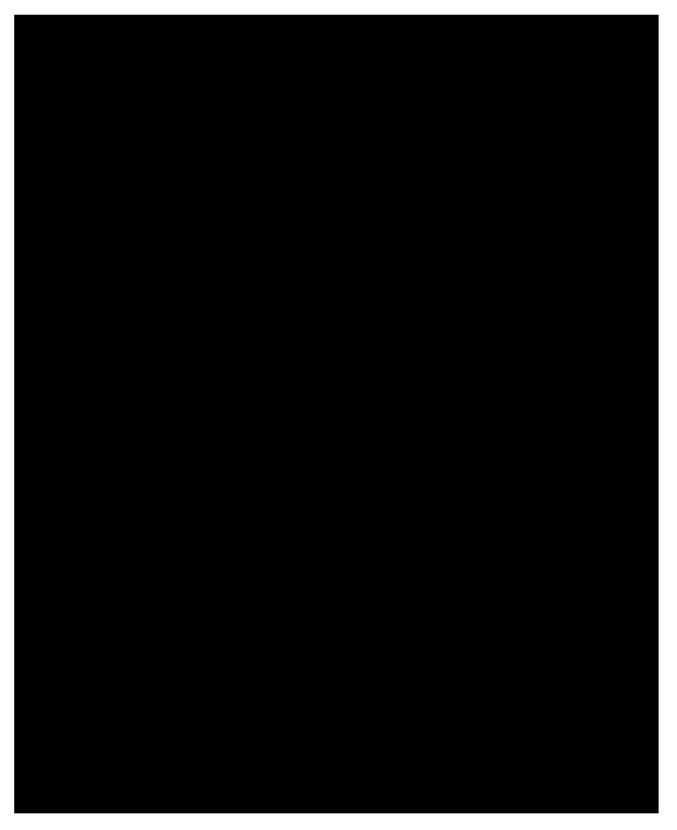
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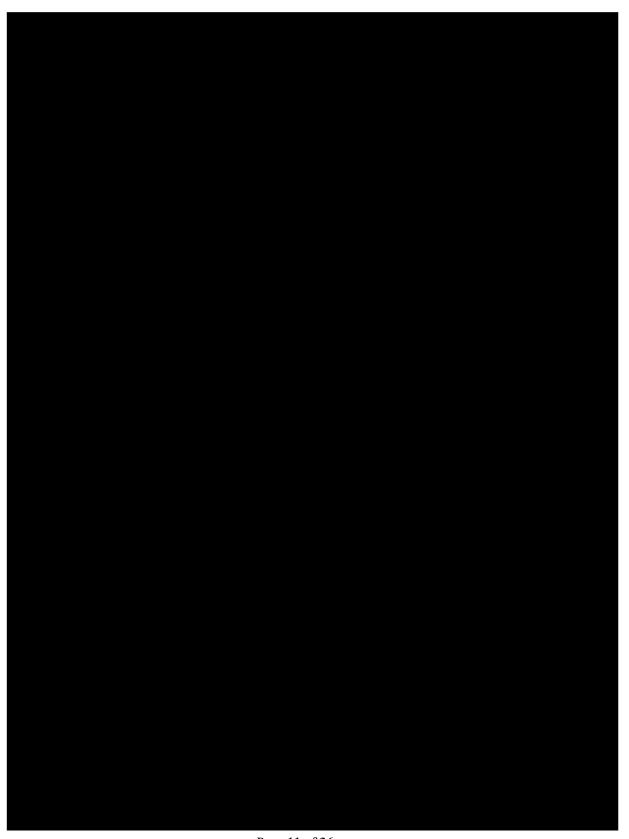


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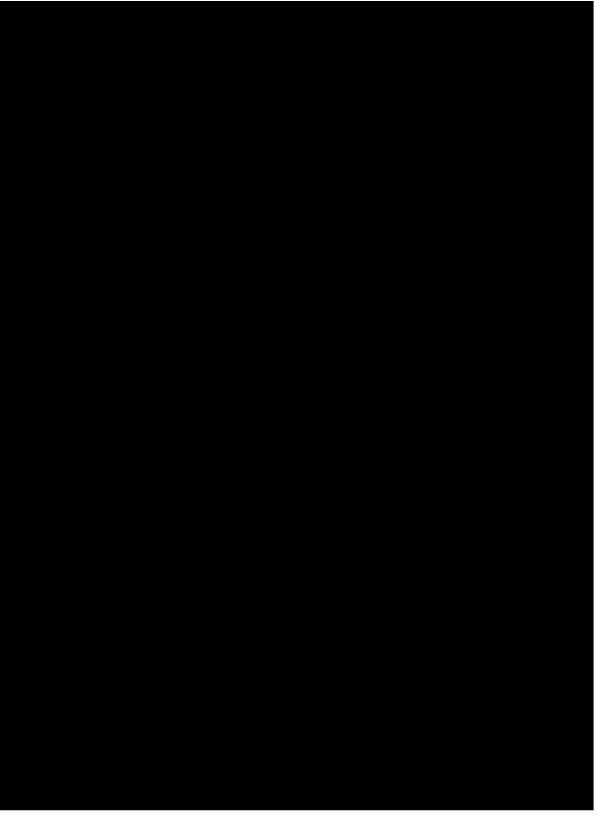
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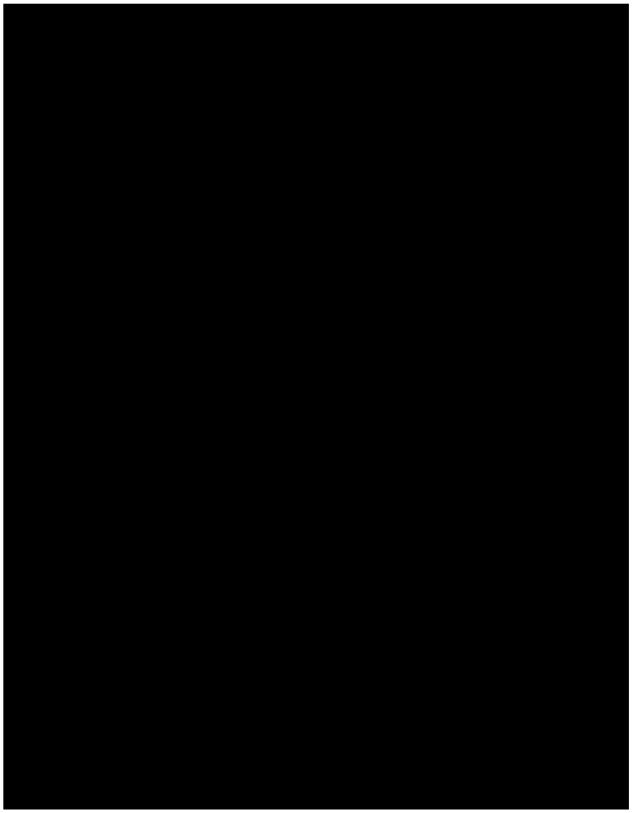


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UFRF



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UFRF



## 6.4 Accounting for Payments.

- (a) Any amounts which remain unpaid after the date they are due to UFRF under this Section 6, Section 7 or any other provision of this agreement accrue interest from the due date at the rate of one and one-half percent (1.5%) per month. This interest provision is not a grant of permission for any payment delays. Licensee is responsible for repayment to UFRF of any attorney, collection agency, and other out-of-pocket expenses to collect overdue payments.
- (b) Except as otherwise directed, Licensee shall pay all amounts owing to UFRF under this Agreement in United States dollars at the following address:

University of Florida Research Foundation, Inc. 288 Grinter Hall, PO Box 115500 Gainesville, Florida 32611-5500 Attention: Business Manager

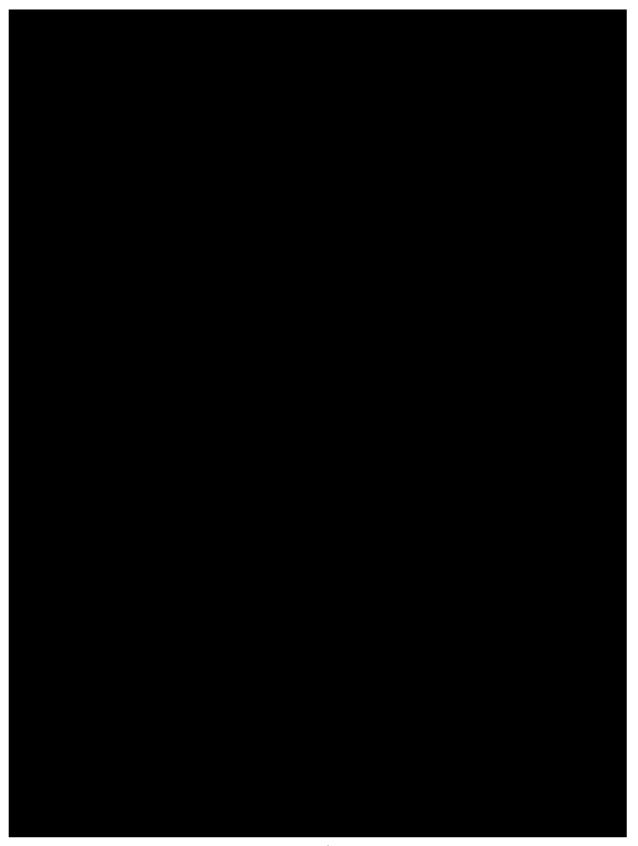
Licensee shall convert all monies owing in currencies other than United States dollars at the rate shown in the Federal Reserve Noon Valuation - Value of Foreign Currencies on the day preceding the payment due date.

(c) On the date of each payment to UFRF, Licensee shall submit a certified full accounting statement showing how any amounts payable to UFRF have been calculated. In addition to being certified, the Licensee shall include on all accounting statements a written representation signed by an executive officer of Licensee that states that the statements are true, accurate, and fairly represent in all material respects all amounts payable to UFRF pursuant to this Agreement. Licensee shall provide accounting on a per-country and product line, model or trade name basis and shall summarize them on the form shown in Appendix D–UFRF Royalty Report.

- (d) If no payment is owed to UFRF, Licensee shall supply information demonstrating that fact to UFRF.
- (e) Licensee shall make all payments due under this Agreement without deduction for taxes, assessments, or other charges of any kind which may be imposed on UFRF by any government or political subdivision with respect to any amounts payable to UFRF pursuant to this Agreement. All taxes, assessments, or other charges shall be assumed by Licensee. Licensee is responsible for all wire/bank fees associated with all payments due to UFRF pursuant to this Agreement.

#### **Section 7** Patent Prosecution

- 7.1 UFRF shall file, prosecute, and maintain the Patent Rights using counsel of its choice but will consider any comments provided by Licensee. UFRF shall provide Licensee with copies of all documents sent to and received from the United States Patent and Trademark Office and foreign patent offices (collectively, the "PTO") relating to Patent Rights. Licensee shall keep those documents confidential. UFRF will make reasonable efforts to allow Licensee fifteen days to review and respond or UFRF will take it as approval.
- 7.2 Licensee shall pay UFRF Fifty Four Thousand One Hundred Forty-Seven dollars (\$54,147.00), for License Agreements A12334, A13163, A12337 and A12927 in the aggregate over a period of twenty-four (24) months in equally quarterly payments starting within 90 days of the Effective date of the License Agreement to reimburse expenses associated with preparation, filing, prosecution, issuance, maintenance, defense, and reporting of the Patent Rights prior to the Effective Date. (NOTE: the above referenced dollar amount in this Section 7.2 is subject to change, as UFRF may not have received all related patent prosecution expense invoices from the law firm at the time of license negotiation.)
- 7.3 Licensee shall pay all costs and expenses incurred by UFRF related to the preparation, filing, prosecution (including interferences and oppositions), issuance, maintenance and reporting of the Patent Rights that were not reimbursed pursuant to Section 7.2 within thirty (30) days of receipt of an invoice from UFRF. Licensee shall keep UFRF fully apprised of the "small entity" status of Licensee and all Sublicensees with respect to United States and applicable foreign patent laws. Licensee shall inform UFRF of any changes in writing of the small entity status within thirty (30) days of any change.
- 7.4 Licensee may elect upon sixty (60) days' prior written notice to decline to reimburse UFRF for patent expenses for any Patent Rights in any particular country or jurisdiction. In that case, the license granted to Licensee by this Agreement terminates with respect to such Patent Rights after the sixty (60) days in that country or jurisdiction.



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### **Section 9** Term and Termination

- 9.1 The term of this license begins on the Effective Date and continues 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' prior written notice to UFRF. Licensee shall include a statement of the reasons for termination in the notice.
- 9.3 UFRF may terminate this Agreement by giving Licensee at least thirty (30) days' written notice if Licensee:
  - (a) is delinquent on any report, payment or required documents as specified in any section of this Agreement;
  - (b) is not diligently developing and commercializing Licensed Products or Licensed Processes;
  - (c) is in breach of any provision of this Agreement(d) provides any false report required to be made hereunder;
  - (d) files for bankruptcy, liquidation or has a receiver control any of its assets provided that in the case of an involuntary petition filed against the Licensee, the Licensee shall have 180 days to dismiss such petition;

- (e) violates any laws or regulations which constitute a felony applicable to development or commercialization of Licensed Products or Licensed Processes;
  - (f) ceases to carry on its business pertaining to Patent Rights;
- (g) fails to provide UFRF with un-redacted copies of the Change Of Control documents within thirty (30) days of their execution.

Termination under this Section 9.3 takes effect thirty (30) days after written notice that is provided by UFRF according to this Section 9.3, unless Licensee remedies the problem in that thirty (30) day period or unless a longer period for cure is provided hereunder.

- 9.4 If Licensee or any of its Affiliates brings a Patent Challenge against UFRF or assists others in bringing a Patent Challenge against UFRF (except as required under a court order or subpoena), then UFRF may immediately terminate this Agreement. If a Sublicensee brings a Patent Challenge or assists another party in bringing a Patent Challenge (for example, except as required under a court order or subpoena), then UFRF may send a written demand to Licensee to terminate the sublicense. If Licensee fails to terminate the Sublicense within forty-five (45) days after UFRF's demand, UFRF may immediately terminate this Agreement.
- 9.5 UFRF may immediately terminate this Agreement upon the occurrence of the third separate default by Licensee within any consecutive three-year period for failure to pay any monies due under this Agreement when due, unless the Licensee is disputing such payment in good faith. Any payment made pursuant to Section 6.2 and 6.3 shall not be deemed to be a default under this Section 9.5 provided that a payment was made for the royalty period in question.
- 9.6 Termination of this Agreement for any reason does not release either party from any obligation that matured prior to the effective date of termination. Licensee remains obligated to provide an accounting for and to pay royalties earned. Licensee may prorate any minimum royalties that are due as of the date of termination by the number of days elapsed in the applicable calendar year. Licensee and its Sublicensees may, however, during the six (6) months after the effective date of termination, sell all Licensed Products that are in inventory and complete and sell Licensed Products that are in the process of manufacture, provided that Licensee provides an accounting for and pays all earned royalties and other payments that are due under the terms of the Agreement.
  - 9.7 Upon termination of the Agreement for any reason, the following sections

of the License Agreement remain in force as non-cancelable obligations:

Section 6 Record Keeping

• Section 9.6 Effect of Termination

• Section 12 Indemnification; Insurance

• Section 13 Use of Names

• Section 14 Miscellaneous

• Section 18 Confidentiality

9.8 Licensee shall deliver to UFRF, within ninety (90) days after the date of termination of this agreement, complete and un-redacted copies of all documentation prepared for or submitted for all regulatory approvals of Licensed Products or Licensed Processes.

9.8. Upon termination of this Agreement, any existing agreements that contain a Sublicense shall terminate to the extent of such Sublicense; provided, however, that, for each Sublicensee, upon termination of the Sublicense agreement with such Sublicensee, if the Sublicensee is not then in breach of its Sublicense agreement with Licensee such that Licensee would have the right to terminate such Sublicense, such Sublicensee shall have the right to seek a license from UFRF. For clarity, termination of this Agreement does not affect the rights of any lawful customer of a Licensed Product to use such Licensed Product, which may, by its use, also include the practice of a Licensed Method. UFRF agrees to negotiate such licenses in good faith under reasonable terms and conditions, which shall not impose any representations, warranties, obligations or liabilities on UFRF that are not included in this Agreement.



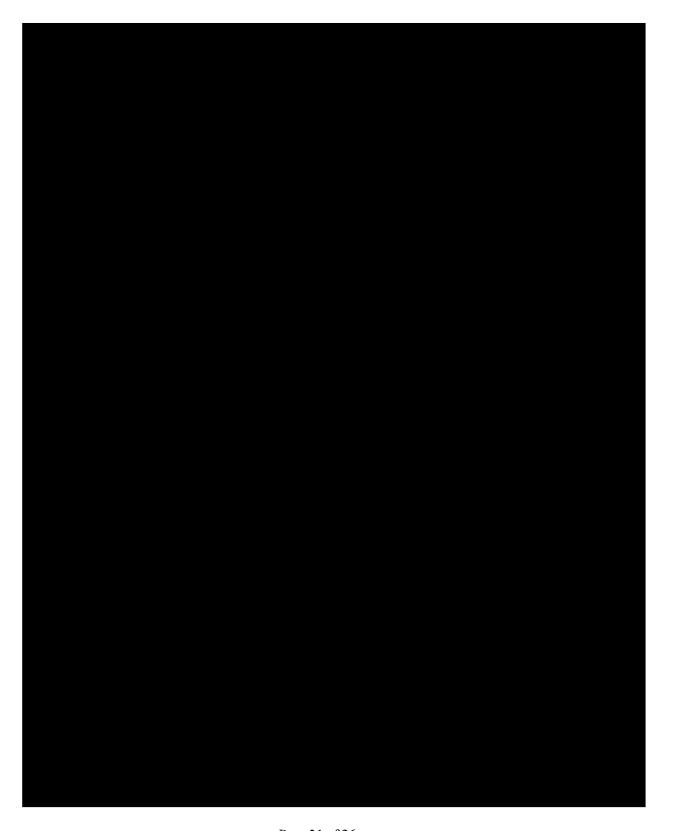
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# **Section 11** Dispute Resolution

- 11.1 <u>Mandatory Procedures</u>. Before either party intends to file a lawsuit against the other with respect to any matter in connection with this Agreement, except with regard to any payments made or due under this Agreement, it shall first comply with the procedures set forth in this Section 11, other than for injunctive relief to enforce the provisions of this Section 11.
  - (a) When a party intends to invoke the procedures set forth in this Section 11, it shall provide written notice to the other party. Within thirty (30) days after the date of that notice, senior representatives of the parties shall engage in good faith negotiations at a mutually convenient location to resolve the dispute. In the case of UFRF, that representative is the Director of Technology Licensing. In the case of License, that representative is the Lee Strait.
  - (b) If the parties fail to meet within the time period set forth in Section 11(a) 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.
  - (c) Not more than fifteen (15) days after the notice of issues, the President of UFRF and the Chief Executive Officer of the Licensee shall meet and engage in good faith negotiations at a mutually convenient location to resolve the dispute.
- 11.2 <u>Failure to Resolve Dispute</u>. If (a) any issue is not resolved at the meeting of the President and Chief Executive Officer within fifteen (15) days after they first meet; or (b) there is a dispute regarding payments made or due under this Agreement, either party may file appropriate administrative or judicial proceedings with respect to the issue in dispute. The parties agree to consider in good faith any proposals to address issues through alternative dispute resolution.

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#### Section 14 Miscellaneous

- 14.1 <u>Governing Law.</u> This Agreement shall be governed and construed in accordance with the internal laws of the State of Florida without regard to its conflict of laws provisions, and venue for all claims or other causes of action arising out of this Agreement is Gainesville, Florida.
- 14.2 <u>Independent Contractors</u>. The parties are independent contractors and not joint venturers or partners.
- 14.3 <u>Integration</u>. This Agreement constitutes the full understanding between the parties with reference to its subject matter, and no statements or agreements by the parties, whether oral or in writing, may modify the terms of this Agreement. Neither party may claim any amendment, modification, or release from any provisions of this Agreement, unless the mutual agreement is in writing and signed by both parties.
- 14.4 <u>No Security Interest</u>. Licensee may not encumber or otherwise grant a security interest in any of the rights granted under this Agreement to any third party.
- 14.5 <u>Laws and Regulations</u>. Licensee shall comply with all local, state, federal, and international laws and regulations that are applicable to the development, manufacture, use, and sale of Licensed Products and Licensed Processes, including:
  - (a) Licensee acknowledges that it is subject to and agrees to abide by United States laws and regulations (including the Export Administration Act of 1979 and Arms Export Control Act) controlling the export of technical data, computer software, laboratory prototypes, biological material, and other commodities. The transfer of those items may require a license from the cognizant agency of the United States Government or written assurances by Licensee that it will not export items to certain foreign countries or persons without prior approval by that agency. UFRF neither represents that a license is or is not required nor that, if required, it will be issued.
  - (b) Licensee shall obtain all necessary approvals from the United States Food & Drug Administration, Environmental Protection Agency, Department of Agriculture and any similar governmental authorities of foreign jurisdictions in which Licensee intends to make, use, or sell Licensed Products or perform Licensed Processes.
- 14.6 <u>Force Majeure</u>. Neither party is responsible for default, delay, or failure to perform, if such default, delay or failure to perform is due to causes beyond the party's reasonable control, including, but not limited to, strikes, lockouts, inactions of governmental authorities, war, fire, hurricane or other natural disaster, provided that the nonperforming party uses commercially reasonable efforts to avoid or remove those causes of nonperformance and continues performance under this Agreement with reasonable dispatch when the causes are removed. In the event of a default, delay or

failure to perform described in this Section 14.6, any date or times by which either party is scheduled to perform is extended automatically for a time equal to the time lost by reason of the excused default, delay or failure to perform.

#### Section 15 **Notices**

The parties shall provide any notice required to be given pursuant to this Agreement in writing to the addresses listed in this Section 15. Notice is effective on the day it is delivered personally with written receipt from an authorized signatory, on the second day after the day on which the notice has been delivered for next day delivery prepaid to a nationally recognized courier service, on the fifth business day following deposit in the United States mail if sent certified or registered mail, (return receipt acknowledgement is not required to certify delivery).

### If to UFRF:

President University of Florida Research Foundation, Incorporated 223 Grinter Hall University of Florida Gainesville, FL 32611-5500

with a copy to:

Office of Technology Licensing University of Florida

Attn: Director (Rm. 112) 747 SW 2nd Avenue Post Office Box 115575

Gainesville, Florida 32611-5575

If to Licensee:

Lee Strait, CEO U.S. Bioplastics, Inc. 515 N Park Avenue, Suite 216 Winter Park, FL 32789



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# Section 17 Confidentiality

- Unless required by Florida Law, the parties (a) may only use each other's Confidential (a) Information (as defined below) as necessary to perform the obligations set forth in this Agreement (b) may not disclose the other's Confidential Information to any third party, and (c) shall protect each other's Confidential Information with the same degree of care that they exercise with their own Confidential Information but in no event less than a reasonable degree of care. The parties may disclose this Agreement and Confidential Information to their authorized Affiliates, directors, officers, employees, consultants, subcontractors, Sublicensees or agents and investors who are bound by similar confidentiality provisions. For the purposes of this Agreement, "Confidential Information" means the terms of this Agreement and information disclosed by one party to the other that is marked "confidential" by the disclosing party or that is confirmed in writing within ten (10) days after verbal disclosure. Confidential Information does not include information that (i) is publicly known; (ii) is already known or independently developed without use of the Confidential Information as shown by written records; or (iii) is disclosed by a third party having no known obligation of confidentiality with respect to the Confidential Information. These confidentiality obligations remain effective for five (5) years after disclosure of the Confidential Information.
- (b) Notwithstanding the foregoing, any Party to this Agreement shall have the right to disclose such Confidential Information pursuant to (i) a judicial order issued by a court of competent jurisdiction, (ii) other valid and binding court ordered discovery, (iii) lawful governmental order or (iv) law, regulation or rule (including, without limitation, the Securities Exchange Act of 1934, as amended), but only to the extent so ordered or legally required, provided, however, that in each case the Party so ordered or obligated shall promptly notify the other Party to this Agreement, in writing, of such pending action The recipient of such Confidential Information shall cooperate reasonably with the disclosing party at the disclosing party's expense and direction in any legal action to oppose or limit such disclosure order or legal requirement. Disclosure under clauses (i) through (iii) shall not in and of itself render the Confidential Information non confidential



#### Section 19 **Contract Formation and Authority**

- The submission of this Agreement is not an offer, and this document is 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 do not evidence an agreement between the parties. UFRF may terminate this Agreement without the requirement of any notice to Licensee, if UFRF does not receive the License Issue Fee or certificates representing the Equity Interests to be issued to UFRF pursuant to this Agreement, as applicable, within thirty (30) days of the Effective Date.
- 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.

The parties have duly executed this Agreement on the dates indicated below.

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, **INCORPORATED** 

U.S. Bioplastics, Inc.

Director of Technology Licensing

Date: 6/29, 20/4

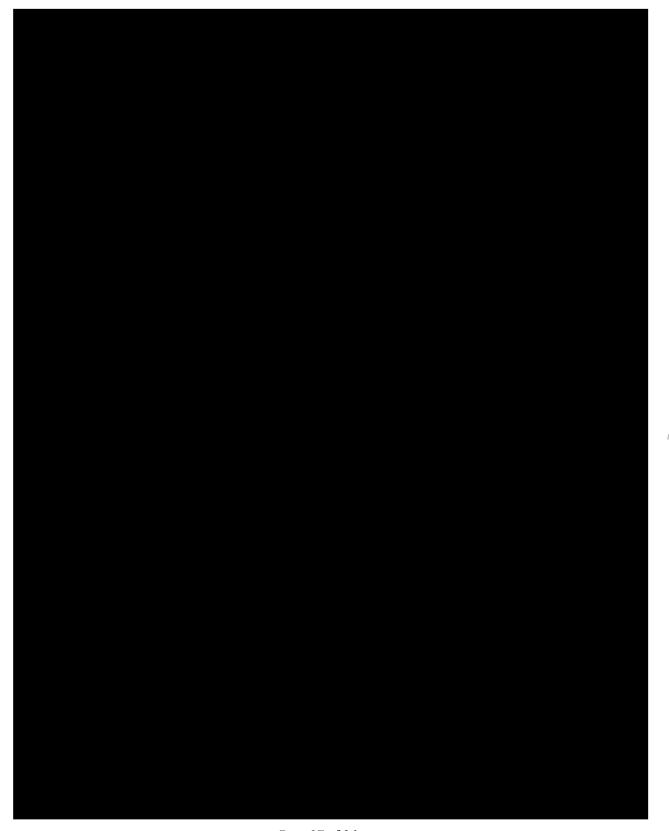
Title: CEO

Date: 6-27 , 2014

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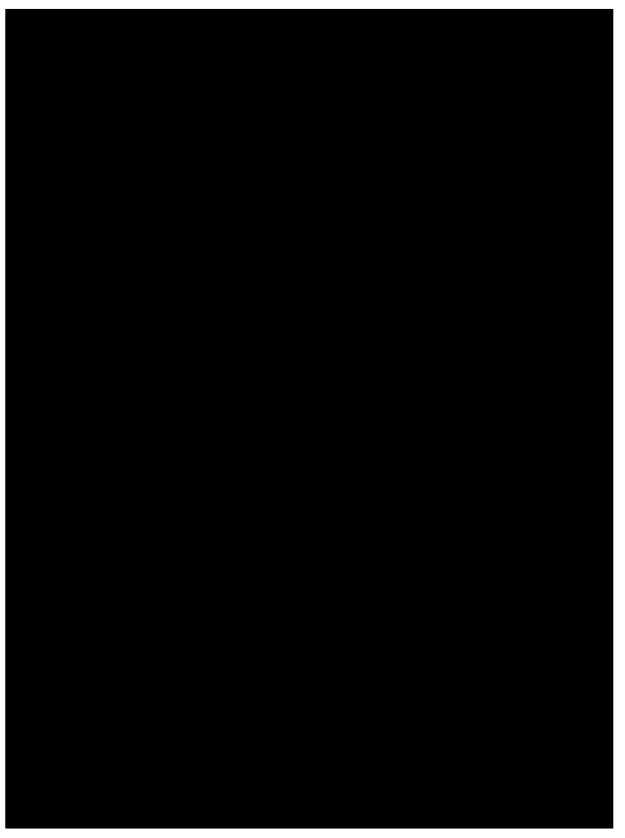


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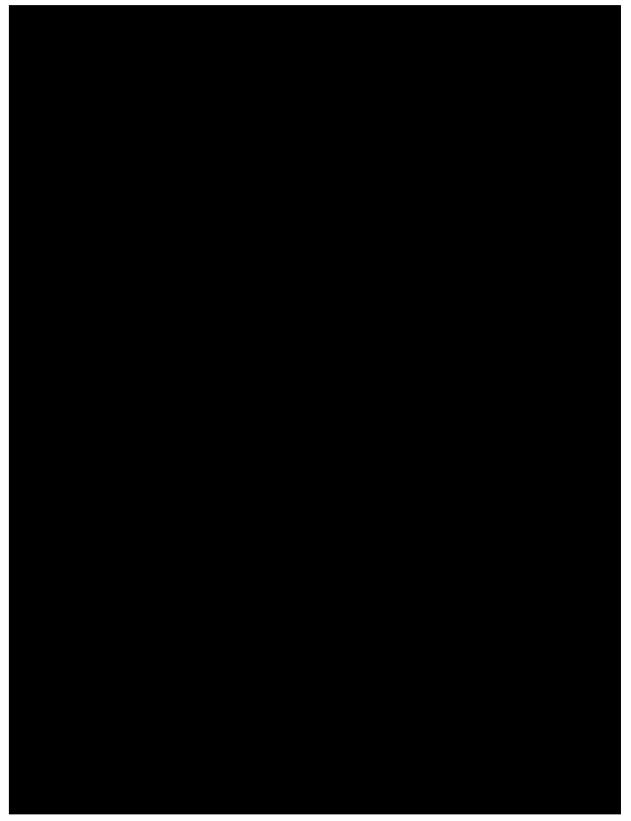
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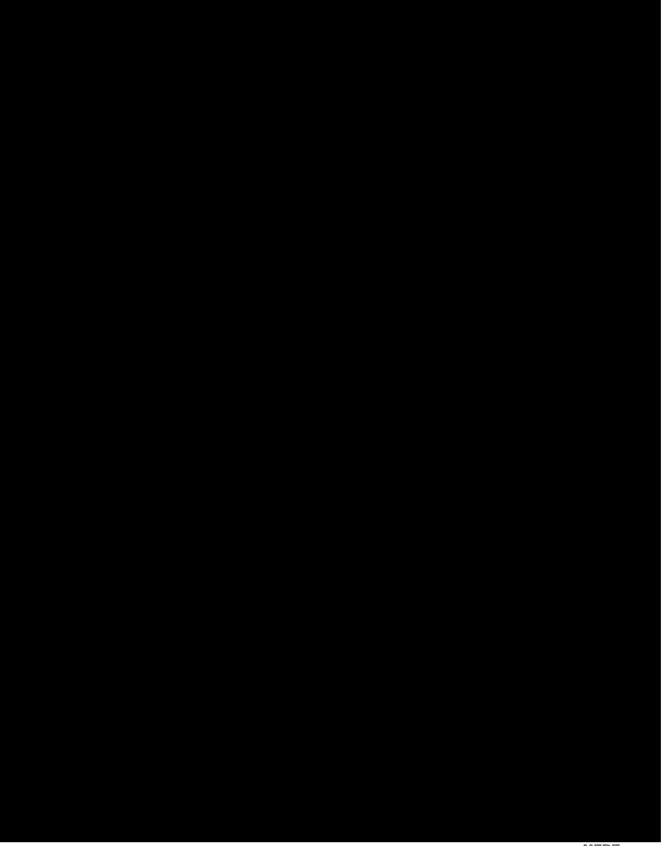


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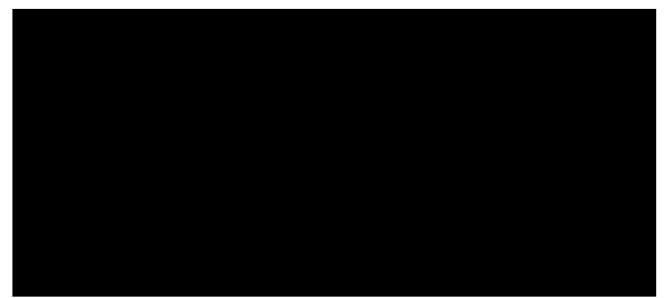


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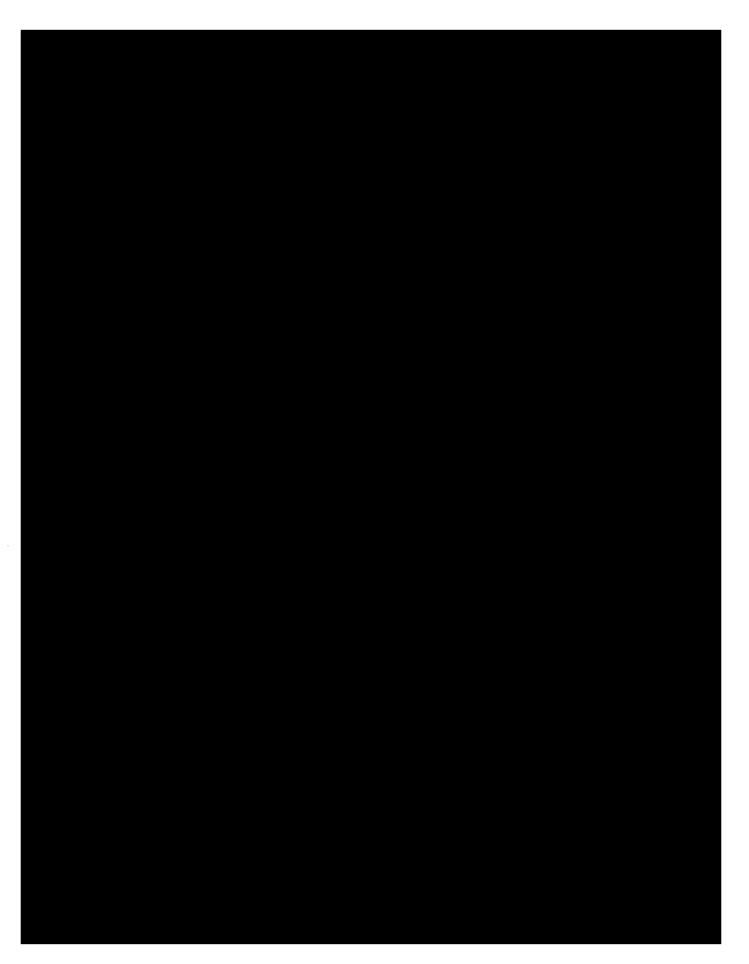


Exhibit D

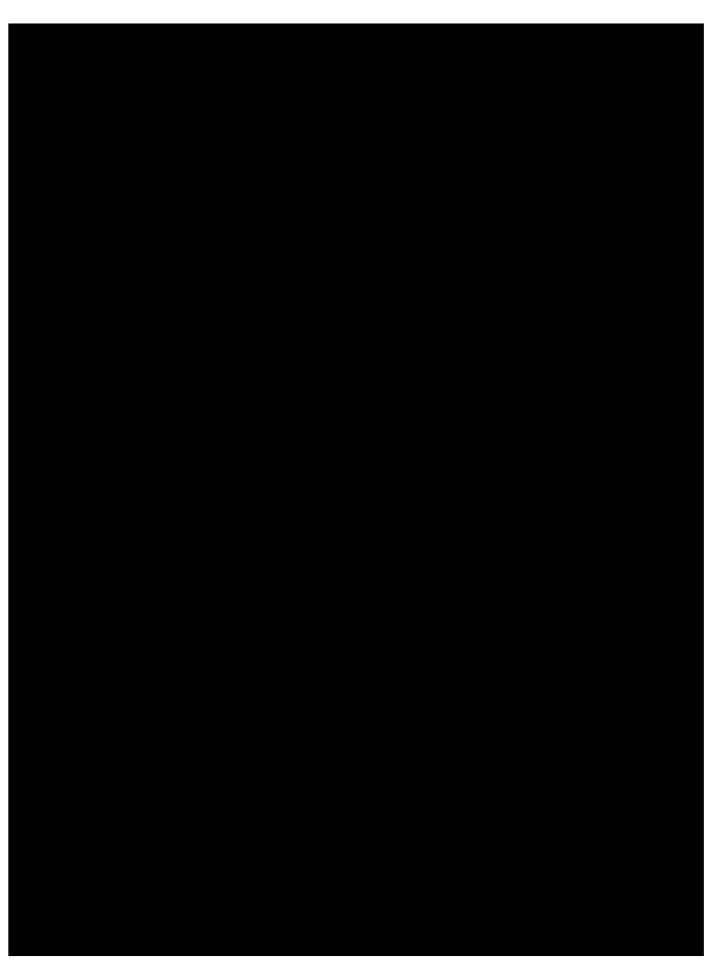


Exhibit D









Exhibit D





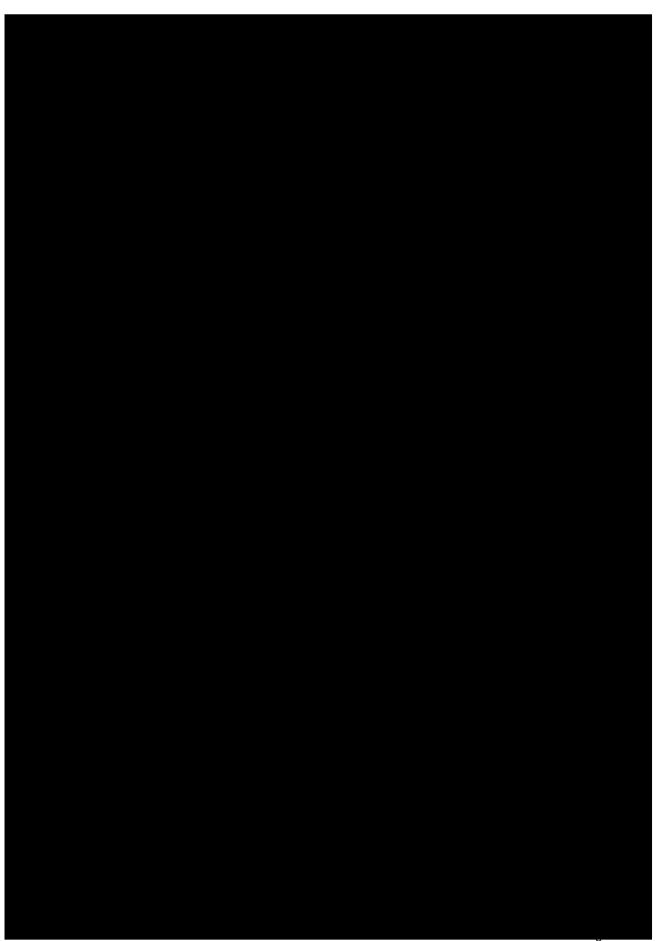


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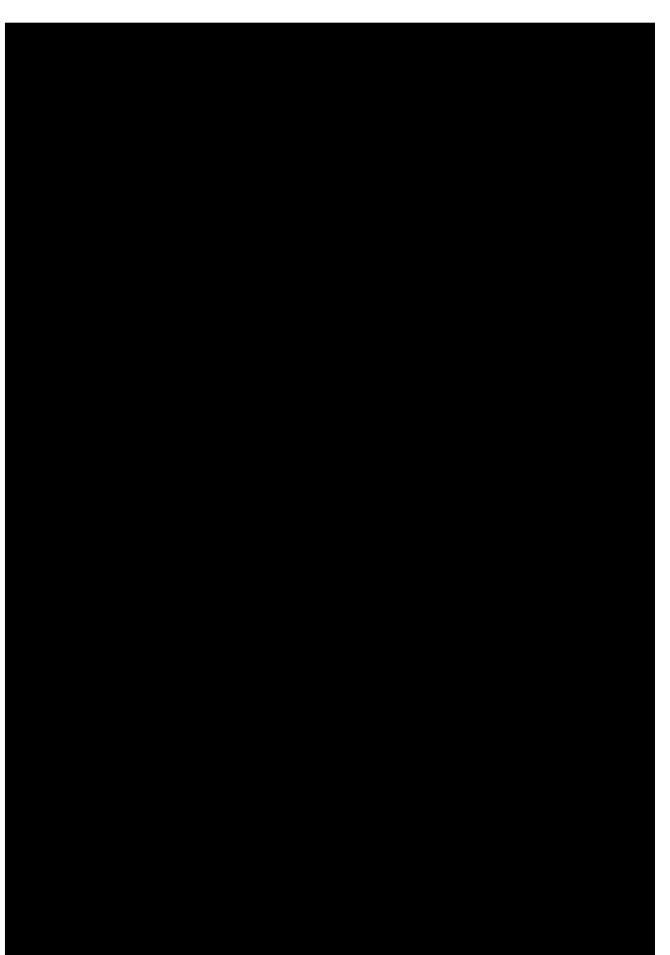
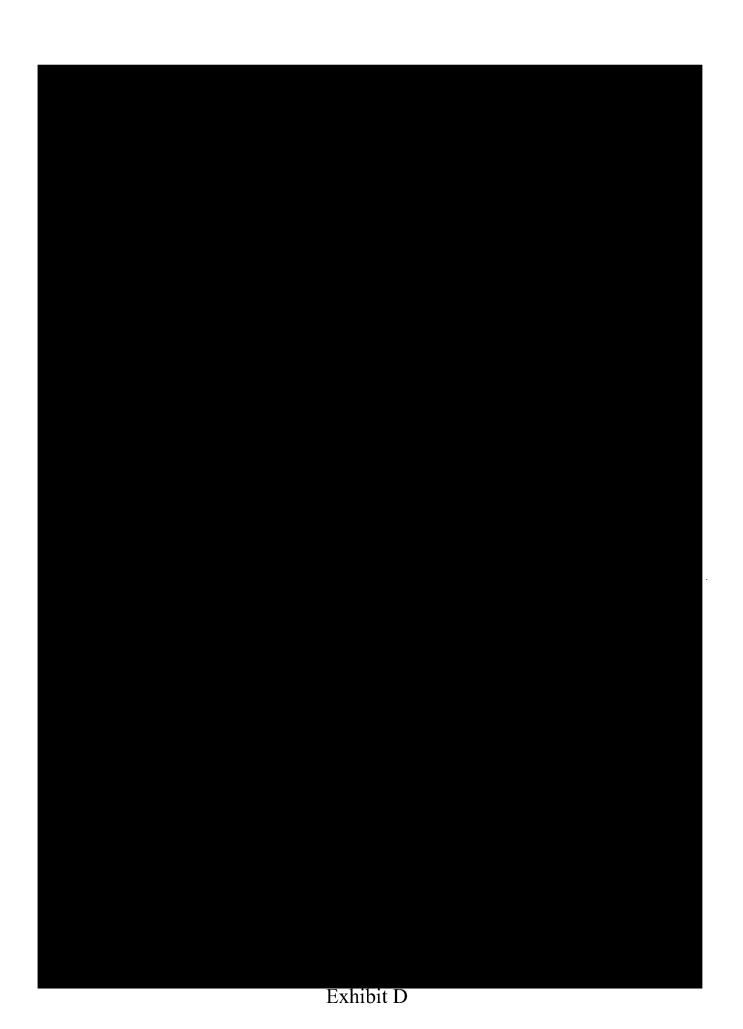
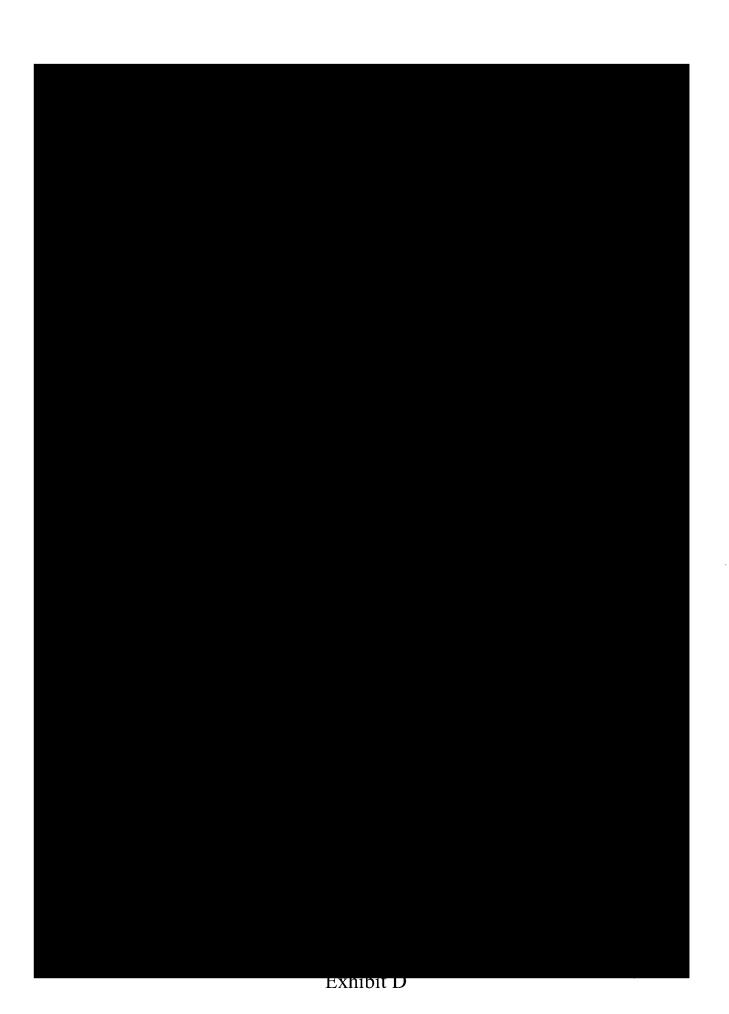
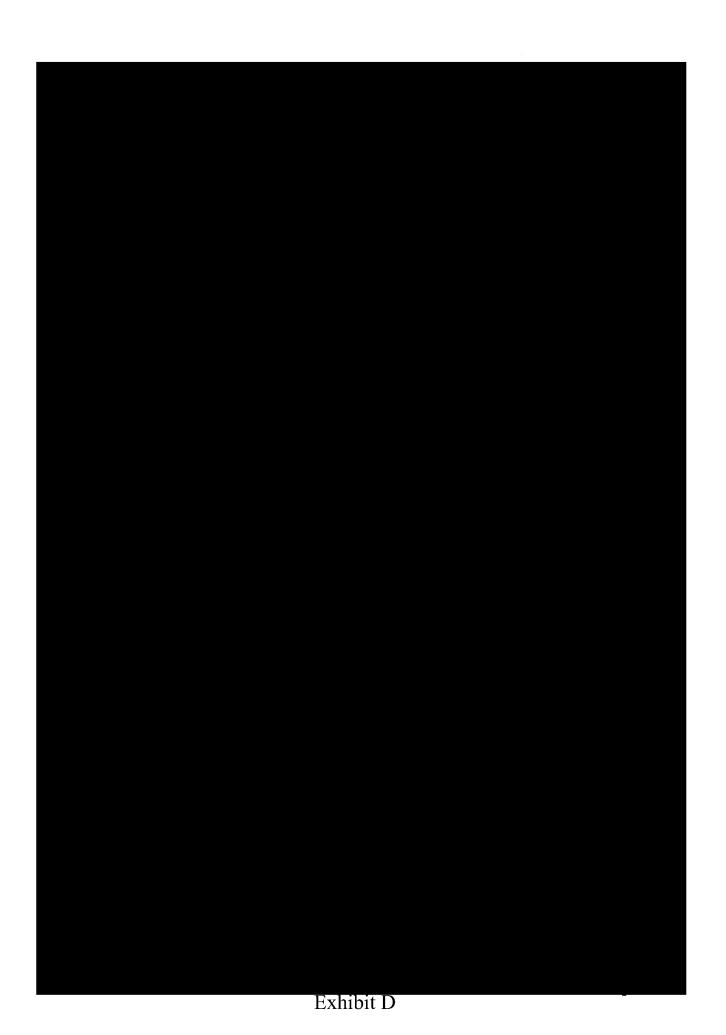


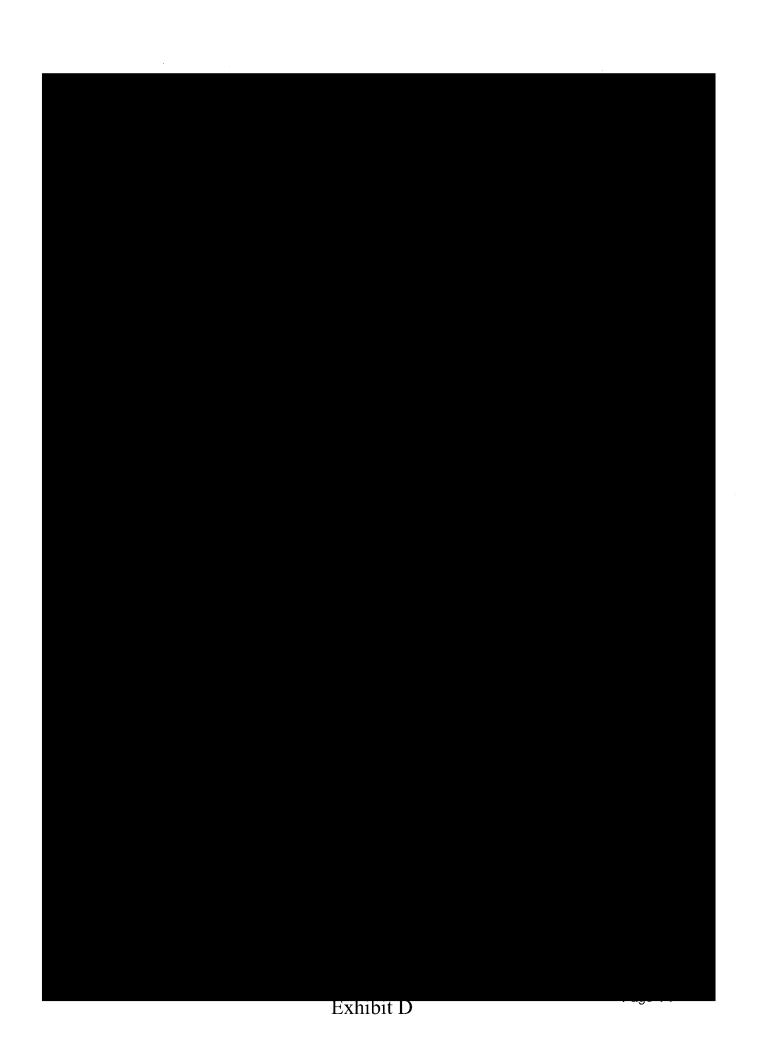
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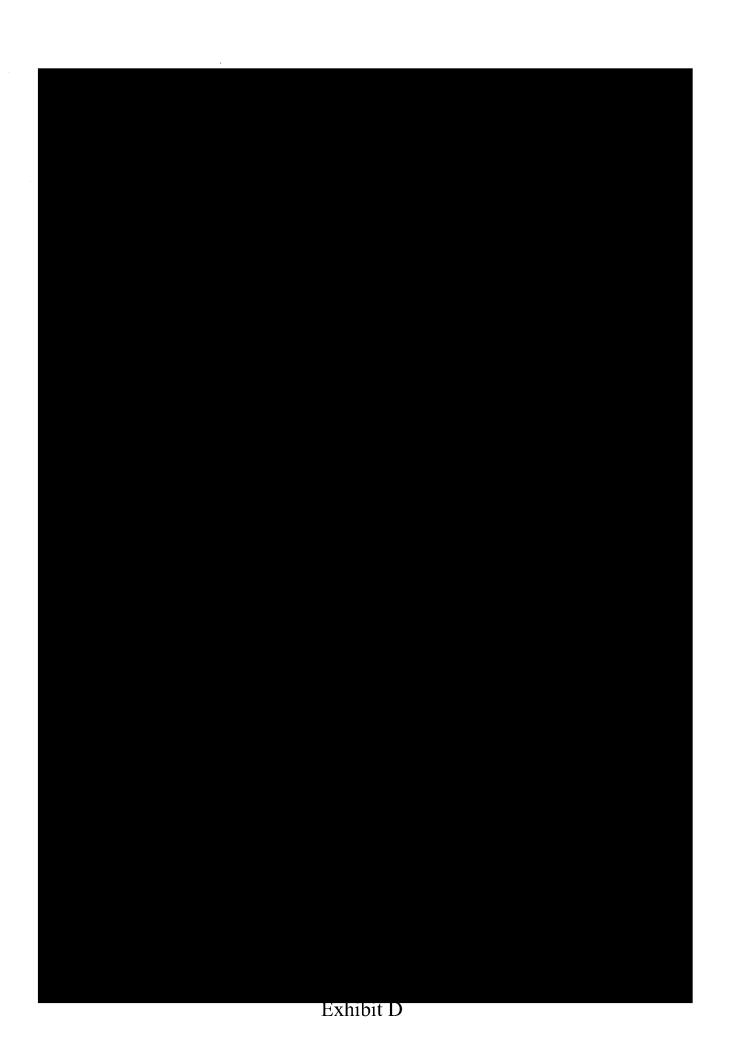
















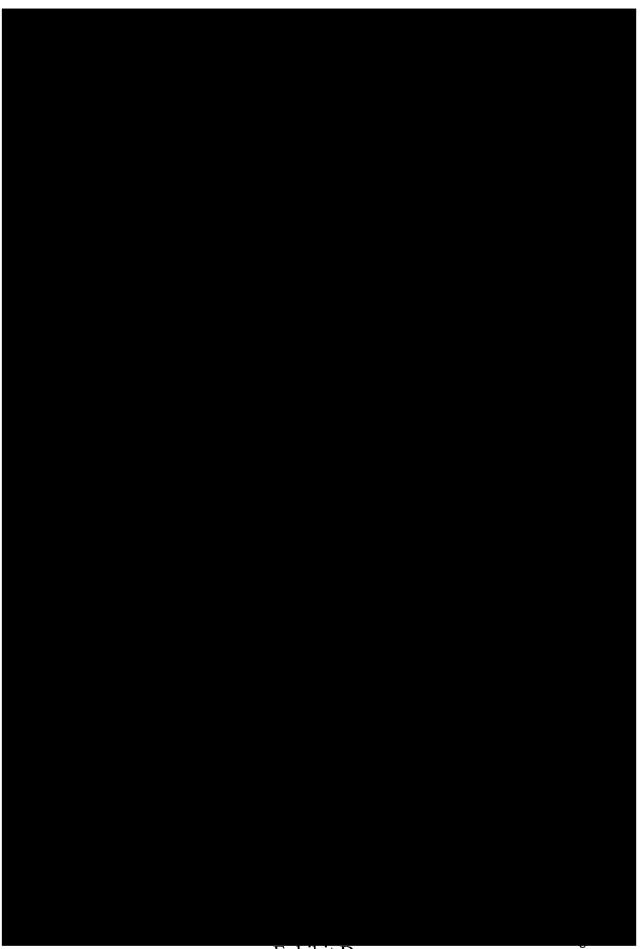
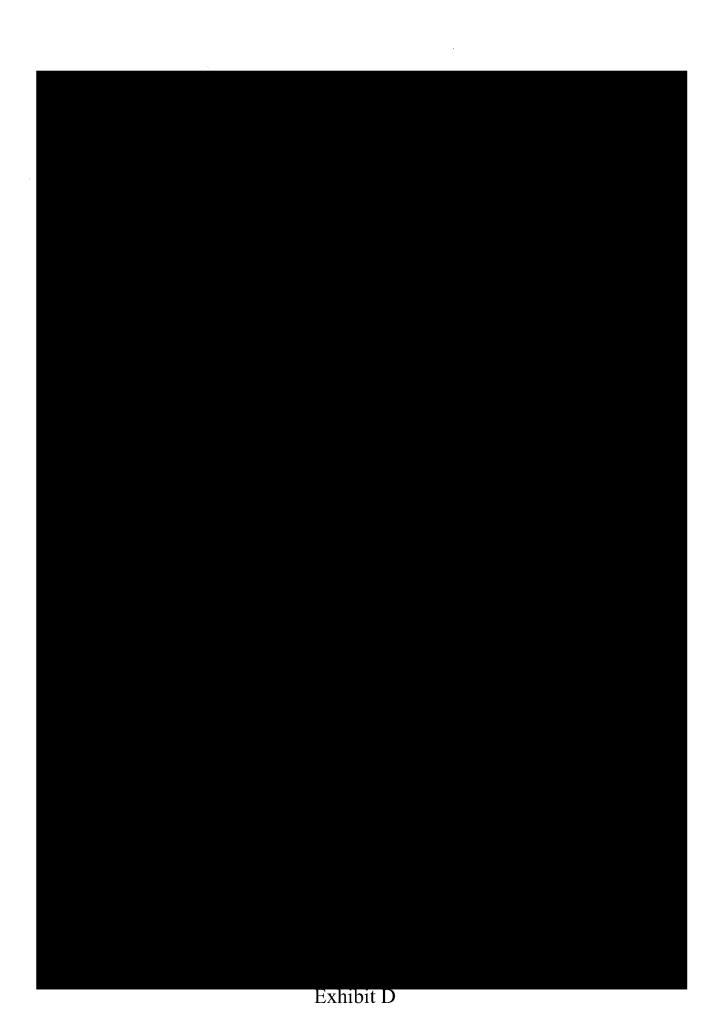
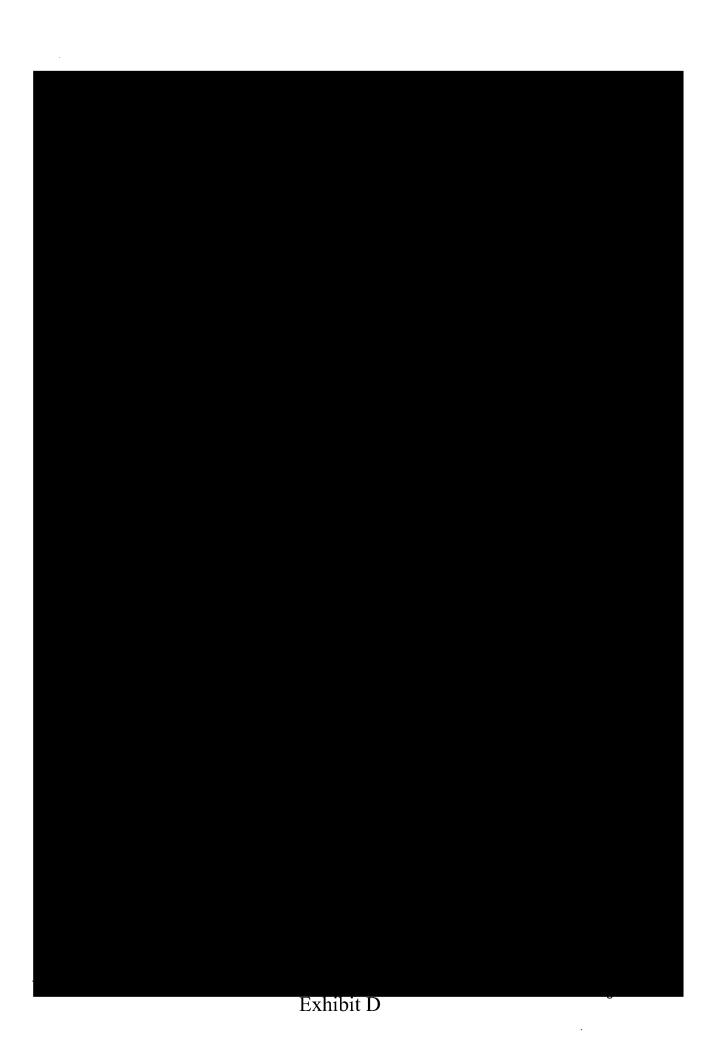


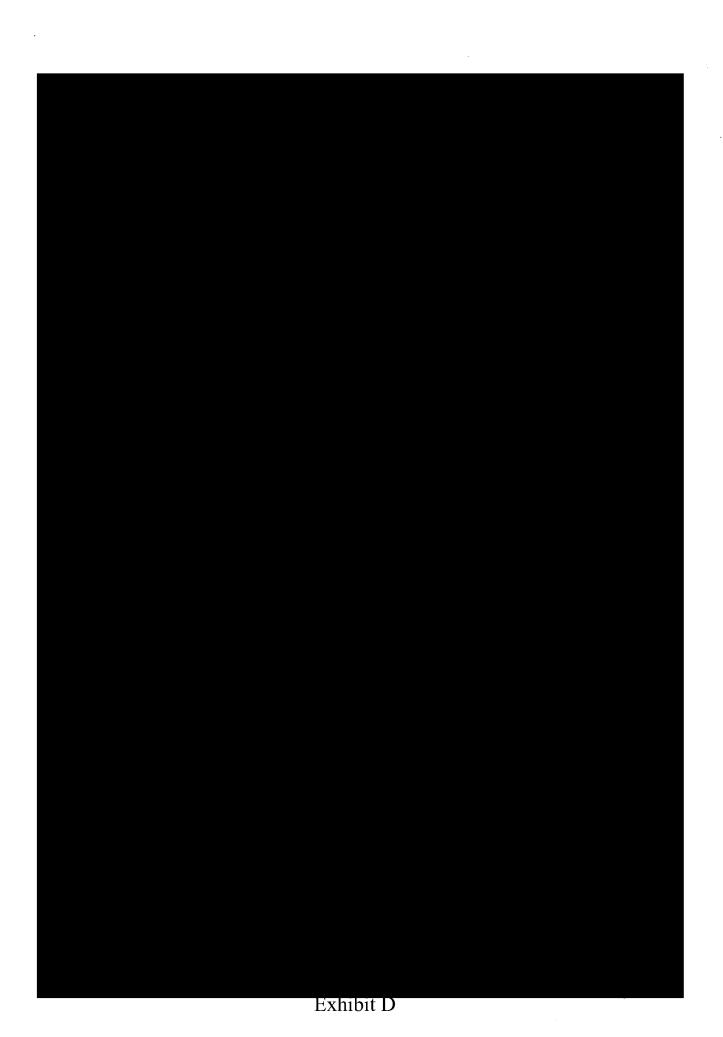
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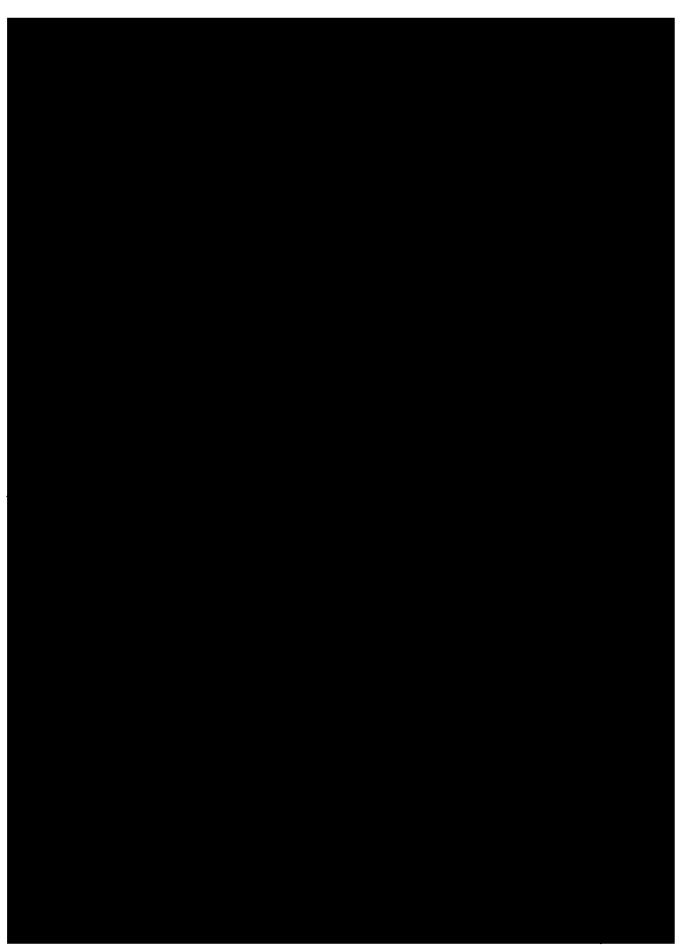


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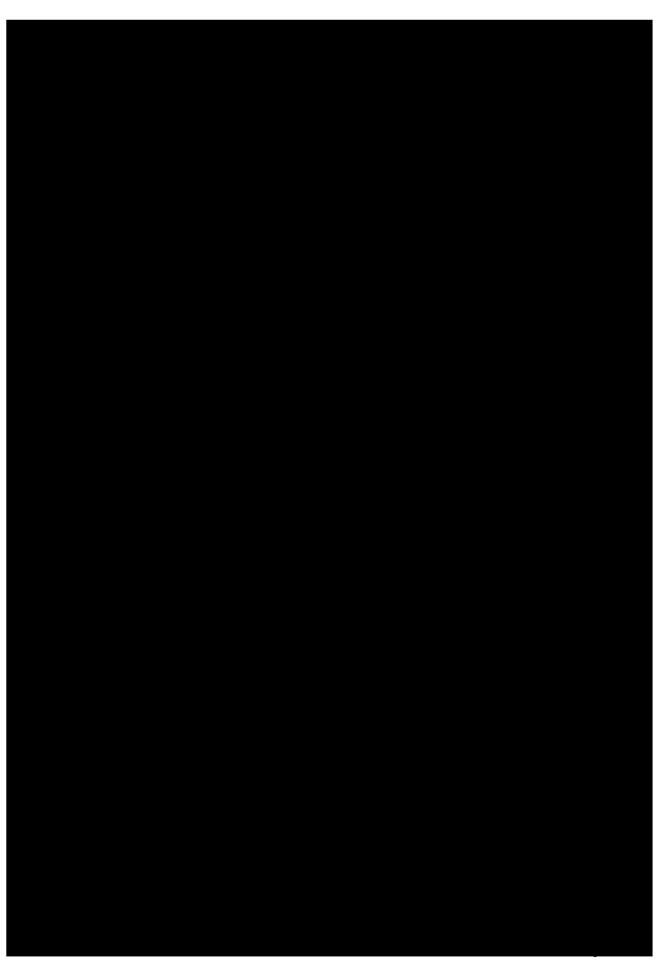


Exhibit D

Allison M. Stocker



Akerman LLP 50 North Laura Street Suite 3100 Jacksonville, FL 32202-3646 Tel: 904.798.3700 Fax: 904.798.3730

allison.stocker@akerman.com

June 7, 2016

## Via Federal Express and Email

U.S. Bioplastics, Inc. in care of Mr. Lee Strait, CEO 127 West Fairbanks Ave., Suite 426 Winter Park, Florida 32789 Strait@USBioplastics.com

Re: Balance of \$134,105.16 due under Standard Exclusive License Agreement No. A12334, Standard Exclusive License Agreement No. A12337, Standard Exclusive License Agreement No. A12927, and Standard Exclusive License Agreement No. A13163 (collectively, the "Agreements") between University of Florida Research Foundation, Incorporated ("UFRF") and U.S. Bioplastics, Inc. ("Bioplastics")

## Dear Mr. Strait:

This firm represents UFRF under the above-referenced Agreements. Bioplastics is in breach of the Agreements for, among other things, failing to make payments required under the Agreements.

Bioplastics owes UFRF \$134,105.16 for 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 UFRF. Pursuant to Section 9.8 of the Agreements, Bioplastics must also deliver to UFRF complete and unredacted copies of all documents prepared for and/or submitted for all regulatory approvals of the Licensed Products and/or the Licensed Processes (as those terms are defined in the Agreements).

If, within ten days from the date of this letter, (i) \$134,105.16 plus accrued interest, attorneys' fees and costs, is not paid in full and (ii) complete copies of all documents submitted for approval of the Licensed Products and/or the Licensed Processes are not delivered to UFRF, UFRF will enforce its rights and remedies under the Agreements. In such event, Bioplastics will be liable for, and UFRF shall seek to

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U.S. Bioplastics, Inc. June 7, 2016 Page 2

recover, all costs incurred in such enforcement and collection efforts, including, but not limited to, attorneys' fees and costs.

Nothing in this letter is intended, nor shall it be deemed to modify, limit, release, reduce or waive any of UFRF'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 UFRF. This notice is provided to Bioplastics as a courtesy, and not as an admission that the amount listed above is exact.

Please contact me if you have any questions regarding the amounts required to bring Bioplastics' obligations current or the documentation Bioplastics must deliver to UFRF.

Very truly yours,

Allison M. Stocker

allism Stocker

cc (via email): University of Florida Research Foundation, Incorporated

cc (via U.S. Mail and email): William R. Lowman, Jr.

Shuffield, Lowman & Wilson, P.A.

1000 Legion Place, #1700 Orlando, Florida 32801

wlowman@shuffieldlowman.com