

ROYALTY AGREEMENT

This royalty agreement is made on [Agreement.CreatedDate] between the following parties:

[Grantor.Name] (Grantor) and

[Grantee.Name] (Grantee).

Whereas, the Grantor owns and holds the rights to grant interest in [Property], the Grantee has expressed an interest to make use of the Grantor's property for [Time.Period] by paying a portion of the Grantees profits as royalty for the property, as well as any agreed lump sums included in this royalty agreement.

Therefore, both parties agree to the following terms and conditions:

The rights provision in this royalty agreement template lists the specific rights being granted to the Grantee, for which the Grantor will receive royalties.

Rights

The Grantor, upon entering into this agreement will grant the Grantee rights to the Property for use both in the United States and abroad for a period of [Agreement.Years] years.

Grantor's Representations and Warranties

The Grantor hereby represents they are the owner of the property listed and have all the needed rights to enter into this royalty agreement as well as grant the appropriate licenses to the Grantee.

Upon signing this royalty agreement, the Grantor agrees to deliver any and all needed documents for the property to the Grantee for the term agreed.

In the instance of a breach of this agreement the Grantor agrees to hold the Grantee harmless of any loss, damages, or injuries that may incur.

Grantee's Representations and Warranties

The Grantee agrees during the term of this agreement all property included will be held in confidence and with the same regard as the Grantee would hold personal proprietary information.

In the instance of any action occurring that may threaten the confidentiality of the Grantor's property the Grantee shall notify the Grantor immediately and work to resolve such breach.

If the Grantee's negligence should cause any injury, loss, or damage to personnel or the property the Grantee agrees to hold the Grantor harmless and will seek to remedy the situation.

Royalties

The Grantee has offered to pay the following royalties for the permission and use of the listed properties:

Lump Sum:[LumpSum.Total]

Net Profits: [NetProfit.Percentage]%

Net Profits

Net profits shall, for the sake of this royalty agreement, be considered the total profits obtained by the Grantee during the term of this agreement through use of the Grantor's property after the following dues have been paid:

- All costs regarding manufacturing and marketing
- All general and overhead expenses including taxes and fees

Any additional fees as listed below:

Royalty Payouts

The Grantee agrees to track all proceeds and product as well as provide the Grantor with a summary of all the above items on a monthly basis inclusive of any royalty totals due for the month.

The Grantor shall, once per year, be permitted to conduct an unannounced audit of all royalties owed as well as all inventory.

This audit will be at the expense of the Grantor unless fault is found during. In the instance of a breach or fault found the Grantee will become responsible for the fees and costs associated with the audit.

Indemnity

Except in the instance of a breach of this agreement neither party shall be held liable for any injuries, loss, damages, or costs any third-party individuals may incur from this royalty agreement resulting from the other parties' actions.

Confidentiality

The Grantee understands they may become aware of information that if made public could have a negative impact on the Grantor. Under this understanding the Grantee agrees to keep all information made available to themselves or anyone representing them confidential.

This confidentiality clause will remain in effect even if termination, cancellation, or completion of this royalty agreement occurs.

Termination

At any time during this agreement either party may, with written notification, request to terminate this agreement.

The following will terminate this agreement:

- Breach of contract
- Bankruptcy
- Failure to comply to confidentiality terms

Assignment

Neither of the Parties involved in this royalty agreement shall be assigned any tasks without prior notification and approval.

Any assignments that do not undergo the above actions will be deemed void.

Survivability

If at any point one or more terms and conditions within this royalty agreement are deemed to be unenforceable or void, the parties agree to substitute a similar term or condition to replace the defective one.

Waiver

The failure to enforce or uphold any aspect of this royalty agreement shall not constitute a waiver of any other aspect of the agreement.

Governing Law

The entirety of this royalty agreement shall be governed by the laws of the State of New York.

Dispute Resolution

Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by confidential arbitration in New York City, before the New York State Arbitration Alternative's arbitrator(s) (the "NYSAA"). The arbitration shall be administered by the NYSAA either online or in person pursuant to its NYSAA Commercial Arbitration Rules & Procedures accessible at www.nysaa.nyc. The NYSAA Rules and Code of Ethics are hereby incorporated in this Agreement by reference. Judgment on

the Award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. The arbitrator may, in the Award, allocate all or part of the costs of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party.

Notice

Any and all notifications regarding this royalty agreement shall be delivered either in person, via courier, or via certified mail to the addresses listed below:

Grantee: [Grantee.Address] [Grantee.City], [Grantee.State] [Grantee.Zip]

Grantor: [Grantor.Address] [Grantor.City], [Grantor.State] [Grantor.Zip]

Entire Agreement

This royalty agreement as well as any exhibits attached shall for all considerations be the entire agreement for the properties listed.

Furthermore, this royalty agreement will take precedence over any and all previous agreements including, but not limited to, any oral or written agreements between the Parties.

Agreement

Both parties understand and agree to the terms and conditions of this royalty agreement. By signing electronically below, both parties acknowledge receipt and understanding of this agreement.

Grantee

Signature

Grantor

Signature