

Captain IntegritySM

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (“Agreement”), effective as of the effective date listed on Schedule A (“Effective Date”), is entered into by and between KD Products, LLC (“KD”), and “Licensee,” identified in the attached Schedule A (each a “Party” and collectively the “Parties”).

WHEREAS, KD owns or controls copyright, trademark and other proprietary rights in the Captain IntegritySM character and the CAPTAIN INTEGRITYSM word mark identified in Schedule B (the “Licensed Works”); and

WHEREAS, KD and Licensee desire to enter into this Agreement, whereby KD will license to Licensee the right to use the Licensed Works solely for Licensee’s internal business use as it relates to compliance education in the health care field.

IN CONSIDERATION of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, receipt of which is hereby acknowledged, the Parties agree as follows:

1. Grant of Limited License.

(a) Picture Strips. In the event that Licensee licenses the monthly picture strips (the “Monthly Picture Strip”) and/or the Whistleblower Protection picture strip providing education as a result of the Deficit Reduction Act of 2005 (the “DRA Picture Strip”) identified in Schedule C, and makes full payment of the initial license fee (and any applicable annual renewal fee for any Renewal Term), KD grants to Licensee the nonexclusive, nontransferable right and license to reproduce, display and distribute the Licensed Works solely within Licensee’s facilities identified in Schedule A (the “Licensed Facilities”) and solely as they appear in the Monthly Picture Strip and/or DRA Picture Strip provided by KD.

(b) Captain Integrity Poses. In the event that Licensee licenses the Captain Integrity poses identified in Schedule C, and makes full payment of the initial license fee, KD grants to Licensee the nonexclusive, nontransferable right and license to reproduce, display, distribute and create derivative works containing any or all of the Licensed Works solely within Licensee’s Licensed Facilities identified in Schedule A and for the sole purpose of furthering Licensee’s efforts to educate employees about compliance in the field of health care. Such derivative works include affixing any of the Licensed Works on posters, overheads, computer-generated presentations, etc. Licensee, in creating any derivative work, shall incorporate an entire Licensed Work (*i.e.*, cartoon, word mark or phrase) and shall not alter such Licensed Work under any circumstances without KD’s prior written consent.

2. Reservation of Rights. All rights in the Licensed Works not explicitly granted herein are reserved by KD, including without limitation, all copyright, trademark or other proprietary ownership in the Licensed Works and the right to license the Licensed Works. Licensee acknowledges that KD retains all ownership in the materials provided by KD

and any copies made thereof, and that Licensee shall not have the right to make them available to any third party.

3. No Attorney-Client Relationship. The grant of this license and the use of Captain Integrity is for informational and educational purposes only. No attorney client relationship is being formed nor does the content for the materials constitute legal advice.

4. Term. Subject to prior termination in accordance with the provisions of Section 5, the term hereof shall commence on the Effective Date and continue for one (1) year (“Initial Term”). Upon payment by Licensee of appropriate renewal fees before the end of any term, this Agreement shall renew for a one (1) year term beginning on the anniversary date of the Effective Date (“Renewal Term”).

5. Termination. If at any time either Party defaults in the performance of any material term or condition that it is obligated to perform hereunder, and if said act is not cured within a period of thirty (30) days after notice of said default has been transmitted to the defaulting Party, then the nondefaulting Party may, by written notice, terminate this Agreement. Notwithstanding the preceding sentence, KD reserves the right to terminate this Agreement in the event that Licensee knowingly alters or removes the copyright or trademark notices on the Licensed Works. Termination of this Agreement shall be without prejudice to any monies already paid or then due or to become due and without prejudice to any rights KD may have related to Licensee’s infringement of KD’s interest in the Licensed Works. Liability of KD is limited to the compensation paid to KD by Licensee for the current term. Furthermore, KD, in its sole discretion and for any reason, may choose not to renew this Agreement for any Renewal Term by notifying Licensee prior to the end of the previous term.

6. Compensation. Licensee agrees to pay KD the fee set forth in Schedule A (which includes the cost of shipping and handling and taxes), which is based on the fees contained in Schedule C if Licensee has one Licensed Facility, or negotiated by and between KD and Licensee if the Licensee intends to use the Licensed Works at multiple Licensed Facilities. Licensee acknowledges that the fees are based on Licensee’s representation of the number of its constituents and Licensed Facilities provided in Schedule A and agrees to provide verification of this number upon request by KD. All initial fees are due at the time of execution of this Agreement for the Initial Term and, in the event Licensee wishes to renew this Agreement, on an annual basis prior to the end of the Initial Term or any Renewal Term. KD, in its sole discretion, reserves the right to increase the License Fee for any renewal period prior to the end of the previous term. If additional or different fees are agreed upon, such fees shall be inserted in Schedule A.

7. Representations and Warranties. KD warrants and represents that: (a) it has full right, title, interest, power and authority to enter into this Agreement and grant all of the right, title and interest granted herein; (b) the Licensed Works in no way violate any existing copyright, either in whole or in part; and (c) the Licensed Works contain no matter which, if published, will defame any third Party or violate any third Party’s right of publicity or privacy. Licensee warrants and represents that: (a) it has full power and

authority to enter into this Agreement; (b) all information about its facilities and number of constituents stated in Schedule A is truthful, accurate and verifiable; and (c) it shall fully comply with the terms of this Agreement.

8. Ownership of Intellectual Property and Notice. KD shall retain ownership in all right, title and interest in and to the Licensed Works (including all worldwide copyright and trademark interests) and all originals and copies of materials provided to Licensee. Nothing in this Agreement shall give Licensee any right, title or interest in any part of the underlying Licensed Works other than the rights explicitly set forth herein. Licensee shall take all necessary measures to protect copyright and trademark in the Licensed Works and agrees to ensure that the copyright and trademark notices provided with the Licensed Works appear conspicuously on any and all copies of the Licensed Works reproduced or otherwise used under this Agreement.

9. Assignment. KD shall have the right to assign this Agreement and all rights herein, in whole or in part, to any person or entity. Licensee shall not have the right to assign this Agreement or any rights herein, without the prior written approval of KD, which will not be unreasonably withheld. If this Agreement is assigned by Licensee with KD's prior written approval, Schedule A must be completed by such assignee and all additional fees, if any, shall be paid by Licensee's assignee prior to the assignment becoming effective. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Parties hereto, their administrators, successors and assigns, provided that such administrators, successors and assigns assume the Party's obligations hereunder.

10. Infringement Proceedings. Licensee agrees to promptly notify KD of any known unauthorized use of the Licensed Works that interferes with KD's rights under this Agreement, and in such cases, KD shall have the right and discretion to bring infringement proceedings involving the Licensed Works. Licensee agrees to provide such lawful testimony, execute any instruments and provide whatever assistance is reasonably required for KD's prosecution of any action for infringement to protect the rights under this Agreement.

11. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of this Agreement.

12. No Waiver. The waiver by either Party of a breach of any provision of the Agreement by the other Party shall not be construed to be either a waiver of that Party's rights regarding any succeeding breach of any such provision or a waiver of the provision itself.

13. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to this subject matter and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the Parties. This Agreement may not be released, discharged or modified except by an instrument in writing signed by the Parties.

14. Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana, without reference to its conflicts of laws provisions. Jurisdiction for litigation of any dispute, controversy or claim arising out of or in connection with this Agreement shall be only in a Federal or the State Court having subject matter jurisdiction located in St. Joseph County, Indiana.

15. Joint Venture. Nothing contained in this Agreement shall be deemed or construed as creating a joint venture or partnership between Licensee and KD. Neither Party, by virtue of this Agreement, is authorized as an agent, employee or legal representative of the other. Except as specifically set forth herein, neither Party shall have the power to control the activities and operations of the other and their status is, and at all times will continue to be, that of independent contractors. Neither Party shall have any power or authority to bind or commit the other.

16. Headings. The use of headings in this Agreement is only for ease of reference and the captions have no effect and are not to be considered part or terms of this Agreement.

17. Force Majeure. Notwithstanding anything in this Agreement to the contrary, neither Party shall be liable to the other Party for any failure to perform, or delay in the performance of that Party's obligations hereunder, when such failure to perform or delay in performance is caused by an event of *force majeure*; provided however, that the Party whose performance is prevented or delayed by such event of *force majeure* shall give prompt notice thereof to the other Party. For purposes of this Section, the term "*force majeure*" shall include war, rebellion, civil disturbance, earthquake, fire, flood, acts of governmental authorities, shortage of materials, acts of God, acts of the public enemy, third-Party Internet hardware or software outages, death or incapacity of KD's contracted artist, or any other causes or conditions beyond the reasonable control of the Parties. If any event of *force majeure* continues for more than thirty (30) days, either Party may terminate this Agreement upon notice to the other Party.

IN WITNESS WHEREOF, the Parties have executed this Agreement.

KD PRODUCTS, LLC

LICENSEE

By: _____
Robert A. Wade, Esq.

By: _____

Printed: _____

Title: _____

Date: _____

(To be completed by KD)

Initial license fee(s) due upon execution of Agreement:	\$	_____
Shipping and Handling	\$	_____ 30.00
Total	\$	_____
Sales Tax*	\$	_____
Amount Due	\$	_____

*5% for Indiana for-profit organizations [Indiana nonprofit organizations need to show proof of tax-exempt status]

10. Payment Information. Check One.

_____ Check Enclosed _____ Visa _____ MC _____ AMEX

Exp. Date: _____

Amount: _____

Account Number: _____

Security Code#: _____
(3-digit code on back of card)

Make checks payable to:
KD Products, LLC

Name on Card: _____

Address on Card _____

Send remittance to:
KD Products, LLC
c/o Robert A. Wade
4101 Edison Lakes Parkway
Suite 100
Mishawaka, Indiana 46545

Signature: _____

SCHEDULE B

Licensed Works

(1) Word Mark:

Captain IntegritySM

(2) Captain Integrity Character/Design Mark
(and all additional poses provided by KD to Licensee):



SCHEDULE C

Services and Fee Schedules

(1) Monthly Picture Strip and Roses

Product: KD will send twelve (12) picture strips that Licensee can use in employee newsletters or send to all of its constituents by e-mail. For the ease of reproduction, the Captain Integrity monthly picture strips can be sent to Licensee by e-mail. Licensee will receive a color and black and white copy of each picture strip so it can choose which will work best for the organization. Licensee can sign up for an initial 12-month period, which can be renewed annually. Licensee licenses the use of the Licensed Works for internal communication with constituents. Pictures of Captain Integrity can be placed on Licensee's educational materials, posters, e-mails, letters, computer presentations, etc. Licensee will initially be given a minimum of 20 poses of Captain IntegritySM on a CD-ROM that can be downloaded onto Licensee's computer system and reproduced by Licensee, subject to the terms of this Agreement. As new poses are developed during a term, KD will send them to Licensee at no additional charge.

Fee Schedule:

Number of Constituents	Fee*
500 or less	\$1,300 initial year and annual renewal
501-1,500	\$2,000 initial year and annual renewal
1,501-4,000	\$2,750 initial year and annual renewal
4,001-Above	\$3,500 initial year and annual renewal