**EXCLUSIVE LICENSE AGREEMENT**

**AND OPTION TO PURCHASE AGREEMENT**

This EXCLUSIVE LICENSE AGREEMENT (this “Agreement”) is made this 19th day of December, 2022 by and between DENIS PALMER, PRESIDENT OF MRC CORP, an \_\_\_\_\_\_\_\_\_ corporation in good standing with a business address of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(“Licensor”), and SPACELY MOTORS AND GENERATORS, LLC AND GENERATORS, LLC [“Spacely Motors and Generators, LLC and Generators, LLC” (hereinafter referred to as “Spacely Motors and Generators, LLC”], an Idaho limited liability company in good standing with an address of 1420 W. Washington Street, Boise, Idaho, 83702 (“Licensee”). (Licensor and Licensee are hereinafter collectively referred to as the “Parties,” and each individually as a “Party.”)

**RECITALS**

**WHEREAS**, Licensor and Licensee intend to enter into this Exclusive License Agreement, wherein Licensor shall grant Licensee certain rights to locate, develop, construct, commission, and operate Facilities (as hereinafter defined) based upon the Licensed IP (as hereinafter defined) on the terms and conditions set forth herein.

**NOW, THEREFORE**, to effectuate the foregoing objectives of the Parties, for good and sufficient consideration in combination with the herein defined upfront costs for the execution of this agreement, the receipt and sufficiency of which is hereby acknowledged by the Parties, and intending to be legally bound, Licensor and Licensee do hereby agree to the following terms and conditions.

**AGREEMENT**

**ARTICLE 1: DEFINITIONS**

The following definitions of terms apply in this Agreement:

1.1. “Affiliate” means of any particular Person means any other Person controlling, controlled by or under common control with such particular Person where “control” means the possession, directly or indirectly, of power to direct the management and policies of a Person whether through the ownership of voting securities, contract, family relationship or otherwise.

1.2. “Agreement” shall mean this Agreement.

1.3. “Business” means the development, commissioning, CONSTRUCTION, SALES, MARKETING OR MANUFACTURING operation and sale of products generated by Facilities.

1.4. “Commercially Reasonable Efforts” shall mean, with respect to a given obligation, the efforts that a reasonable person in the promisor’s position would use so as to perform that obligation as expeditiously as reasonably possible

1.5. “Contract Year” shall mean any given contract year in either an initial term or a renewal term of this Agreement as defined in Section 7.1 hereof. The first Contract Year shall commence upon the date Of January 1st 2023.

1.6. “Copyrights” shall mean all registered and unregistered copyrights, copyrightable works, mask works, and writings and other works of authorship embodied in tangible form, related to the Licensed IP, owned or controlled by Licensor during the Term in any jurisdiction, including any applications relating to any of the foregoing, as applicable, and any renewals of any of the foregoing.

1.7. “Engineering and Processing Documentation” shall mean all engineering designs, drawings, blueprints, specifications, and explanations produced by the Licensor that relate to the location, development, construction, commissioning, and operation of a Facility, including bills of material, approved vendor list (AVL), assembly drawings, line layouts, process documentation, quality and inspection plans, test processes, and packaging requirements.

1.8. “Effective Date” shall have the meaning set forth in paragraph 1.3 above.

1.9. “Facilities” shall mean processing facilities owned and/or operated by Licensee or an Affiliate of Licensee on the basis of the Licensed IP, pursuant to the terms and conditions of this Agreement.

1.10. “Force Majeure Event” shall mean any natural disaster, decrees of governmental bodies and actions such as storms, floods, other acts of God, fires, explosions, riots, war or civil disturbances, strikes or other labor unrest, embargoes and other governmental actions or regulations which prevent or prohibit either party from performing the obligations under this Agreement.

1.11. “Improvement(s)” shall mean any enhancement, improvement, modification, derivative work or redesign relating to, or based on, the Licensed Technology by the Licensor, or the method or process or production of the Licensed IP by the Licensor.

1.12. “Inventory” shall mean Licensee’s inventory of finished Facilities and Facilities that are under construction but have yet to be commissioned for operation.

1.13. “Know-how” shall mean all unpatented technical information, knowledge, know-how and data useful or necessary to enable Licensee to effectively locate, develop, construct, commission and operate Facilities.

1.14. “Licensed IP” shall mean collectively, all Copyrights, Know-how and Patents, together with any Improvement(s) by the Licensor.

1.15. “Licensee Confidential Information” shall mean any and all information which concerns or relates to the business of the Licensee and is, for any reason, identified or otherwise treated as confidential by the Licensee, except such information which the Licensor can prove was: (a) in the public domain prior to the date of this Agreement; (b) became publicly known after date of this Agreement through no fault of Licensor; (c) was known and documented by Licensor prior to the start date of this Agreement, and with respect to which Licensor was not and is not under any obligation of confidentiality; (d) was disclosed to Licensor, without restriction on disclosure or use, by a third party which is not under any obligation of confidentiality; or (e) constitutes Licensed IP.

1.16. “Licensor Confidential Information” shall mean any and all information including the Licensed IP and Engineering and Process Documentation which concerns or relates to any aspect of the Licensed IP or the business of the Licensor and is, for any reason, identified or otherwise treated as confidential by Licensor, except such information which Licensee can prove was: (a) in the public domain prior to the date of this Agreement; (b) became publicly known after date of this Agreement through no fault of Licensee; (c) was known and documented by Licensee prior to the start date of this Agreement, and with respect to which Licensee was not and is not under any obligation of confidentiality; or (d) was disclosed to Licensee, without restriction on disclosure or use, by a third party which is not under any obligation of confidentiality.

1.17. “Net Profits” with regard to any Facility shall mean the total revenue generated by each Facility less debt service and all operational expenses, including but not limited to costs for raw materials, wages, supplies, purchased services, rents, lease payments, executive salaries, marketing expenses, management overhead, and depreciation.

1.18. “Patents” shall mean any and all patents and patent applications, related to Licensed IP, owned or controlled by Licensor during the Term in any jurisdiction, including, without limitation, (i) the patents and patent applications (and all patents issuing therefrom) and; (ii) any continuing applications thereof including divisional, continuations, continuations-in-part, reissued and reexamined patents; and (iii) all corresponding foreign patents or patent applications.

1.19. “Person” means and includes an individual, a partnership, a joint venture, a limited liability company, a corporation or trust, an unincorporated organization, a group, or a government or other department or agency thereof or any entity.

1.20. “Product” shall mean all products generated by a Facility.

1.21. “Royalty” shall mean the royalty payments set forth in Exhibit A.

1.22. “Term” shall mean the time period for which this License shall be effective, as set forth in Article 7.

1.23. “Work” means all labor, equipment, materials, methods, engineering and services required by or reasonably inferable from this Agreement, and the exercise of its rights and carrying out of all obligations imposed by this Agreement.

1.24. “Gross Revenues” means all pre-tax revenues of its rights, assigns and other entities and proceeds or revenues of any of such entities determined to soley by the licensor of this agreement..

1.25. “Units” defined either in this agreement or in subsequent agreements to define the measure of the allotment provided under this or any other such license granted by the licensor to the licensee from this Agreement, and the exercise of its rights and carrying out of all obligations imposed by this Agreement.

**ARTICLE 2: LICENSE GRANTS**

2.1. License. Subject to the terms and conditions of this Agreement, Licensor hereby grants to Licensee an exclusive, non-transferable, non-assignable license, to include a right to sublicense to special purpose entities established by Licensee to hold and/or operate Facilities) to use the Licensed IP to locate, develop, finance, construct, commission, and operate Facilities, and to market and sell products generated by, if any, shall be granted pursuant to a separate license agreement to be mutually agreed and to be entered into between the Parties. This sub-licensing shall be at the sole discretion of the Licensor and at all times under the direction of the licensor while adhering to the terms of this licensing agreement..

2.2. License Term. All licenses granted in this Article 2 shall be for the Term of this Agreement and or 99 years, unless earlier terminated as set forth herein by agreement of all parties. In addition, this term of 99 years shall at any and all times be subject to the review and auditing at the cost and expense of the licensee for verification of the terms of this agreement.

2.2.1 Patent Life. Payment for patented technologies may discontinue upon end dates of patents. Payments for all patent maintenance does not infere any ownership or additional rights to the licensee.

2.3. Commercially Reasonable Efforts. At all times while this Agreement is in effect, Licensee shall use Commercially Reasonable Efforts to exploit the licenses granted hereunder, including but not limited to (a) locating, developing, financing, constructing, commissioning and operating Facilities so that they can be brought on line in an effective manner, and (b) maintaining a sales and marketing staff sufficient in number and appropriate training, skill or experience to provide effective distribution of the Products generated (sales and marketing force can include independent sales representatives). Licensor preserves all rights of refusal to any agrrement term or contractual proposal superceeding the rights of the licensor regardless of loss to the licensor.

2.4. Branding. All Products shall be marketed, promoted, and sold by Licensee hereunder solely under Licensee’s branding and trademarks and or agreed trademarks by Spacely Motors and Generators, LLC and Generators, LLC. Licensor shall retain all final approval of=n all marketing and branding of the technology and its branding.

2.5. Licensee’s Duty may be Authorize Third Party Use of Licensed Intellectual Property. Licensee be permitted to sublicence any part of the company, or products with approval of the company (Spacely Motors and Generators, LLC and Generators, LLC and the licensor)

2.6. Compliance With Law. In connection with its performance hereunder, Licensee agrees not to make any payment or gift to government officials or employees in violation of local laws or the United States Foreign Corrupt Practices Act. In addition, the Parties shall comply with all applicable export laws and regulations (including U.S. export laws and regulations) in connection with the Facilities and the Products, and each Party agrees that it will obtain all necessary licenses or approvals from the U.S. Government prior to the: (i) transfer, export or re-export, directly or indirectly, of any Products or technical data or any direct product of that technical data, or (ii) disclosure of any technical data acquired from Licensor to any Third Country National, which shall mean any person or company who is a citizen or permanent resident of any country that is subject to U.S. economic sanctions or that is subject to restrictions under the U.S. Export Administration Regulations. Licensee will obtain Licensor’s written consent for any re-export or re-transfer of Products and technical data, as well as for any disclosure of technical data to a Third Country National. Under no circumstances may Licensee export or re-export any Products or technical data to countries, persons, or entities that are subject to U.S. economic sanctions or that are subject to restrictions under the U.S. Export Administration Regulations. Countries subject to broad economic sanctions currently include Cuba, Iran, Libya, North Korea, Sudan, Syria and Venezuela.

2.7. **Intentionally Left Blank.**

**ARTICLE 3: QUALITY AND STANDARDS**

3.1. High Standards of the Licensed Products. Licensee shall use its best efforts to maintain the high quality standards of the Facilities and Products, in all aspects of constructing, commissioning, and operating the Facilities, and manufacturing, advertising, packaging and promotion of the Products. Licensee shall ensure that the location, development, financing, commissioning, and operating of the Facilities, and the manufacturing, advertising, packaging and promotion of the Products are carried out in accordance with the relevant laws, standards, regulations, rules and codes of practice. Licensor shall have the right to approve the quality of all Facilities prior to the commissioning and operation of same, and to approve the quality of all Products before the launch and marketing of the Products by Licensee. Licensor is understood to have final authorization approval.

3.2. Omitted.

3.3. Licensor’s Control Over Quality. Spacely Motors and Generators, LLC and Generators, LLC has the right to control the quality of the construction, commissioning and operation of the Facilities, and the manufacture of the Products, and that Licensor has sole discretion (not to be unreasonably exercised) to determine in good faith whether the Facilities and Products meet the quality standards of this Article

3.4. Empty.

3.5  Empty

**ARTICLE 4: DEVELOPMENT, SALES AND MARKETING**

4.1. Development, Sales/Marketing and Production Plans. On the date marking the commencement of the first and third quarters of each Contract Year during the Term, Licensee will submit to Licensor, for Licensor’s review, a schedule showing in reasonable detail the projected location, development, financing, construction, commissioning, and operation of Facilities, as well as sales and marketing plans for the Products for each of the next two quarterly periods (the “Development and Sales Plan”). Licensor and Licensee shall mutually agree to the Development and Sales Plan. Licensee shall use Commercially Reasonable Efforts to comply with the Development and Sales Plan. Liabilities and loss shall be borne by the licensee. Specific requireents for production quotas and goals must be met as a condition of performance of this agreement.

4.2. Sales Reports. Within thirty (30) calendar days after the end of each quarter within a Contract Year, Licensee shall provide to Licensor a detailed listing of all sales made by Licensee of Products, broken out by Product, customer, sales region and showing the dollar amount of each sale and the relationship of sales for such quarter as compared to the same quarter for the preceding Contract Year (“Sales Report”). In the event sales for three consecutive declining quarters evidence a substantial decline in any sales region, Licensor may request Licensee to submit, for Licensor approval, a marketing plan which addresses the decline. Such statements shall include all aggregate gross sales, trade discounts, merchandise returns, damaged merchandise, and net sales prices of all sales for the previous quarter. Each Sales Report furnished by Licensee shall be certified by Licensee’s Chief Financial Officer or Controller. This clause of the agreement is to be viewed as the authority of the licensor with respect to the establishment of goals and quotas. Licensor retains the right of refusal exclusively.

4.3. Advertising. Licensee agrees to use its Commercially Reasonable Efforts to advertise and promote the Products. The minimum requirement by the licensor is that 5% of its total operations budget be utilized for approved marketing purposes under the authority of the licensee.

4.4. Approval of Advertising Materials. All advertising materials proposed to be used by Licensee in connection with Products shall be submitted to Licensor for prior review and approval through Spacely Motors and Generators, LLC

**ARTICLE 5: LICENSE FEES AND ACCOUNTING**

5.1. Omitted.

5.2. Amount of Royalty. The Licensee (Spacely Motors and Generators, LLC and Generators, LLC shall receive a full licensee agreement to buy, sell, use, make, manufacture any product of MRC and or Denis Palmer with regard to any motor or generator or electrical system for sale, including items that are not mentioned.  In return, Denis Palmer will be a full partner in Spacely Motors and Generators, LLC and Generators, LLC and will receive a salary as a working member as money is received for funding.  Denis Palmer will also offer and assist to offer any new patents back to the company Spacely Motors and Generators, LLC and Generators, LLC and Spacely Motors and Generators, LLC shall attempt to purchase the existing patents at a later date or prior to 60 months at a price which shall be agreeable to all parties.  Denis Palmer will assist in helping procure any patents with purchases from any other interested party in MRC or any other entity or current owner.  This purchase is not a condition of the license agreement and that license is in effect as of November 11th 2022 in return for valuable consideration of work already done as of {Insert Date}  .

5.3. Ownership and payments of Owners; Todd Van Hyfte to be CEO of the company, Denis Palmer to be CTO of the company, Nick Hansen to be Co-President of the company, John Alegria to be CLO of the company.  Other officers and other investment parties can be added as needed.  Salary’s will depend upon income and will be attached at a later date.  Board seats and voting authority

5.4. Method of SUB LICENSE AGREEMENT. SPACELY MOTORS AND GENERATORS, LLC SHALL BE ABLE TO BRING IN OTHER PARTNERS AND OR SUB LICENSE ANY OF THE TECHNOLOGY WITH A ROYALTY BACK TO SPAELY MOTORS.  ROYALTY FEE TO RANGE BETWEEN 2% TO 7.5%.  ANY OTHER FEES TO BE AGREEABLE WITH AUTHORIZATION OF THE COMPANY.

5.5. OMMITED

5.6. Accounting. For the entire term of this Agreement, Licensee shall keep and maintain appropriate books and records of account, in accordance with GAAP (as defined in Section 9.2 below), sufficient to enable accurate calculations of Royalties due to Licensor and to audit the quarterly Sales Reports.

5.7. Omitted.

5.8. Licensor’s Authority to Audit Licensee. Licensor and its duly authorized representatives, at Licensor’s own expense, on ten (10) calendar days’ prior written notice, shall have the right for the duration of the Agreement and for three (3) years thereafter, during regular business hours, to examine the books of account and records and all other documents, materials, and inventory in the possession or under the control of Licensee and any of its assigns with respect to all subject matters relevant to this Agreement. All such books of account, records and documents shall be maintained and kept available by Licensee for at least the duration of this Agreement and for at least three (3) years thereafter. Licensor shall have sufficient access thereto and shall have the right to make copies therefrom. If as a result of any examination of Licensee’s books and records it is shown that Licensee’s payments to Licensor hereunder with respect to any twelve (12) month period were less than the amount which should have been paid to Licensor by greater than Five Percent (5%) of the amount which would have been paid during such twelve (12) month period, Licensee shall, in addition to reimbursement of any underpayment with interest from the date on which each payment was due at the rate set forth in Section 5.5 hereof, promptly reimburse Licensor for the cost of such examination without prejudice to any other remedies or claims of Licensor.

**ARTICLE 6: REPRESENTATIONS AND WARRANTIES**

6.1. Licensor’s Express Warranties. Licensor hereby expressly warrants all of the following:

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|  | A. | Licensor warrants that it is the legal, entire and sole owner of the Licensed IP; that it has the right to license the rights granted under this Agreement, that it has obtained any and all necessary permissions from third parties to license the Licensee to and to sublicense to use the Licensed IP as granted herein, and that use of the Licensed IP and Engineering and Process Documentation by Licensee in accordance with the terms of this Agreement shall not infringe the copyright, patent, trade secret, trademark of any third party. The Licensor shall not indemnify and hold Licensee harmless in the first instance from and against any losses, claims, damages, awards, penalties, or injuries incurred, including reasonable attorney’s fees and expenses, which arise from any claim by any third party of an alleged infringement of copyright, patent, trade secret, trademark or any other property right arising out of the use of the Licensed IP and Engineering and Process Documentation by the Licensee in accordance with the terms of this Agreement. This indemnity shall survive the termination of this agreement. NO LIMITATION OF LIABILITY SET FORTH ELSEWHERE IN THIS AGREEMENT IS APPLICABLE TO THIS INDEMNIFICATION. |

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|  | B. | Licensor shall maintain the Licensed IP during the term of this Agreement, including but not limited to preparation, filling, prosecuting and maintenance of Licensed IP, and Licensor shall indemnify Licensee’s damages and losses which are caused by Licensor’s such failure. |

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|  | C. | Licensor shall offer reasonable continuing support to assist Licensee in use of the Licensed IP. Licensor shall make its personnel available by email, phone or fax, from time to time, for feedback, problem-solving, or general questions. Licensor will provide reasonable training to Licensee staff relating to the use of the Licensed IP and Engineering and Process Documentation, which may include at the request of the Licensee, on-site supervision as may be required during the construction, commissioning, and operation of Facilities. |

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|  | D. | Omitted. |

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|  | E. | It has the full right, power and authority to enter into this Agreement and to perform all of its obligations hereunder; |

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|  | F. | It is financially capable of undertaking the business operations which it conducts and of performing its obligations hereunder; |

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|  | G. | It is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation; and |

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|  | H. | All necessary corporate acts have been effected by it to render this Agreement valid and binding upon it. |

6.2. Licensee’s Express Warranties. Licensee hereby expressly warrants all of the following:

A. That the Facilities shall be constructed, commissioned, and operated in material compliance with the Engineering and Process Documentation, and that Products shall be in material compliance with the Licensor’s quality standards as provided by Licensor.

B.  Omitted.

C. That the Work and Products shall comply with all applicable laws in force on the date the during the period when the Facilities are operated, and the Products are produced;

D. It has the full right, power and authority to enter into this Agreement and to perform all of its obligations hereunder;

E. It is financially capable of undertaking the business operations which it conducts and of performing its obligations hereunder;

F. It is a limited liability company duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation; and

G. All necessary formalities and other acts have been affected by it to render this Agreement valid and binding upon it.

**ARTICLE 7: TERM**

7.1. Term. Subject to termination as provided in this Agreement, the initial term of this Agreement is Twenty Contract Years (the “Initial Term”). If Licensee fully performs in accordance with all the terms and conditions hereof, Licensee shall have three consecutive options to renew this Agreement for twenty-five consecutive Contract Years, respectively (each a “Renewal Term” and collectively the “Renewal Terms”). The Initial Term and all Renewal Terms, if any, shall be referred to herein as the “Term.”

**ARTICLE 8: INSOLVENCY**

8.1. Effect of Proceeding in Bankruptcy, Etc. If either Party institutes for its protection or is made a defendant in any proceeding under bankruptcy, insolvency, reorganization or receivership law, or if either Party is placed in receivership or makes an assignment for benefit of creditors or is unable to meet its debts in the regular course of business, the other Party may elect to terminate this Agreement immediately by written notice to the other Party without prejudice to any right or remedy the terminating Party may have, including, but not limited to, damages for breach to the extent that the same shall be recoverable.

8.2. Rights Granted Are Personal to Licensee. The licenses granted hereunder are personal to Licensee. No assignee for the benefit of creditors, receiver, trustee in bankruptcy, sheriff or any other officer or court charged with taking over custody of Licensee’s assets or business, shall have any right to continue performance of this Agreement or to exploit or in any way use of Licensed Intellectual Property or other rights hereby licensed if this Agreement is terminated pursuant to Section 8.1, except as shall be required by law.

**ARTICLE 9: TERMINATION**

9.1. Termination: By agreement of all parties and or by Spacely Motors and Generators, LLC.

A. All rights and obligations of the Parties shall cease to have effect immediately upon termination of this Agreement except that termination shall not affect:

(i) the right of the Licensee to continue to operate Facilities in existence upon the date of termination, and to complete the construction, commissioning, and operation of any Facilities for which Licensee has entered into an EPC Contract prior to the date of termination, and to pay Licensor all Royalties that are due, or become due and owing, as per this Agreement following termination.

(ii) the accrued rights and obligations of the Parties at the date of termination; and

(iii) the continued existence and validity of the rights and obligations of the Parties under those clauses which are expressed to survive termination and any provisions of this Agreement necessary for the interpretation or enforcement of this Agreement.

(IV) This sale includes all information and copies of all materials such as any electronic, or paper information, calculations or samples, existing contracts of sale or other agreements.

B. Immediately upon termination, for any reason whatsoever, or expiration, of this Agreement, Licensee agrees to cease all development activities with regard to new Facilities.

9.3. Force Majeure Event. For purposes of this Agreement, a “Force Majeure Event” shall mean the occurrence of unforeseen circumstances beyond a Party’s control and without such Party’s negligence or intentional misconduct, including, but not limited to, any act by any governmental authority, act of war, natural disaster, strike, boycott, embargo, shortage, riot, lockout, labor dispute, and civil commotion

A. Neither Party shall be responsible for any failure to perform due to a Force Majeure Event provided that such Party gives notice to the other Party of the Force Majeure Event as soon as reasonably practicable, but not later than five (5) calendar days after the date on which such Party knew or should reasonably have known of the commencement of the Force Majeure Event, specifying the nature and particulars thereof and the expected duration thereof; provided, however, that the failure of a Party to give notice of a Force Majeure Event shall not prevent such Party from relying on this Section except to the extent that the other Party has been prejudiced thereby.

B. The Party claiming a Force Majeure Event shall use Commercially Reasonable Efforts to mitigate the effect of any such Force Majeure Event and to cooperate to develop and implement a plan of remedial and reasonable alternative measures to remove the Force Majeure Event; provided, however, that neither Party shall be required under this provision to settle any strike or other labor dispute on terms it considers to be unfavorable to it. Upon the cessation of the Force Majeure Event, the Party affected thereby shall immediately notify the other Party of such fact, and use its Commercially Reasonable Efforts to resume normal performance of its obligations under the Agreement as soon as possible.

C. Notwithstanding that a Force Majeure Event otherwise exists, the provisions of this Section shall not excuse any obligation of either Party, including the obligation to pay money in a timely manner for Royalties earned hereunder or other liabilities actually incurred, that arose before the occurrence of the Force Majeure Event causing the suspension of performance.

D. In the event a Party fails to perform any of its obligations for reasons defined in this Section 9.3 for a cumulative period of thirty (30) calendar days or more from the date of such Party’s notification to the other Party then the other Party at its option may extend the corresponding delivery period for the length of the delay.

9.4. Equitable Relief. The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

9.5. Termination Without Prejudice. Termination of this Agreement pursuant to and conditions hereof shall be without prejudice to the terminating party’s other rights and remedies at law or in equity.

**ARTICLE 10: INDEMNIFICATION AND LIMITATION OF LIABILITY**

10.1. Licensee. Each Party (the “**Indemnifying Party**”) shall indemnify and hold the other Party (“**Indemnified Party**”) and its officers, agents and employees harmless from and against any and all liability, claims, causes of action, suits, damages and expenses, including reasonable attorneys’ fees and expenses in actions involving third parties or between the parties hereto, which they, or any of them are or become liable for, or may incur, or be compelled to pay by reason of (a) any acts, whether of omission or commission, that may be committed or suffered by the Indemnified Party or any of its servants, agents or employees in connection with the Indemnifying Party’s performance under this Agreement; and (b) any alleged or actual breach by the Indemnifying Party of its warranties, representations, covenants and obligations to the Indemnified Party under this Agreement.

10.2. Limitation of Liability. EXCEPT AS PROVIDED HEREIN, NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY BY REASON OF THIS AGREEMENT OR ANY BREACH OR TERMINATION OF THIS AGREEMENT, FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT, PUNITIVE, EXEMPLARY OR SPECIAL DAMAGES WHETHER ARISING OUT OF TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY, OR OTHERWISE, AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE FOR ANY LOSS OF PROSPECTIVE PROFITS OR INCIDENTAL, CONSEQUENTIAL INDIRECT, PUNITIVE, EXEMPLARY OR SPECIAL DAMAGES.

10.3. Independent Covenants. The foregoing indemnity provisions of Section 10.1 hereof shall be deemed independent covenants, and shall survive completion of or any termination or cancellation of this Agreement, or any claimed breach thereof. The Indemnified Party shall be entitled to be reimbursed by the Indemnifying Party for all expenses, including reasonable attorneys’ fees paid or otherwise incurred to enforce the provisions of this Section.

**ARTICLE 11: INSURANCE**

11.1. Insurance to Be Obtained by Licensee.

A. Licensee shall maintain in effect at all times during the term of this Agreement insurance, including without limitation builder’s risk, workers’ compensation, comprehensive general liability, product liability, property damage, advertising liability, and automobile liability insurance against all losses, claims, demands, proceedings, damages, costs, charges and expenses for injuries or damages, costs, charges and expenses for injuries to any person or property arising out of or in connection with this Agreement which are the result of the fault or negligence of Licensee, its agents and sublicensees. Such insurance shall be for coverage on an occurrence basis in the amount of not less than Three Million Dollars ($3,000,000) for personal injury and One Million Dollars ($1,000,000) for property damage. Licensee shall also provide insurance covering theft and destruction of Products during transport prior to risk of loss passing to the purchasing party.

B. The specification of liability coverages and limits herein shall not relieve or limit the responsibilities of Licensee under this Agreement.

C. Omitted

D Omitted

E. Licensee shall, within thirty (30) calendar days of the Effective Date, deposit with Licensor a complete package of certificates of insurance required under this Article signed by the insurer. None of the

F. Licensor or owners of Spacely Motors and Generators, LLC, its successor or assign shall be named as additional insureds with a waiver of subrogation in its favor.

**ARTICLE 12: OWNERSHIP**

12.1. Licensed IP. Licensee acknowledges and agrees that Licensor is and shall remain the sole and exclusive owner of all Licensed IP, unless Licensee options to purchase IP, in which the ownership would become the Licensors. The license is given with no recourse to Spacely Motors and Generators, LLC. Spacely Motors and Generators, LLC shall have the right to sub license any company with approval of the ownership of Spacely Motors and Generators, LLC.

A. Upon full payment of the agreed upon amount between MRC and Spacely Motors and Generators, LLC, Spacely Motors and Generators, LLC will attain full ownership of all patents. Refer to Exhibit A for terms and Exhibit B for known IP.

12.2. Copyright. Licensee hereby agrees that any Copyright which shall have arisen under this Agreement in any sketch, design, advertising materials or the like, used on or in connection with any Facility, Product, or the Engineering and Processing Documentation are the sole and exclusive property of the Licensor. Licensee shall not, at any time, do any act or thing which shall adversely affect any of the Licensor’s rights in such sketches, designs, advertising materials and the like, and shall, at Licensor’s request, do all things reasonably required by Licensor to preserve and protect said rights. Spacely Motors and Generators, LLC to be named upon any other patents, developments or ownerships arising from their work at Spacely Motors and Generators, LLC/Denis Palmer

**ARTICLE 13: INFRINGEMENT OR DILUTION**

13.1. Notice of Infringement. Licensee shall notify Licensor in writing of any infringement, dilution or imitation of the Licensed Intellectual Property by any third party promptly when the same shall come to the attention of the Licensee Spacely Motors and Generators, LLC to agree to any of the above as a company decision.

13.2. Licensor Control Over Litigation. Without prejudice to any interests and rights of Licensee under this Agreement, Licensor shall have full control over any such action, including, without limitation, the right to select counsel, to settle on any terms it deems advisable in its discretion, to appeal any adverse decision rendered in any court, to discontinue any action taken by it, and otherwise to make any decision in respect thereto as it deems advisable in its discretion. Licensor shall bear all reasonable, out-of-pocket expenses connected with the foregoing. Any recovery as a result of such action shall belong to Licensor. Licensee may, upon receiving the prior written consent of Licensor, participate in any action taken by or proceeding instituted by Licensor through separate counsel of Licensee’s own choosing and at Licensee’s sole expense, provided that Licensor at all times shall retain full control over such action in accordance with this Section.

13.3 Omitted

**ARTICLE 14: CONFIDENTIALITY**

14.1. Confidentiality Obligations. The terms of the Nondisclosure Agreement by and between the Parties dated as of [date], shall govern this Agreement with respect to Licensee Confidential Information and Licensor Confidential Information, and is incorporated herein by this reference.

**ARTICLE 15: OTHER PROVISIONS**

15.1. Severability. If any provision or any portion of this Agreement shall be construed to be illegal, invalid or unenforceable, such provision shall be deemed stricken and deleted from this Agreement to the same extent and effect as if never incorporated herein. All other provisions of this Agreement and remaining portion of any provision which is not found to be illegal, invalid or unenforceable in part shall continue in force and effect.

15.2. Non-waiver. No waiver, modification or cancellation of any term or condition of this Agreement shall be effective unless executed in writing by the party charged therewith. No written waiver shall excuse the performance of any acts other than those specifically referred to herein. The fact that the Licensor has not previously insisted upon the Licensee expressly complying with any provision of the Agreement shall not be deemed to be a waiver of the Licensor’s future right to require compliance in respect thereof. Licensee specifically acknowledges and agrees that the prior forbearance in respect of any act, term or condition shall not prevent Licensor from subsequently requiring full and complete compliance thereafter.

15.3. Permission Needed to Assign or Sublicense. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Licensee shall not assign or sublicense this Agreement or any interest therein, or any part of this Agreement without Licensor’s prior written consent, which may not be unreasonably withheld. Licensor hereby grants its consent to Licensee to assign or sublicense this Agreement to any Affiliate of Licensee. However, Licensor may assign its rights and obligations under this Agreement to any successor without the consent of Licensee but with reasonable advance written notice, so long as such successor agrees to be liable for all and any obligations, financial or otherwise, arising from this Agreement.

15.4. Form of Notice to Parties. Wherever one Party is required or permitted or required to give written notice to the other under this Agreement, such notice will be given by hand, by certified U.S. mail, return receipt requested, by overnight courier, or by fax and addressed as follows:

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| --- | --- | --- | --- | --- | --- | --- |
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| If to Licenser:  MRC  Address Line 1  City, State Zip Code |  | with a copy to:  Spacely Motors and Generators, LLC  1420 W. Washington Street  Boise, Idaho, 83702  c/o Nick Hansen | | | | |
| Spacely Motors and Generators, LLC and Generators LLC  Todd Van Hyfte \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Printed Name  Date:  Signature  MRC  Denis Palmer  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Printed Name  Date:  Signature |  | | | |  | |
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All such notices shall be effective upon receipt. Either Party may designate a different notice address from time to time upon giving ten (10) calendar days’ prior written notice thereof to the other Party.

15.5. Notice of Actions Being Brought. Licensee agrees to notify Licensor immediately upon the commencement of any actions brought against Licensee whose outcome may affect the rights of Licensor herein granted, and Licensor shall have the right at its own expense to appear and defend such actions.

15.6. Precedence. In the event of conflict between the terms of this Agreement and any other document, the terms of this Agreement shall govern, unless such other document expressly purports to modify this Agreement, and is signed by the parties to this Agreement.

15.7. Survival of Obligations. The provisions of this Agreement, which by their very nature survive final acceptance under this Agreement shall remain in full force and effect after such termination.

15.8. Integration. This Agreement, and the appendices hereto, represent the entire agreement between the Parties respecting the subject matter hereof and supersede all prior discussions, agreements and understandings of every kind and nature between them. No modification of this Agreement will be effective unless in writing, expressly purporting to modify this Agreement and signed by the Party against whom enforcement is sought.

15.9. Disputes/Choice of Law/Attorneys Fees. The Parties shall attempt to resolve any disputes between them arising out of this Agreement through good faith negotiations. In the event the Parties cannot resolve a dispute within thirty (30) days after one Party has given the other Party written notice of the existence of the dispute, such dispute shall be settled solely and exclusively by binding arbitration which shall be conducted in accordance with the Commercial Arbitration Rules (the “Rules”) of the American Arbitration Association (“AAA”) in effect at the time of applying for arbitration. The appointing authority of the arbitrator shall be the AAA and the place of arbitration shall be Phoenix, Arizona. There shall be only one arbitrator, who shall have expertise in Arizona substantive law, and who shall have been sat as an arbitrator by the AAA in at least two prior commercial arbitrations applying Arizona substantive law. The language to be used in the arbitration proceedings shall be English. The arbitrator shall have the sole power to resolve all challenges to the jurisdiction of the arbitrator and the power to proceed. The arbitrator shall have the authority to issue interim and emergency measures in accordance with the Rules. The arbitral award shall be final and binding upon both Parties. This Agreement shall be construed in accordance with the substantive laws of the State of Arizona (excluding its conflicts of laws principles). The provisions of the United Nations Conventions on Contracts for the International Sale of Goods shall not apply to this Agreement. The prevailing Party shall be entitled to recover its costs and reasonable attorney’s fees from the non-prevailing Party in any action brought to enforce this Agreement.

15.10. Responsibility for Taxes. The Parties shall be responsible for the payment of the applicable taxes arising in connection with the transactions contemplated under this Agreement pursuant to the applicable taxation laws and regulation.

15.11. Headings. The headings of the Articles of this agreement are for convenience only and shall in no way limit or affect the term or conditions of this Agreement.

15.12. Remedies Cumulative. All remedies available under the law and/or this Agreement for breach of this Agreement are cumulative and may be exercised concurrently or separately, and the exercise of any remedy shall not be deemed an election of such remedy to the exclusion of other remedies.

15.13. Independent Contractor Status. It is expressly understood that Licensee and Licensor are contractors independent of one another, and that neither has the authority to bind the other to any third person or otherwise to act in any way as the representative of the other, unless otherwise expressly agreed to in a writing signed by both Parties hereto. Licensee shall maintain complete control over its employees and agents and assume liability for such actions as would occur under the terms of this Agreement.

15.14. Rights of Licensor’s Successors in Interest. The rights of Licensor and the obligations of Licensee under this Agreement shall inure to the benefit of Licensor’s nominees, successors and assigns.

15.15. Construction. This Agreement has been submitted to the scrutiny of, and has been negotiated by, all Parties hereto and their counsel, and shall be given a fair and reasonable interpretation in accordance with the terms hereof, without consideration or weight being given to its having been drafted by any Party hereto or its counsel.

15.16. Limitation on Rights of Others. This Agreement is entered into between the Parties for the exclusive benefit of the Parties. This Agreement is not intended for the benefit of any creditor of any Party or any other person. Except to the extent provided by applicable statute, and then only to that extent, no third party shall have any rights under this Agreement.

15.17. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

15.18. No Publicity. Each Party agrees not to publicize or disclose the existence or terms of this Agreement to any third Party without the prior consent of the other Party except as required by law or applicable stock exchange regulations (in which case, the Party seeking to disclose the information shall give reasonable notice to the other Party of its intent to make such a disclosure). Neither Party shall make any press release or similar public statement without the prior consent of the other Party.

*[Signature page follows]*

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed on the \_\_\_\_ day of November 12, 2022.

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| Licensor: | | |
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| MRC and or Denis Palmer\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | |
|  |  | |
| By: |  |  |
| Name: |  |  |
| Title:  Date: |  |  |
|  | | |
| Licensee: | | |
|  | | |
| Spacely Motors and Generators, LLC | | |
|  |  | |
| By: |  |  |
| Name: |  |  |
| Title:  Date: |  |  |

**EXHIBIT A**

**ROYALTIES PAYMENT FOR IP**

1. Licensee shall pay to Licensor a Royalty equal to two and one-half percent (2.5%) of ownership in Spacely Motors and Generators, LLC which includes the first Facility constructed, commissioned, and operated by Licensee or its Affiliate, and will pay Licensor via dividends in ownership. Royalties/Dividends shall be calculated and paid (if Net Profits are generated by the Facility(ies)) on a quarterly basis for each Contract Year.

**PRICE FOR MRC PATENTS**

1. Licensee shall pay Licensor a total of $2,500,000 over the course of 5 years from the date of this contract.
   1. MRC will also attain, at the signing of this contract, a stake of 2.5% stock in Spacely Motors and Generators, LLC, in which dividends can be used towards Total Payment above.
      1. Upon Total Payment received, Spacely Motors and Generators, LLC retains the right to purchase back 50% of the 2.5% ownership (1.25%) with continued dividend payments for an additional $7,500,000.
2. Licensee has the right to pay increments, or a lump sum as long as the total agreed upon amount in item 1 above is paid in full for the patents.
3. The price is for ownership of all current and future patents that MRC controls.

Exhibit B

Patents Include

US Patent #20120326541

US Patent #4358693

US Patent #7719147

US Patent #8143218

US Patent #9800111

US Patent #10038349

US Patent #20090227848A1

US Patent #20100041504A1

US Patent #20100084938A1

US Patent #20100085005A1

US Patent #20120242177A1

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