

Royalty Agreement

This Royalty Agreement (the "Agreement") is entered into this ____ day of _____, 20__ (the "Effective Date") by and between "The Grantor" _____ and "The Grantee" _____ individually known as the "Party" and jointly as the "Parties"

Whereas, the Grantor owns and holds the rights to grant an interest in _____ (Property type) (hereinafter referred to as Property), the Grantee has expressed an interest to make use of the Grantor's property for _____ by paying a percentage of the Grantee's profits as royalty for the property, as well as any agreed upon lump sums included in this royalty agreement.

Therefore, both parties are in agreement to the following terms and conditions:

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 _____ years.

Grantor's Representations and Warranties:

The Grantor hereby represents and warrants that 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 related to the Property to the Grantee for the agreed upon term.

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.

Royalties:

As full considerations for the rights and licenses granted to "The Grantee", by "The Grantor", "The Grantee" has offered to pay the following royalties for the permission and use of the listed properties:

1. Lump Sum: _____
2. Ongoing Net Profits: _____%

Payment conditions are as follows: No later than two business days following:

1. the date "The Grantee" files its Earnings Report for each Quarter of its fiscal year. The deadline for the same will be sixty (60) days after the last day of Quarter 1, 2 and 3. For the 4th Quarter, the deadline will be extended to one hundred and twenty (120) days.

2. the day that "The Grantee" receives funds for the royalty due "The Grantor" for the applicable Quarter, "The Grantee" shall pay to "The Grantor" the royalty for such Quarter. On the same day Grantee makes a royalty payment, "The Grantee" shall deliver to "The Grantor" a

written statement showing all Net Sales during such Quarter and “The Grantee’s” computation of the royalty for such Quarter.

All royalty payments shall be made by wire transfer of immediately available funds to the account of “The Grantor”, previously designated in writing to “The Grantee” as the recipient location “The Grantor” expects to receive royalties paid.

For each new or additional account(s) that “The Grantor” authorizes to receive payments from “The Grantee”, “The Grantor” shall designate the account information in writing to “The Grantee”, at least five business days prior to the date such royalty payment shall be due.

“The Grantee” may withhold from any payment of royalty taxes that Grantee is required to withhold that are levied upon the royalty by the United States or any individual State thereof, provided that “The Grantee” shall deliver to “The Grantor” copies of the filed tax return reporting such payments and official receipts (or such other evidence of payment reasonably acceptable to “The Grantor”), giving evidence that the payment was, in fact, received by the applicable government authority.

Intellectual Property:

“The Grantee” agrees and understands that all patents, trademarks, licenses, copyrights, and intellectual property, developed by “The Grantor” for this project or otherwise, belong to “The Grantor”, and “The Grantee” has only been licensed the rights to use it for _____(Insert Timeline).

“The Grantee” agrees to send “The Grantor” the royalties “The Grantor” due arising from any commercial or non-commercial use of Grantor’s product from (Insert Date) to (Insert Date). Any use of “The Grantor’s” product that does not fall within that timeline will be classified as illegal use, and “The Grantor” has the full rights to:

1. Demand compensation for it, and/or
2. Request legal remedies

“The Grantee” further agrees that “The Grantor” can undertake any and all remedies as available in the jurisdiction of _____(State).

“The Grantor” also reserves the right to deny permission, even within the timeline of the current contract, for use of their product, if “The Grantee” plans to use it for illegal, unethical, or immoral purposes.

If the product is used without “The Grantor’s” permission during such situations, “The Grantor” will not be held accountable for any liabilities or damages. Additionally, “The Grantor” also holds the right to seek legal remedy for any duress, defamation, or threat occurring from unauthorized use of the product.

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 the use of the Grantor's property after the following expenses 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 products 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 and all royalties paid, as well as all inventory.

This audit will be at the expense of "The Grantor" unless any fault is found during the audit. 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.

"The Grantor" does hereby agree to defend, indemnify, reimburse and hold harmless "The Grantee", its officers, directors, members, managers, shareholders, employees, and their successors and assigns (collectively, the "Grantee Indemnified Parties"), and each of them, from and against any and all Losses that the Grantee Indemnified Parties may sustain, suffer or incur as a result of a breach of this Agreement by the Grantor or arising from any inspection conducted as per the provisions of sections _____ (insert section number) or _____ (insert section number), except to the extent that the same are caused by the gross negligence or wilful misconduct of the Grantor.

To the extent that Grantee's negligence is the cause of any personal injury or property damage suffered by Grantee, any of their affiliates or subsidiaries, and/or any of their respective employees in the course of using the Property hereunder, Grantee hereby indemnifies Grantor and shall hold Grantor harmless against any such claims, demands, or losses for personal injury or property damage in the course of using the Property.

Representation and Warranty

Grantee shall, for a period described above from the effective date of this Agreement, maintain the Property in confidence, exercising the same degree of care Grantee exercises with respect to Grantee's own proprietary information.

In the event Grantee becomes aware of any act or event which has or may have the effect of compromising the confidentiality with regard to the Property, such as a court order requiring Grantee to produce documentation with regard to the Property, Grantee shall promptly notify Grantor thereof and consult with Grantor with respect to the manner in which such compromise can be mitigated.

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. Such termination will only be valid if the other party has given the notice at least thirty (30) days in advance.

The following may terminate this agreement immediately:

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

Aside from these reasons, either party may terminate this agreement at their own discretion if they no longer wish to collaborate with the other party. In the case of a breach of contract, or failure to comply with confidentiality terms, or due to any harassment claims, the agreement may be terminated without any advance notice.

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

This royalty agreement shall be under the jurisdiction of _____ and any legal proceedings shall take place as such.

General Provisions

This Agreement replaces all previous understandings and arrangements made between the parties, whether oral or written and constitutes the entire agreement between the Parties. If a court of competent jurisdiction found any term, condition, or provision of this Agreement is found invalid, void, or unenforceable, the remaining provisions will remain in full force and effect and will not be affected.

This Agreement may not be modified, amended, or altered unless a written agreement is executed by the parties.

IN WITNESS WHEREOF, The Grantor and The Grantee have executed this agreement dated the _____ day of _____, _____.

The Grantor's Signature:

Date:

Print Name:

The Grantee's Signature:

Date:

Print Name: