



February 3, 2014

Re: NOTICE CONCERNING U.S. PATENT NO. 8,567,688 PERTAINING TO
MOISTURE REMOVAL PROCESS

Dear, Ostercraft Inc

We are writing to you to put you on notice of a recently issued U.S. patent that covers certain moisture removal processes that you are presently using, or may use in the future, in your construction business.

On October 29, 2013, the U.S. Patent & Trademark Office issued Patent No. 8,567,688 pertaining to "Moisture Reduction and Mold and Moisture Damage Preventative System and Method in Construction." This patent deals with measuring moisture content, and includes a moisture removal system and method employing air movers, dehumidifiers, heaters and attendant methods for reducing moisture in a construction project.

A copy of the issued patent is enclosed for your reference.

The patent has been assigned by its inventors to Savannah IP, Inc. Because the patent covers conduct that you are presently using, or may use in the future, for a moisture removal system, Savannah IP, Inc. believes that your present or contemplated use of a moisture removal system reads on this patent and thereby constitutes infringement.

In addition to placing you on notice of the issuance of this patent, Savannah IP, Inc. seeks to provide an opportunity for you to avoid infringing the patent and becoming the subject of an infringement action. Specifically, Savannah IP, Inc. agrees to offer a non-exclusive and limited license to you for use of the patented process. If you agree to enter into the offered license, then your conduct of engaging in a moisture removal system will not subject you and your customers to an infringement claim provided that the terms of the license are complied with.

Savannah IP, Inc. is taking the liberty of enclosing a license agreement at this time. If you agree to enter into the license, then review and fill out the enclosed form and return to Savannah IP, Inc. Feel free to contact us with any questions.

We must hear from you no later than one week from the date of this letter. If you fail to agree to a license by that date, then we will assume that you refuse to enter into a license for the patented moisture removal process.

Feel free to contact Savannah IP, Inc. at 971-801-6778 should you have any questions.

Phone: 971.801.6778 Fax: 971.801.6779
14200 SE McLoughlin Blvd. Suite G Milwaukie, OR 97267

PATENT LICENSE – BUILDER

*[Moisture Reduction and Mold and Moisture Damage
Preventative System and Method in Construction]*

This Patent License is entered into as of the Effective Date defined below between Savannah IP, Inc., an Oregon corporation, as LICENSOR, and the LICENSEE identified below.

RECITALS

WHEREAS, LICENSOR is the owner by assignment of all right, title and interest in U.S. Patent No. 8,567,688, filed on July 16, 2003, entitled “Moisture Reduction and Mold and Moisture Damage Preventative System and Method in Construction” (the “Patent”), in one or more continuation applications of the Patent, and in U.S. Patent Application Publication No 2005/0011255, filed July 16, 2003, entitled Building Moisture Content Certification System and Method, (collectively, the “Patents”);

WHEREAS, LICENSEE is engaged in the business of providing and/or using a moisture removal process in housing units, or is otherwise involved in the construction of housing units for which moisture removal processes are used, and desires a non-exclusive license under the Patents to practice the licensed process, method and/or system that are covered by the Patents (the “Licensed Process”);

NOW, THEREFORE, in consideration of the above recitals and subject to the terms and conditions set forth below, the parties agree as follows:

LICENSE

1. **GRANT OF LICENSE.** Subject to the terms and conditions of this Patent License, LICENSOR hereby grants to LICENSEE, and LICENSEE hereby accepts, a non-exclusive, non-transferrable, terminable right and license for the Territory and during the Term to use, practice and/or to commercially exploit the Licensed Process, without a right to sublicense.
2. **TERRITORY.** The Territory for the Patent License is the United States of America, its territories, trust lands and possessions.
3. **TERM.** The initial Term of this Patent License commences as of the Effective Date and terminates at 11:59 p.m. on December 31st of the same calendar year. Provided that (a) LICENSEE is not in default of any provision of this Patent License, or any default by LICENSEE has been expressly waived in writing by LICENSOR, (b) LICENSOR has not provided written notice of its refusal to continue the Patent License in force, or (c) LICENSEE has not become dissolved, terminated its business, filed a petition in bankruptcy, been adjudicated a bankrupt or insolvent, or made an assignment for the benefit of creditors, then this Patent License shall automatically renew beyond December 31st for the next succeeding full calendar year, to terminate at 11:59 p.m. on the following December 31st, subject to the same renewal procedure during each successive calendar year thereafter.
4. **COMPENSATION AND REPORTING.**
 - a. **PATENT LICENSE FEE.** There is due and payable to LICENSOR hereunder a Patent License Fee equal to \$150.00 US, plus any applicable sales or use tax not otherwise exempt from collection, for each and every housing unit on which LICENSEE commences construction. LICENSOR shall invoice LICENSEE for this fee approximately sixty days following issuance of a building permit to LICENSEE or for LICENSEE’S benefit. The invoice is due and payable in full no later than thirty days following the date of invoice. All past due invoices accrue interest at 9% per annum from the due date until paid in full. Payment is not effective until receipt of collected funds received by LICENSOR at its business address in U.S. funds. LICENSOR is permitted to modify the Patent

License Fee following thirty days advance written notice to LICENSEE. Notwithstanding the foregoing, the LICENSEE shall receive a credit from LICENSOR equal to the Patent License Fee for each housing unit on which LICENSEE commences construction where the Licensed Process is provided by a third-party service provider who is licensed at the time by LICENSOR to provide the Licensed Process.

b. REPORTING. No later than January 10, April 10, July 10 and October 10 of each calendar year during the Term, or at such other reasonable times as may be requested in writing by LICENSOR, LICENSEE shall provide LICENSOR with a written statement in a form acceptable to LICENSOR certifying the addresses of new home building permits obtain by, or for the benefit of, LICENSEE during the immediately preceding calendar quarter. The receipt or acceptance by LICENSOR of any reporting statement or payment shall not prevent LICENSOR from subsequently challenging the validity or accuracy of such statement or payment.

c. AUDIT. LICENSOR shall have the right upon at least thirty days prior written notice to LICENSEE to inspect LICENSEE'S books and records in order to verify the accuracy and completeness of the Patent License Fee and reporting statements made by LICENSEE. All books and records relevant to LICENSEE'S obligations under this Patent License agreement shall be maintained and kept accessible and available for inspection for at least three (3) years after the end of the calendar year for which a Patent License Fee is due. In the event that the inspection reveals an underpayment by LICENSEE, then LICENSEE shall promptly pay the difference plus interest accrued thereon at 9% per annum from the date that the underpayment should have initially been paid, and plus LICENSEE shall reimburse LICENSOR for the reasonable cost of the inspection.

d. ENHANCED PATENT LICENSE FEE. In the event that LICENSEE fails to timely identify a housing unit to LICENSOR, or in the event that LICENSEE becomes in default of any provision of this Patent License agreement, then as a condition for reinstating LICENSEE under this Patent License LICENSOR may assess an enhanced Patent License Fee of \$1,000 for the first instance of failed reporting or default, and \$5,000 for any additional instance of failed reporting or default, together with all other claims and damages to which LICENSOR is entitled under this agreement. Notwithstanding this paragraph, LICENSOR is not required to reinstate LICENSEE under this Patent License agreement or to waive any breach hereunder.

5. CONFIDENTIALITY. The provisions of this Patent License agreement, including the Patent License Fee, the LICENSEE'S payments hereunder and the LICENSOR'S business practices are confidential and trade secrets of LICENSOR and shall not be disclosed by LICENSEE or its assigns, agents and representatives. The information obtained by LICENSOR from LICENSEE relating to LICENSEE'S business is confidential and trade secrets of LICENSEE and shall not be disclosed by LICENSOR or its assigns, agents and representatives. Notwithstanding the foregoing, the confidential information and trade secrets may be disclosed by a party to its legal and financial advisors for purposes of applying the provisions of this Patent License agreement and may be disclosed by a party pursuant to legal process or court order.

6. PATENT NOTIFICATION. LICENSEE is required to notify its customers that the moisture removal process being applied to a housing unit is covered by one or more of the Patents owned by Licensor, and to explicitly identify the Patent to its customers as U.S. Patent No. 8,567,688.

7. TERMINATION OF AGREEMENT.

a. BY LICENSOR. LICENSOR shall have the right to terminate immediately this agreement by giving written notice to LICENSEE in the event that any of the following events occur:

i. A petition in bankruptcy is filed by or against LICENSEE, or LICENSEE is adjudicated a

- bankrupt or insolvent, or LICENSEE makes an assignment for the benefit of creditors or an arrangement pursuant to any bankruptcy law, or if LICENSEE becomes dissolved or terminates its business, or if a receiver is appointed for LICENSEE or for its business and such receiver is not discharged within thirty days.
- ii. LICENSEE assigns, or attempts to assign, its rights under this agreement without prior written consent of LICENSOR.
 - iii. LICENSEE becomes in default of this agreement and fails to cure the default to the satisfaction of LICENSOR within sixty days following written demand to cure default from LICENSOR.
- b. BY LICENSEE. LICENSEE shall not terminate this agreement except with the prior written consent of LICENSOR.
 - c. BY EXPIRATION OF PATENT. Notwithstanding the foregoing, this agreement terminates automatically upon expiration of the terms of the Patents.
8. NO PATENT CHALLENGE. LICENSEE, its assigns, agents and representatives, shall not take any action or position challenging the validity, existence and enforceability of the Patents. LICENSEE expressly waives any and all claims it may have regarding the validity, existence and enforceability of the Patents.
9. RIGHT OF USE. This agreement grants certain rights to LICENSEE. The LICENSEE is free to exercise the rights provided for hereunder so long as this agreement remains in effect and LICENSEE is not in breach. LICENSEE does not have the right to claim any credit or offset from any compensation due to LICENSOR hereunder in the event LICENSEE fails to use the rights provided for hereunder.
10. NO WARRANTIES BY LICENSOR. LICENSOR makes no warranties express or implied, including no warranties of merchantability or of fitness for a particular purpose, concerning the Patents or Licensed Process, including, but not limited to, the validity or enforceability of the Patents, and Licensor hereby expressly disclaims any and all representations and warranties, whether express or implied, that the Licensed Process does not infringe any third party's intellectual property rights.
11. DEFEND, INDEMNIFICATION AND HOLD HARMLESS. LICENSEE is solely responsible for practicing and applying the Licensed Process, and for using the Patents. LICENSOR does not warrant or guaranty the effectiveness of the Licensed Process as used by LICENSEE or any third-party service provider. Accordingly, LICENSEE shall defend, hold harmless and indemnify LICENSOR, its agents, representatives and assigns, from any and all claims, demands and actions arising from or relating to the use and application of the Licensed Process.
12. NO ASSIGNMENT, NO SUBLICENSE, NO THIRD PARTY RIGHTS. LICENSEE shall not assign its rights and obligations hereunder to any third party without the prior written consent of LICENSOR. LICENSEE shall not sublicense any rights hereunder to a third party. This agreement does not, and shall not be interpreted to, provide any third party beneficiary rights.
13. NO CONTINUING WAIVER. No waiver by either party of any default shall be deemed as a waiver of prior or subsequent default of the same or other provision of this agreement.
14. ATTORNEYS' FEES. In the event of any action or proceeding to enforce this agreement or to collect any obligation owed hereunder, whether or not a lawsuit is filed, then the prevailing party shall be entitled to an award of its reasonable attorneys' fees incurred prior to commence of litigation, during litigation or in any appeal.

15. GOVERNING LAW, JURISDICTION, AND VENUE. This agreement shall be governed by the laws of Oregon, other than its choice of law rules, and by relevant federal substantive law. All disputes hereunder shall be resolved in the applicable state or federal courts of Oregon. The parties consent to the jurisdiction of such courts, agree to accept service of process by mail, and waive any jurisdictional or venue defenses otherwise available.

16. NOTICES. Any notice permitted or required to be given under this agreement shall be in writing and delivered personally to the other party at the respective business address set out below, or mailed by certified, registered or Express Mail, return receipt requested, or by via overnight courier with next day delivery, to the respective business address set out below. Either party may change the address to which notice is to be sent by written notice to the other party as provided herein.

17. BINDING ON SUCCESSORS. This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their heirs, administrators, and if permitted successors and assigns.

18. INTEGRATION. LICENSEE acknowledges reading and understanding this agreement, and acknowledges that by entering into the agreement it agrees to be bound by its terms and conditions. LICENSEE further agrees that this agreement constitutes the entire understanding of the parties, and revokes and supersedes all prior discussions, understandings, communications and agreements between the parties and is intended as a final expression of their agreement. It shall not be modified or amended except in writing signed by the parties hereto and specifically referring to this agreement. This agreement shall take precedence over any other documents that may be in conflict therewith.

19. EFFECTIVE DATE. This agreement shall take effect the latter of the dates set out below.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have each caused to be affixed hereto its or his/her hand and seal the day indicated.

LICENSOR	LICENSEE
SAVANNAH IP, INC. 14200 S.W. McLoughlin Blvd., Ste. G Milwaukie, Oregon 97267 Attn: Robert Weisenberger Phone: (971) 801-6778 EIN: _____	Name: _____ Address: _____ _____ Phone: _____ Signature: _____ Print Name: _____ Title: _____ Date: _____
Signature: _____ Print Name: _____ Title: _____ Date: _____	Signature: _____ Print Name: _____ Title: _____ Date: _____