

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 8, 2023

C-Bond Systems, Inc.
(Exact name of registrant as specified in its charter)

Colorado
(State or Other Jurisdiction
of Incorporation)

0-53029
(Commission File Number)

26-1315585
(IRS Employer
Identification Number)

6035 South Loop East, Houston, TX 77033
(Address of principal executive offices) (zip code)

(832) 649-5658
(Registrant's telephone number, including area code)

(Former Name or Former Address if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Not applicable	Not applicable	Not applicable

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On May 8, 2023, C-Bond Systems, Inc. (the "Company") entered into an Asset Purchase Agreement (the "APA") with Apex Protect GPS, LLC (the "Buyer"), a Texas limited liability company, whereby the Company agreed to sell its C-Bond nanoShield™ business, including intangible assets, intellectual property, work in process, furniture, fixtures, equipment, inventory and other physical assets of the Company's C-Bond nanoShield division (the "Assets") to the Buyer for a purchase price of \$4,000,000 in cash (the "Transaction"). The Transaction closed on May 8, 2023.

The Assets were sold and transferred to buyer by means of (i) with respect to the physical assets, a Bill of Sale"; and (ii) with respect to intangible assets or intellectual property, a Patent and Trademark Assignment Agreement in the form attached hereto as Exhibit 10.1, a Patent and Know-How License Agreement in the form attached hereto as Exhibit 10.2, and a Patent License-Back Agreement in the form attached hereto as Exhibit 10.3.

The APA contains customary representations, warranties, and covenants by each party including, among other things, that no bankruptcy or similar insolvency proceeding under state or federal law has been filed, or is currently being contemplated, with respect to the Company; that the Company has provided the Seller a true and accurate list of each of the following items of Intellectual Property which comprises a part of the Assets, including, among other things, patents and trademarks (the "Sold Intellectual Property"); and that the Company has good, valid, and legal title to, and is the sole and exclusive owner of all rights, title and interest in and to, the Sold Intellectual Property, free and clear of all liens.

Under the terms of the APA, the Parties entered into a Patent and Trademark Assignment Agreement, whereby the Company conveyed, transferred, and assigned to Buyer, among other assets, the C-Bond nanoShield trademark (the "Trademark") and U.S. Patent No. 11,155,491 B2 (the "C-Bond nanoShield Patent"), and the Company agreed to execute and deliver an assignment of the Trademark and C-Bond nanoShield Patent, for recording with governmental authorities including, but not limited to, the U.S. Patent and Trademark Office.

The Parties also entered into a Patent and Know-How License Agreement whereby the Company granted to the Buyer a non-transferable, non-sub-licensable, exclusive right and license to four patents owned by the Company and licensed know-how to make, have made, use, offer to sell, sell and import glass and other products and components

used in or in relation to the manufacture and operation of civilian, agricultural or military vehicles and equipment (the “Licensed Product”) in the United States and its legal territories.

Lastly, the Parties entered into a Patent License-Back Agreement whereby the Buyer agreed to grant to the Company a perpetual, non-exclusive, worldwide, royalty-free, non-transferable, non-sublicensable license to the C-Bond nanoShield Patent, for all uses and applications except for any that involve, market to, sell to, do business with, provide related goods or services to, or are consumed by any uses and applications of the patented technology within the civilian or military automotive, vehicle and/or transportation industry. The Patent License-Back Agreement also stipulates that all improvements made by either Party to the technology covered by the C-Bond nanoShield Patent shall be owned by the Buyer. In the event that the Company desires to utilize such improvements to the C-Bond nanoShield Patent made by either Party, the Parties hereby agree that they will negotiate in good faith a separate license agreement having pricing and other terms and conditions that are mutually acceptable to both Parties.

The discussion herein regarding the APA, the Patent and Trademark Assignment Agreement, the Patent and Know-How License Agreement, and the Patent License-Back Agreement are qualified in its entirety by reference to the APA, the Patent and Trademark Assignment Agreement, the Patent and Know-How License Agreement, and the Patent License-Back Agreement attached hereto as Exhibits 2.1, 10.1, 10.2, and 10.3, respectively.

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Item 2.01 Completion of Acquisition or Disposition of Assets.

On May 8, 2023, the Company closed the APA with the Buyer. The information disclosed in Item 1.01 of this Current Report on Form 8-K regarding the APA is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

Exhibit Number	Description
2.1	Asset Purchase Agreement dated May 8, 2023, by and among C-Bond Systems, Inc. and Apex Protect GPS, LLC
10.1	Form of Patent and Trademark Assignment Agreement dated May 8, 2023, by and between C-Bond Systems, Inc. and Apex Protect GPS, LLC
10.2	Form of Patent and Know-How License Agreement dated May 8, 2023, by and between C-Bond Systems, Inc. and Apex Protect GPS, LLC
10.3	Form of Patent License-Back Agreement dated May 8, 2023, by and between C-Bond Systems, Inc. and Apex Protect GPS, LLC
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

C-Bond Systems, Inc.

Date: May 12, 2023

By: /s/ Scott R. Silverman
Name: Scott R. Silverman
Title: Chief Executive Officer

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Asset Purchase Agreement

by and among

C-Bond Systems Inc.

And

Apex Protect GPS, LLC

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Exhibits

Exhibit A	Assets and Purchase Price Allocation
Exhibit B	Bill of Sale
Exhibit C	Patent and Trademark Assignment Agreement
Exhibit D	Patent and Know-How License Agreement
Exhibit E	Patent License-Back Agreement

Asset Purchase Agreement

Dated as of May 8, 2023

This Asset Purchase Agreement (this "Agreement") is entered into as of the date first set forth above (the "Closing Date") by and between (i) C-Bond Systems Inc., a Colorado corporation ("Seller"), and (ii) Apex Protect GPS, LLC, a limited liability company organized pursuant to the laws of the State of Texas (the "Buyer"). Each of the Buyer and Seller may be referred to herein collectively as the "Parties" and separately as a "Party".

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Assets (as defined below) of Seller's nanoShield division ("Business") upon the terms and subject to the conditions set forth in this Agreement;

NOW THEREFORE, on the stated premises and for and in consideration of the mutual covenants and agreements hereinafter set forth and the mutual benefits to the Parties to be derived herefrom, and intending to be legally bound hereby, it is hereby agreed as follows:

ARTICLE I. Definitions and Interpretation

Section 1.01 Definitions. In addition to the other terms defined herein, the following terms, as used herein, have the following meanings

- (a) "Action" means any legal action, suit, claim, investigation, hearing or proceeding, including any audit, claim or assessment for taxes or otherwise.
- (b) "Affiliate" means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person.
- (c) "Authority" means any government, any governmental, quasi- governmental or regulatory entity or body, department, commission, board, agency or instrumentality, and any arbitrator, court, tribunal or judicial body of competent jurisdiction, any stock exchange or similar self-regulatory organization, or body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature, in each case whether federal, state, county, provincial, and whether local or foreign.
- (d) "Business Day" means any day that is not a Saturday, Sunday or other day on which banking institutions in Texas are authorized or required by law or executive order to close.
- (e) "Buyer Organizational Documents" means the certificate of formation and other organizational documents of Buyer as Buyer is required to have under any applicable Law.
- (f) "Control" of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise.
- (g) "Enforceability Exceptions" means (a) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar Laws of general application affecting enforcement of creditors' rights generally and (b) general principles of equity.

- (h) "Intellectual Property" means all rights in intellectual property of any type throughout the world, including, but not limited to: (i) patents, patent applications and statutory invention registrations, including, but not limited to, continuations, continuations-in-part, divisions, provisional and non-provisional applications, reexaminations, reissues and extensions; (ii) trademarks, service marks, trade names, brand names, logos and corporate names, slogans, trade dress and other indicia of source of origin, whether or not registered, including all common law rights thereto and all goodwill associated therewith, and registrations and applications for registration thereof; (iii) writings, images, content and other expressive works, whether copyrightable or not, in any jurisdiction, and all copyrights, including design rights, whether registered or common law, and registrations and applications for registration thereof, including the right to make derivative works and all other associated statutory rights; (iv) all rights existing in any database, including database rights, design rights and industrial property rights; (v) trade secrets, confidential information and know-how, including product development, testing and calibration algorithms and methods; (vi) domain names; (vii) rights of publicity and privacy, rights to personal information and moral rights; (viii) shop rights; (ix) inventions (whether patentable or unpatentable), invention disclosures, mask works, circuit designs and other designs, topography rights, industrial design rights, discoveries, ideas, developments, data, works of authorship, Software, confidential or proprietary technical, business and other information, including, but not limited to processes, techniques, methods, formulae, designs, product specifications, algorithms, supplier information, prospect lists, customer lists, projections, analyses, market studies; (x) all rights to any of the foregoing provided in international treaties and convention rights; (xi) the right and power to assert, defend and recover title to any of the foregoing; (xii) all rights to assert, defend and recover for any past, present and future infringement, misuse, misappropriation, impairment, unauthorized use or other violation of any of the foregoing; and (xiii) all administrative rights arising from the foregoing, including the right to prosecute applications and oppose, interfere with or challenge the applications of others, the rights to obtain renewals, continuations, divisions, and extensions of legal protection pertaining to any of the foregoing
- (i) "Law" means any domestic or foreign, federal, state, municipality or local law, statute, ordinance, code, rule, or regulation.
- (j) "Lien" means any mortgage, lien (including tax liens), pledge, charge, security interest or encumbrance of any kind in respect of such asset, and any conditional sale or voting agreement or proxy, including any agreement to give any of the foregoing.
- (k) "Person" means an individual, corporation, partnership (including a general partnership, limited partnership or limited liability partnership), limited liability company, association, trust or other entity or organization, including a government, domestic or foreign, or political subdivision thereof, or an agency or instrumentality thereof.
- (l) "Representative" means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.
- (m) "Seller Organizational Documents" means the articles of incorporation and other organizational documents of Seller as Seller is required to have under any applicable Law.

- (n) "Transaction Documents" means this Agreement, the Bill of Sale, the IP Agreements and any other document, certificate or agreement to be delivered hereunder or in connection with the Transactions.
- (o) "Transactions" means the purchase and sale of the Assets and the other transactions as contemplated herein or in the other Transaction Documents.
- (p) "Work In Process" means any product orders acquired by Seller through the ordinary course of business but will be fulfilled by Buyer after Closing.

Section 1.02 Interpretive Provisions. Unless the express context otherwise requires: (i) the words "hereof," "herein," and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement; (ii) terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa; (iii) the terms "Dollars" and "\$" mean United States Dollars, unless otherwise specified herein; (iv) references herein to a specific Section or Exhibit shall refer, respectively, to Sections or Exhibits of this Agreement; (v) wherever the word "include," "includes," or "including" is used in this Agreement, it shall be deemed to be followed by the words "without limitation"; (vi) references herein to any gender shall include each other gender; (vii) references herein to any Person shall include such Person's heirs, executors, personal Representatives, administrators, successors and assigns; provided, however, that nothing contained herein is intended to authorize any assignment or transfer not otherwise permitted by this Agreement; (viii) references herein to a Person in a particular capacity or capacities shall exclude such Person in any other capacity; (ix) references herein to any contract or agreement (including this Agreement) mean such contract or agreement as amended, supplemented or modified from time to time in accordance with the terms thereof; (x) with respect to the determination of any period of time, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding"; (xi) references herein to any Law or any license mean such Law or license as amended, modified, codified, reenacted, supplemented or superseded in whole or in part, and in effect from time to time; and (xii) references herein to any Law shall be deemed also to refer to all rules and regulations promulgated thereunder.

ARTICLE II. Purchase and Sale

Section 2.01 The Purchase and Sale.

- (a) On the terms and subject to the conditions set forth in this Agreement, on the Closing Date (as defined below), the Seller, who holds beneficial ownership of the Assets, shall sell, assign, transfer and deliver to the Buyer, free and clear of all Liens, all of the Assets. The "Assets" shall be comprised of the intangible assets, intellectual property, Work In Process, furniture, fixtures, equipment, inventory and other physical assets of Seller's nanoShield division as set forth on Exhibit A and any and all rights of Seller in and to the Assets. The Parties acknowledge and agree that the Assets shall specifically not include any cash or accounts receivable related to the Assets to the extent accruing prior to the Closing Date.
- (b) The Assets shall be sold and transferred to buyer by means of (i) with respect to the physical assets, a Bill of Sale, in the form as attached hereto as Exhibit B (the "Bill of Sale"); and (ii) with respect to intangible assets or intellectual property, a Patent and Trademark Assignment Agreement in the form as attached hereto as Exhibit C, a Patent and Know-How License Agreement in the form attached hereto as Exhibit D, and a Patent License-Back Agreement in the form as attached hereto as Exhibit E (collectively Exhibit C, Exhibit D and Exhibit E, the "IP Agreements").

- (c) The purchase price for the Assets shall be \$4,000,000 (the "Purchase Price"). The Purchase Price shall be allocated amongst the various assets as set forth on Exhibit A.
- (d) The Parties acknowledge and agree that Buyer will be responsible for, and does assume liability for, the ownership and operation of the Assets on and following the Closing Date and for the fulfillment of the terms of the Lease on and following the Closing Date.

- (e) Other than as specifically set forth herein, the Seller is selling the Assets to Buyer, and Buyer is acquiring the Assets from Seller, on an “as-is” basis and condition. EXCEPT FOR THE WARRANTY OF TITLE OR AS OTHERWISE SET FORTH HEREIN, SELLER MAKES NO OTHER REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE ASSETS AND EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Section 2.02 Closing And Payments.

- (a) The closing of the transactions contemplated by this Agreement (the “Closing”) shall occur on the Closing Date immediately following the execution of this Agreement, by electronic exchange of signature pages to the Transaction Documents and wire transfer of funds as set forth herein.
- (b) At the Closing, the Buyer shall deliver to the Seller:
- (i) the Purchase Price, via wire transfer pursuant to the wire transfer instructions provided from the Seller to the Buyer;
 - (ii) A copy of the Bill of Sale, duly executed by an officer of the Buyer; and
 - (iii) A copy of the IP Agreements, each duly executed by an officer of the Buyer.
- (c) At the Closing, the Seller shall deliver to the Buyer:
- (i) A copy of the Bill of Sale, duly executed by an officer of the Seller;
 - (ii) A copy of the IP Agreements, each duly executed by an officer of the Seller; and
 - (iii) A Uniform Commercial Code (UCC) search (“UCC Search”) of Seller prepared by a reporting service and dated not earlier than 3 days before the Closing Date identifying all documents on file with the Secretaries of State of the States of Texas and Colorado that relate to the Assets.
- (d) The Parties acknowledge and agree that certain of the Assets are secured by lenders to or creditors of the Seller. At the Closing, the Seller shall have the right to direct certain portions of the Purchase Price to such lenders or creditors such that the security interests in the applicable Assets shall be released. Within 3 business days of Closing, Seller shall provide evidence reasonably satisfactory to Buyer and its counsel that such all items revealed on the UCC Search have been fully released.

- (e) At and following the Closing, the Parties shall execute, acknowledge, and deliver (or shall ensure to be executed, acknowledged, and delivered), any and all certificates, opinions, financial statements, schedules, agreements, resolutions, rulings or other instruments required by this Agreement or as may be reasonably requested by the Parties and their respective legal counsel in order to effectuate or evidence the Transactions.

Section 2.03 Engagement. Following the Closing, the Buyer shall engage each of Howard Pinoos, Godred Etse and Erik Koep as employees of, or independent contractors to, the Buyer, each at the same compensation and fee rates as in place with such persons as of the Closing Date.

Section 2.04 Taxes. Each Party will pay all sales, use, value added, transfer, stamp, registration, documentary, excise, real property transfer or gains, or similar taxes imposed on such Party by applicable law as a result of the Transactions.

Section 2.05 Lease. Following the Closing, the Parties shall reasonable cooperate to complete a transaction wherein C-Bond Systems, LLC, a Texas limited liability company and a wholly owned subsidiary of the Seller (“C-Bond LLC”) shall assign to Buyer, and Buyer shall take assignment from C-Bond LLC, the lease for the premises located at 6035 South Loop East, Houston, Texas 77033 (the “Lease”) pursuant to a lease assignment and assumption agreement as to be reasonably agreed to by the Parties and the lessor pursuant to the Lease.

ARTICLE III. Representations and Warranties of the Seller

As an inducement to, and to obtain the reliance of the Buyer, the Seller represents and warrant to the Buyer, as of the Closing Date, as follows:

Section 3.01 Existence and Power. Seller is a corporation, duly organized, validly existing, and in good standing under the laws of the State of Colorado, and has the corporate company power and is duly authorized under all applicable Laws, regulations, ordinances, and orders of public authorities to carry on its business in all material respects as it is now being conducted. Seller has full corporate power and authority to carry on its businesses as it is now being conducted and as now proposed to be conducted and to own or lease its properties and assets.

Section 3.02 Due Authorization. The execution, delivery and performance of this Agreement and the other Transaction Documents does not, and the consummation of the Transactions will not, violate any provision of the Seller Organizational Documents. Seller has taken all actions required by Law, the Seller Organizational Documents or otherwise to authorize the execution, delivery and performance of this Agreement and the other Transaction Documents and to consummate the Transactions.

Section 3.03 Valid Obligation. This Agreement and the other Transaction Documents executed by Seller in connection herewith constitute the valid and binding obligations of Seller enforceable in accordance with their respective terms, except as may be limited by the Enforceability Exceptions. Neither the execution, delivery and performance by the Seller of this Agreement or any other Transaction Documents to which it is, or is specified to be, a party will contravene, violate or conflict with or result in the breach of or constitute a default under any of the Seller Organizational Documents, contravene, conflict with, or violate, or give any Authority or other Person the right to challenge any of the Transactions, or to exercise any remedy or obtain any relief under, any Law or governmental order to which the Seller or any of the Assets could be subject.

Section 3.04 Governmental Authorization. Neither the execution, delivery nor performance of this Agreement or any of the Transaction Documents by Seller requires any consent, approval, license or other action by or in respect of, or registration, declaration or filing with any Authority.

Section 3.05 Approval of Agreement. The Board of Directors of Seller has authorized the execution and delivery of this Agreement and the other Transaction Documents by Seller and has approved this Agreement and the transactions contemplated hereby as evidenced by a resolution to be provided to Buyer at Closing.

Section 3.06 Adverse Actions. There are no actions, suits or proceedings pending or, to the knowledge of Seller, threatened against Seller which would reasonably be expected to adversely affect the power or authority of the Seller to carry consummate the Transactions or which could reasonably be expected to give rise to the Enforceability

Exceptions being applicable to foreclose or limit such actions, suits or proceedings.

Section 3.07 Bankruptcy or Insolvency. No bankruptcy or similar insolvency proceeding under state or federal law has been filed, or is currently being contemplated, with respect to the Seller.

Section 3.08 Compliance. Seller is not (a) in default under, and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Seller under, nor has the Seller received notice of a claim that they are in default under, any loan agreement or any other agreement or instrument to which it is a party, (b) in violation of any judgment, decree or order of any state or local court, arbitrator or other governmental authority or (c) in violation of any federal, state or local statute, rule, ordinance or regulation of any governmental authority, including without limitation all federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, in each case as could reasonably be expected to materially and adversely affect the ability of the Seller to consummate the Transactions or fulfill its obligations pursuant to the Transaction Documents.

Section 3.09 Ownership of Assets. Seller is the record and beneficial owner of the Assets free and clear of all Liens, encumbrances, leaseholds, licenses, actions, demands, purchase rights, claims, pledges, mortgages, security interests, or other limitations or restrictions whatsoever. Upon delivery to Buyer of the Bill of Sale, Buyer will acquire lawful, valid and marketable title to the Assets free and clear of all liens, encumbrances, leaseholds, actions, demands, purchase rights, claims, pledges, mortgages, security interests, or other limitations or restrictions whatsoever, other than those imposed pursuant to the Transaction Documents. Other than pursuant to this Agreement, no Person has any rights to purchase or receive any of the Assets or any interests therein.

Section 3.10 Brokers. No agent, broker, finder or investment banker is entitled to any brokerage, finder's or similar fee or commission from the Seller in connection with the Transactions based upon arrangements made by or on behalf of the Seller.

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Section 3.11 Environmental. Seller has not received any written notice from any governmental authority alleging, nor does Seller have any knowledge of, any violations of Environmental Laws that are applicable to the Business and/or the premises made the subject of the Lease. As used herein, the term "Environmental Laws" shall mean all applicable federal, state and local laws, statutes, regulations, rules, ordinances and common law, and all judgments, decrees, orders, agreements or permits, issued, promulgated, approved or entered thereunder by any governmental authority relating to pollution or Hazardous Materials or protection of human health or the environment, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, as amended. As used herein, the term "Hazardous Materials" means any waste, pollutant, chemical, hazardous substance, toxic substance, hazardous waste, special waste, solid waste, asbestos, radioactive materials, polychlorinated biphenyls, petroleum or petroleum-derived substance or waste, or any constituent or decomposition product of any such pollutant, material, substance or waste, regulated under or as defined by any Environmental Law.

Section 3.12 Payment of Taxes. Seller has filed all federal, state and local governmental tax returns required to be filed by it in accordance with the provisions of law pertaining thereto. To Seller's knowledge, all such tax returns were and are correct and complete in all material respects. Seller has paid all taxes and assessments (including, without limitation of the foregoing, income, excise, unemployment, social security, occupation, franchise, property and import taxes, duties or charges and all penalties and interest in respect thereof) required to have been paid pursuant to applicable law, and Seller will pay all taxes and assessments required to be paid for all periods through the Closing Date (whether or not such payments are due prior to or following the Closing Date).

Section 3.13 No Untrue Representations. No representation or warranty made by Seller in this Agreement, and no statement contained in any agreement, instrument, certificate or schedule furnished or to be furnished by Seller pursuant hereto, contain or will contain any untrue statement of fact or omits or will omit to state a fact necessary in order to make such representation or warranty or such statement not materially misleading.

Section 3.14 Intellectual Property.

- (a) Exhibit A contains a true, complete and accurate list of each of the following items of Intellectual Property which comprises a part of the Assets (the "Sold Intellectual Property"): (i) patents and patent applications; (ii) trademarks, service marks, trade names and corporate names, that are either registered or pending as of the Closing Date; (iii) registered copyrights and applications for and registrations of such copyrights; (iv) domain names and registrations thereof. Exhibit A accurately sets forth, where applicable, the following for each item required to be listed on Exhibit A: Patent number, application number, registration number, filing date, date of issuance, applicant, title, mark or name, owner(s), country of origin, domain name registrar, and the next fee and other obligations due within 6 months of the Closing Date, required to maintain or prosecute such Intellectual Property.
- (b) Except as may be described in Exhibit A, Seller has good, valid, and legal title to, and is the sole and exclusive owner of all rights, title and interest in and to, the Sold Intellectual Property, free and clear of all Liens. Seller has the right to use and otherwise exploit, in the manner currently used or exploited by the Seller, as well as in any manner necessary for the operation of the business the Sold Intellectual Property, any Seller software and all other Intellectual Property used or exploited by the Seller.

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- (c) Each item of Sold Intellectual Property, is valid and enforceable, and there is no pending action, claim or allegation asserting the invalidity or unenforceability of any item of Sold Intellectual Property. In no instance have rights in any Sold Intellectual Property been dedicated to the public domain.
- (d) Neither the Seller (including, without limitation, directly, as a contributory infringer, through inducement or otherwise), nor any of the Sold Intellectual Property has infringed, misappropriated or otherwise violated, any Intellectual Property of any third party.
- (e) There has been no claim made, threatened, against the Seller (and the Seller has not been a party to any Action including such a claim), and the Seller has not received or provided notice of any such claim or other communication: (i) asserting the infringement, misappropriation or other violation of any of the Sold Intellectual Property; (ii) asserting the invalidity, misuse or unenforceability of any Sold Intellectual Property; (iii) challenging the Seller's ownership of or rights to use, license or otherwise exploit any of the Sold Intellectual Property; (iv) asserting that the Seller has engaged in unfair competition, false advertising or other unfair business practices; (v) offering an "invitation to license" as a means to avoid infringement or potential infringement of any Sold Intellectual Property; or (vi) otherwise asserting claims or allegations affecting or that would, if established, affect the ability of the Seller to make, use, offer to sell or sell any of the Sold Intellectual Property. There is no proceeding or action before any court or tribunal (including the United States Patent and Trademark Office or equivalent authority anywhere in the world) related to any Sold Intellectual Property.
- (f) The Seller has taken all actions reasonably necessary to maintain and protect the Sold Intellectual Property.
- (g) The consummation of the transactions contemplated by this Agreement will not alter, impair or extinguish any of the Seller's rights in the Sold Intellectual Property.

As an inducement to, and to obtain the reliance of the Seller, the Buyer represents and warrants to the Seller as of the Closing Date, as follows:

Section 4.01 Existence and Power. Buyer is a limited liability company, duly organized, validly existing, and in good standing under the laws of the State of Texas, and has the corporate company power and is duly authorized under all applicable Laws, regulations, ordinances, and orders of public authorities to carry on its business in all material respects as it is now being conducted. Buyer has full corporate power and authority to carry on its businesses as it is now being conducted and as now proposed to be conducted and to own or lease its properties and assets.

Section 4.02 Due Authorization. The execution, delivery and performance of this Agreement and the other Transaction Documents does not, and the consummation of the Transactions will not, violate any provision of the Buyer Organizational Documents. Buyer has taken all actions required by Law, the Buyer Organizational Documents or otherwise to authorize the execution, delivery and performance of this Agreement and the other Transaction Documents and to consummate the Transactions.

Section 4.03 Valid Obligation. This Agreement and the other Transaction Documents executed by Buyer in connection herewith constitute the valid and binding obligations of Buyer enforceable in accordance with their respective terms, except as may be limited by the Enforceability Exceptions. Neither the execution, delivery and performance by the Buyer of this Agreement or any other Transaction Documents to which it is, or is specified to be, a party will contravene, violate or conflict with or result in the breach of or constitute a default under any of the Buyer Organizational Documents, contravene, conflict with, or violate, or give any Authority or other Person the right to challenge any of the Transactions, or to exercise any remedy or obtain any relief under, any Law or governmental order to which the Buyer or any of the Assets could be subject.

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Section 4.04 Governmental Authorization. Neither the execution, delivery nor performance of this Agreement or any of the Transaction Documents by Buyer requires any consent, approval, license or other action by or in respect of, or registration, declaration or filing with any Authority.

Section 4.05 Approval of Agreement. The Manager of Buyer has authorized the execution and delivery of this Agreement and the other Transaction Documents by Buyer and has approved this Agreement and the Transactions.

Section 4.06 Bankruptcy or Insolvency. No bankruptcy or similar insolvency proceeding under state or federal law has been filed, or is currently being contemplated, with respect to the Company.

Section 4.07 Compliance. The Buyer is not (a) in default under, and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company under, nor has the Company received notice of a claim that they are in default under, any loan agreement or any other agreement or instrument to which it is a party, (b) in violation of any judgment, decree or order of any state or local court, arbitrator or other governmental authority or (c) in violation of any state or local statute, rule, ordinance or regulation of any governmental authority, including without limitation all state and local laws relating to cannabis, taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters.

Section 4.08 Brokers. No agent, broker, finder or investment banker is entitled to any brokerage, finder's or similar fee or commission from the Buyer in connection with the Transactions based upon arrangements made by or on behalf of the Buyer.

Section 4.09 No Untrue Representations. No representation or warranty made by Buyer in this Agreement, and no statement contained in any agreement, instrument, certificate or schedule furnished or to be furnished by Buyer pursuant hereto, contain or will contain any untrue statement of fact or omits or will omit to state a fact necessary in order to make such representation or warranty or such statement not materially misleading.

ARTICLE V. Indemnification

Section 5.01 Indemnification of Buyer. Seller and C-Bond, LLC, jointly and severally, hereby agree to indemnify and hold harmless to the fullest extent permitted by applicable law the Buyer, C-Bond LLC, each of their respective Affiliates and each of its and their respective members, managers, partners, directors, officers, employees, stockholders, attorneys and agents and permitted assignees (each a "Buyer Indemnified Party"), against and in respect of any and all out-of-pocket loss, cost, payments, demand, penalty, forfeiture, expense, liability, judgment, deficiency or damage, and diminution in value or claim (including actual costs of investigation and attorneys' fees and other costs and expenses) (all of the foregoing collectively, "Losses") incurred or sustained by any Buyer Indemnified Party as a result of or in connection with (i) any breach, inaccuracy or nonfulfillment or the alleged breach, inaccuracy or nonfulfillment of any of the representations, warranties, covenants and agreements of the Seller contained herein or in any of the Transaction Documents; and (ii) the ownership, and operation of the Assets prior to the Closing Date, including due to any Actions by any third parties with respect to the Assets for any period prior to the Closing Date.

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Section 5.02 Indemnification of Seller. The Buyer, jointly and severally, hereby agree to indemnify and hold harmless to the fullest extent permitted by applicable law the Seller and its officers, directors, employees, stockholders, attorneys and agents and permitted assignees (each a "Seller Indemnified Party"), against and in respect of any and all Losses incurred or sustained by any Seller Indemnified Party as a result of or in connection with (i) any breach, inaccuracy or nonfulfillment or the alleged breach, inaccuracy or nonfulfillment of any of the representations, warranties, covenants and agreements of the Buyer contained herein or in any of the Transaction Documents; and (ii) the ownership, and operation of the Assets on or following the Closing Date, including due to any Actions by any third parties with respect to the Assets for any period on or following the Closing Date.

Section 5.03 Indemnification Procedures. The Person making a claim under this is referred to as the "Indemnified Party" and the Party against whom such claims are asserted under this Article V is referred to as the "Indemnifying Party", provided that the term "Indemnifying Party" shall include C-Bond, LLC in the event that Seller is the Indemnifying Party and the term "Indemnifying Party" shall include in the event that Buyer is the Indemnifying Party.

Section 5.04 Procedure. The following shall apply with respect to all indemnification claims pursuant to this Article V:

- (a) *Third-Party Claims.* If any Indemnified Party receives notice of the assertion or commencement of any Action made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing (a “Third-Party Claim”) against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than thirty (30) calendar days after receipt of such notice of such Third-Party Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Third-Party Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of any Third-Party Claim at the Indemnifying Party’s expense and by the Indemnifying Party’s own counsel, and the Indemnified Party shall cooperate in good faith in such defense. In the event that the Indemnifying Party assumes the defense of any Third-Party Claim, subject to Section 5.04(b), it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third-Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right to participate in the defense of any Third-Party Claim with counsel selected by it subject to the Indemnifying Party’s right to control the defense thereof, provided that the fees and disbursements of such counsel shall be at the expense of the Indemnified Party.

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- (b) *Settlement of Third-Party Claims.* Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third-Party Claim without the prior written consent of the Indemnified Party, except as provided in this Section 5.04(b). If a firm offer is made to settle a Third-Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third-Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party consents to such firm offer the Indemnifying Party may settle the Third-Party Claim upon the terms set forth in such firm offer to settle such Third-Party Claim. If the Indemnified Party objects to such offer, or does not provide a response to such firm offer within ten days after its receipt of such notice (in which case the Indemnified Party shall be deemed to not have consented to such offer), the Indemnified Party shall thereafter assume the defense of such Third-Party Claim and shall continue to contest or defend such Third-Party Claim and in such event the maximum liability of the Indemnifying Party as to such Third-Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party has assumed the defense pursuant to this Section 5.04(b), the Indemnified Party shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).
- (c) *Direct Claims.* Any Action by an Indemnified Party on account of a Loss which does not result from a Third-Party Claim (a “Direct Claim”) shall be asserted by the Indemnified Party giving the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than thirty (30) calendar days after the Indemnified Party becomes aware of such Direct Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have thirty (30) calendar days after its receipt of such notice to respond in writing to such Direct Claim. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party’s investigation by giving such information and assistance as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such thirty (30) calendar day period, the Indemnifying Party shall be deemed to have accepted liability for such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.
- (d) *Cooperation.* Upon a reasonable request made by the Indemnifying Party, each Indemnified Party seeking indemnification hereunder in respect of any Direct Claim, hereby agrees to consult with the Indemnifying Party and act reasonably to take actions reasonably requested by the Indemnifying Party in order to attempt to reduce the amount of Losses in respect of such Direct Claim. Any costs or expenses associated with taking such actions shall be included as Losses hereunder.

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Section 5.05 Payments. Any indemnification required by this Article V for costs, disbursements or expenses of any Indemnified Party in connection with investigating, preparing to defend or defending any Action shall be made by periodic payments by the Indemnifying Party to each Indemnified Party during the course of the investigation or defense, as and when bills are received or costs, disbursements or expenses are incurred.

Section 5.06 Insurance. Any indemnification payments hereunder shall take into account any insurance proceeds or other third-party reimbursement actually received.

Section 5.07 Time Limit. The obligations of the Seller, C-Bond, LLC, Buyer and under Section 5.01 and Section 5.02 shall expire two (2) years from the Closing Date, except with respect to (i) an indemnification claim asserted in accordance with the provisions of this Article V which remains unresolved, for which the obligation to indemnify shall continue until such claim is resolved; and (ii) resolved claims for which payment has not yet been paid to the Indemnified Party.

Section 5.08 Limitations. Notwithstanding anything to the contrary in this Article V, neither Party shall be obligated to indemnify any Persons for any Losses in excess of the total Purchase Price (the “Cap”). For the avoidance of doubt, Cap shall apply (i) as to all of the Buyer Indemnified Parties collectively, and the Seller and C-Bond, LLC shall not be subject to the Cap with respect to each individual Buyer Indemnified Party; and (ii) as to all of the Seller Indemnified Parties collectively, and the Buyer and shall not be obligated to satisfy the Cap, with respect to each individual Seller Indemnified Party.

ARTICLE VI. Miscellaneous

Section 6.01 Governing Law ; Jurisdiction.

- (a) This Agreement, and any and all claims, proceedings or causes of action relating to this Agreement or arising from this Agreement or the transactions contemplated herein, including, without limitation, tort claims, statutory claims and contract claims, shall be interpreted, construed, governed and enforced under and solely in accordance with the substantive and procedural laws of the State of Texas, in each case as in effect from time to time and as the same may be amended from time to time, and as applied to agreements performed wholly within the State of Texas.

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- (b) Each of the Parties irrevocably agrees that any legal action or proceeding with respect to this Agreement and the rights and obligations arising under this Agreement, or for recognition and enforcement of any judgment or award or resolution in respect of this Agreement, shall be brought and determined exclusively in the courts of the State of Texas sitting in Harris County, Texas (the "Selected Courts"). Each of the Parties hereby irrevocably submits with regard to any such action or proceeding for itself and in respect of its property, generally and unconditionally, to the personal jurisdiction of the Selected Courts and agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than the Selected Courts. Each of the Parties hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement, (a) any claim that it is not personally subject to the jurisdiction of the Selected Courts for any reason other than the failure to serve in accordance with the provisions of this Agreement; (b) any claim that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise); and (c) to the fullest extent permitted by law, any claim that (i) the suit, action or proceeding in such court is brought in an inconvenient forum; (ii) the venue of such suit, action or proceeding is improper; or (iii) this Agreement, or the subject matter of this Agreement, may not be enforced in or by the Selected Courts.

Section 6.02 Waiver of Jury Trial. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREIN OR THE PERFORMANCE THEREOF (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS Section 6.02. EACH OF THE PARTIES ACKNOWLEDGE THAT EACH HAS BEEN REPRESENTED IN CONNECTION WITH THE SIGNING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL SELECTED BY THE RESPECTIVE PARTY AND THAT SUCH PARTY HAS DISCUSSED THE LEGAL CONSEQUENCES AND IMPORT OF THIS WAIVER WITH LEGAL COUNSEL. EACH OF THE PARTIES FURTHER ACKNOWLEDGE THAT EACH HAS READ AND UNDERSTANDS THE MEANING OF THIS WAIVER AND GRANTS THIS WAIVER KNOWINGLY, VOLUNTARILY, WITHOUT DURESS AND ONLY AFTER CONSIDERATION OF THE CONSEQUENCES OF THIS WAIVER WITH LEGAL COUNSEL.

Section 6.03 Notices.

- (a) Any notice or other communications required or permitted hereunder shall be in writing and shall be sufficiently given if personally delivered to it or sent by email, overnight courier or registered mail or certified mail, postage prepaid, addressed as follows:

If to the Seller:

C-Bond Systems Inc.
Attn: Scott R. Silverman
6035 South Loop East
Houston, TX 77033
Attn: Scott R. Silverman
E-mail: ssilverman@cbondsystems.com

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With a copy, which shall not constitute notice, to:

Anthony L.G., PLLC
Attn: John Cacomanolis
625 N. Flagler Drive, Suite 600
West Palm Beach, FL 33401
Email: JCacomanolis@anthonypllc.com

If to the Buyer:

With a copy, which shall not constitute notice, to:

- (b) Any Party may change its address for notices hereunder upon notice to each other Party in the manner for giving notices hereunder.
- (c) Any notice hereunder shall be deemed to have been given (i) upon receipt, if personally delivered, (ii) on the day after dispatch, if sent by overnight courier, (iii) upon dispatch, if transmitted by email with return receipt requested and received and (iv) three (3) days after mailing, if sent by registered or certified mail.

Section 6.04 Attorneys' Fees. In the event that any Party institutes any action or suit to enforce this Agreement or to secure relief from any default hereunder or breach hereof, the prevailing Party shall be reimbursed by the losing Party for all costs, including reasonable attorney's fees, incurred in connection therewith and in enforcing or collecting any judgment rendered therein.

Section 6.05 Public Announcements and Filings. Unless required by applicable Law or regulatory authority, none of the Parties will issue any report, statement or press release to the general public, to the trade, to the general trade or trade press, or to any third party (other than its advisors and Representatives in connection with the Transactions) or file any document, relating to this Agreement and the Transactions, except as may be mutually agreed by the Parties.

Section 6.06 Third Party Beneficiaries. This contract is strictly between the Buyer and the Seller and, except as specifically provided, no other Person and no director, officer, stockholder, employee, agent, independent contractor or any other Person shall be deemed to be a third-party beneficiary of this Agreement, provided that C-Bond LLC is an intended third party beneficiary of this Agreement and may enforce this Agreement as though a party hereto.

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Section 6.07 Expenses. Subject to Section 6.04, except as specifically set forth herein, whether or not the Closing occurs, each of the Buyer and the Seller will bear their own respective expenses, including legal, accounting and professional fees, incurred in connection with the transactions contemplated herein.

Section 6.08 Entire Agreement. This Agreement and the other Transaction Documents represent the entire agreement between the Parties relating to the subject matter thereof and supersede all prior agreements, understandings and negotiations, written or oral, with respect to such subject matter.

Section 6.09 Survival. The representations, warranties, and covenants of the respective Parties shall survive the Closing Date and the consummation of the Transactions for a period of two years.

Section 6.10 Amendment; Waiver ; Remedies.

- (a) This Agreement may be amended, modified, superseded, terminated or cancelled, and any of the terms, covenants, representations, warranties or conditions hereof may be waived, only by a written instrument executed by both of the Parties.
- (b) Every right and remedy provided herein shall be cumulative with every other right and remedy, whether conferred herein, at law, or in equity, and may be enforced concurrently herewith, and no waiver by any Party of the performance of any obligation by the other shall be construed as a waiver of the same or any other default then, theretofore, or thereafter occurring or existing.
- (c) Neither any failure or delay in exercising any right or remedy hereunder or in requiring satisfaction of any condition herein nor any course of dealing shall constitute a waiver of or prevent any Party from enforcing any right or remedy or from requiring satisfaction of any condition. No notice to or demand on a Party waives or otherwise affects any obligation of that Party or impairs any right of the Party giving such notice or making such demand, including any right to take any action without notice or demand not otherwise required by this Agreement. No exercise of any right or remedy with respect to a breach of this Agreement shall preclude exercise of any other right or remedy, as appropriate to make the aggrieved Party whole with respect to such breach, or subsequent exercise of any right or remedy with respect to any other breach.

Section 6.11 Limitation on Damages. **IN NO EVENT WILL ANY PARTY BE LIABLE TO ANY OTHER PARTY UNDER OR IN CONNECTION WITH THIS AGREEMENT OR IN CONNECTION WITH THE TRANSACTIONS FOR SPECIAL, GENERAL, INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING DAMAGES FOR LOST PROFITS OR LOST OPPORTUNITY, EVEN IF THE PARTY SOUGHT TO BE HELD LIABLE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.**

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Section 6.12 Arm's Length Bargaining; No Presumption Against Drafter. This Agreement has been negotiated at arm's-length by parties of equal bargaining strength, each represented by counsel or having had but declined the opportunity to be represented by counsel and having participated in the drafting of this Agreement. This Agreement creates no fiduciary or other special relationship between the Parties, and no such relationship otherwise exists. No presumption in favor of or against any Party in the construction or interpretation of this Agreement or any provision hereof shall be made based upon which Person might have drafted this Agreement or such provision.

Section 6.13 Headings. The headings contained in this Agreement are intended solely for convenience and shall not affect the rights of the Parties.

Section 6.14 No Assignment or Delegation. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. No Party shall have any power or any right to assign or transfer, in whole or in part, this Agreement, or any of its rights or any of its obligations hereunder, including, without limitation, any right to pursue any claim for damages pursuant to this Agreement or the transactions contemplated herein, or to pursue any claim for any breach or default of this Agreement, or any right arising from the purported assignor's due performance of its obligations hereunder, including by merger, consolidation, operation of law, or otherwise, without the prior written consent of the other Party and any such purported assignment in contravention of the provisions herein shall be null and void and of no force or effect.

Section 6.15 Further Assurances. Each Party shall execute and deliver such documents and take such actions as may reasonably be requested by any other Party hereto in order to effectuate the Transactions.

Section 6.16 Specific Performance. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement of the other Transaction Documents were not performed by them in accordance with the terms hereof or were otherwise breached and that each Party hereto shall be entitled to an injunction or injunctions, specific performance and other equitable relief to prevent breaches of the provisions hereof or of the other Transaction Documents and to enforce specifically the terms and provisions hereof or of the other Transaction Documents, without the proof of actual damages, in addition to any other remedy to which they are entitled at law or in equity. Each Party agrees to waive any requirement for the security or posting of any bond in connection with any such equitable remedy, and agrees that it will not oppose the granting of an injunction, specific performance or other equitable relief on the basis that (a) the other Party has an adequate remedy at law, or (b) an award of specific performance is not an appropriate remedy for any reason at law or equity.

Section 6.17 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall be but a single instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal E-SIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[Signatures Appear on Following Page]

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Closing Date.

C-Bond Systems Inc.

By: _____
Name: Scott R. Silverman
Title: Chief Executive Officer

Apex Protect GPS, LLC

By: _____
Name: _____

Title:

C-Bond, LLC hereby joins this Agreement for the purposes of acknowledging its obligations pursuant to Article V.

Agreed and accepted:

C-Bond, LLC

By: _____
Name:
Title:

[Signature page to Asset Purchase Agreement]

Exhibit A

Assets and Purchase Price Allocation

(Attached)

Assets and Purchase Price Allocation

Category	Asset	Purchase Price Allocated
Computer and office equipment	Computers	\$ 4,000.00
	Computer Testing Equipment	\$ 2,000.00
	Refrigerator	\$ 1,000.00
	Conference room equipment	\$ 1,500.00
	Furniture	\$ 10,000.00
		\$ 18,500.00
Lab Equipment	Mag Stirers (2)	\$ 5,000.00
	Peel Tester	\$ 8,000.00
	Sonicators(Lab)	\$ 9,000.00
	Mixer for Lab	\$ 1,000.00
	S/S Table & Sinks	\$ 15,000.00
	S/S Table & Sinks	\$ 2,250.00
	Micro Floe Hood	\$ 2,000.00
	Non Flammable Cabinet	\$ 600.00
	Hot Plate Magnet	\$ 300.00
	420 Hot Plate & Stirrer	\$ 200.00
	Anti-Vibration Table	\$ 800.00
	Analytical Lab	\$ 900.00
	Dual Ultrasonic Prob	\$ 2,000.00
	Sound Abatement Enclosure	\$ 3,500.00
	Elmasonic P30H Ultrasonic	\$ 1,000.00
	LoadStar Sensors	\$ 3,000.00
	Grieve Forced Conv Oven	\$ 1,000.00
	Non-Flammable Cabinet	\$ 400.00
	30"x90" Steel Table	\$ 550.00
	Homogenizer	\$ 1,700.00
		\$ 1,500.00
		\$ 400.00
		\$ 3,000.00
		\$ 63,100.00
Leasehold Improvement	Carpets	\$ 7,000.00
	Paint & Remodeling	\$ 3,000.00
	Cabinets	\$ 4,000.00
		\$ 14,000.00
Security System	ADT System	\$ 2,000.00
Tools & Equipment	Truck Pallet	\$ 500.00
	Work Platform Ladder	\$ 400.00
		\$ 900.00
Intellectual Property	Multipurpose Solution patent	\$ 3,500,000.00
	C-Bond nanoShield trademark	\$ 380,000.00
		\$ 3,880,000.00
C-Bond nanoShield website		\$ 11,500.00
Marketing materials	collateral etc in office/electronic files	\$ 10,000.00
SUB TOTAL		\$ 4,000,000.00

Inventory	Inventory	\$ 20,511.14
WIP	Walmart	\$ 5,875.00
Security deposit/future rent*	*subject to adjustment due to conversation with LL	\$ 7,085.33
	Annual operating expense true up	\$ 1,242.42
Rent	May rent and associated operating expenses	\$ 8,990.72
TOTAL at CLOSING		\$ 4,044,142.79

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Exhibit B
Bill of Sale
(Attached)

Bill of Sale

Dated as of May 8, 2023

This Bill of Sale (the "Bill of Sale") is made and entered into as of the date set forth above (the "Effective Date"), by C-Bond Systems Inc., a Colorado corporation ("Seller"), to and in favor of Apex Protect GPS, LLC, a limited liability company organized pursuant to the laws of the State of Texas (the "Buyer").

WHEREAS, Buyer and Seller have entered into a certain Asset Purchase Agreement, dated as of the Effective Date ("Agreement"; with undefined capitalized terms used herein without definition having the meanings as set forth in the Agreement), providing for Buyer to purchase the assets as set forth on Exhibit 1 attached hereto (the "Assets");

WHEREAS, Seller desires to convey, transfer, assign, deliver, and contribute to Buyer all of its right, title, and interest in and to the Assets and Buyer desires to accept all rights, title and interest in and to the Assets as specified in this Bill of Sale;

NOW, THEREFORE, in consideration of the premises and of the terms and conditions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, each intending to be legally bound, hereby agree as follows:

1. Seller hereby sells, grants, conveys, assigns, transfers and delivers to Buyer, its successors and assigns, forever, effective as of the Effective Date hereof, any and all of Seller's right, title and interest in and to the Assets.
2. Seller hereby warrants that as of the Effective Date, it conveys good title to the Assets to the Buyer, and subject to the representations, warranties and agreements of the Seller in the Agreement.
3. Seller hereby constitutes and appoints Buyer, its successors and assigns, the true and lawful attorney and attorneys of Seller, with full power of substitution in the name and stead of Seller, but on behalf and for the benefit of Seller, its successors and assigns, to demand and receive any and all of the Assets hereby sold, conveyed, transferred, assigned and delivered to Buyer, and to give receipts and releases for same, and any part thereof, and from time to time to institute and prosecute in the name of Seller, or otherwise, for the benefit of Buyer, its successors or assigns, any and all proceedings at law, in equity or otherwise, that Buyer, its successors and assigns, may deem proper in order to collect or reduce to possession any of such Assets, or to enforce any claim or right of any kind in respect thereof, and to do all acts and things in relation to such Assets that Buyer, its successors and assigns, shall deem desirable, Seller hereby declaring that the foregoing powers are coupled with an interest and are not revocable and shall not be revoked by Seller.

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4. Seller hereby agrees that from time to time, at the request of Buyer and without further consideration, it will, execute, acknowledge and deliver such further instruments of conveyance, transfer and assignment and will take any other action that Buyer reasonably deems necessary or proper to more effectively convey, transfer, and vest in Buyer all of Seller's right, title, and interest in and to the Assets as set forth hereunder (provided that Seller shall not be required to incur any additional costs relating to taking any such action).

5. Any individual, partnership, corporation or other entity may rely, without further inquiry, upon the powers and rights herein granted to the Buyer and upon any notarization, certification, verification or affidavit by any notary public of any state relating to the authorization, execution and delivery of this Bill of Sale or to the authenticity of any copy, conformed or otherwise, hereof.

6. All of the terms and provisions of this Bill of Sale will be binding upon the Seller and its successors and assigns and will inure to the benefit of the Buyer and its successors and assigns.

7. This Bill of Sale shall be governed by the laws of the State of Texas, without regard to conflicts of law principles thereunder.

8. This Bill of Sale is being delivered in connection with the Closing (as defined in the Agreement) under the Agreement and is made subject to the provisions of the Agreement. In the event of any conflict or inconsistency between this Bill of Sale and the Agreement, the Agreement shall be the controlling document.

9. This Bill of Sale may be executed in one or more counterparts, which taken together shall be but a single instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal E-SIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any

counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[Signatures appear on following page]

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IN WITNESS WHEREOF, the parties have executed this Bill of Sale effective as of the Effective Date.

C-Bond Systems Inc.

By: _____
Name: Scott R. Silverman
Title: Chief Executive Officer

Apex Protect GPS, LLC

By: _____
Name: _____
Title: _____

[Signature page to Bill of Sale]

B-3

Exhibit 1

Assets

(Attached)

Exhibit C

Patent and Trademark Assignment Agreement

(Attached)

Exhibit D

Patent and Know-How License Agreement

(Attached)

Exhibit E

Patent License-Back Agreement

(Attached)

FORM OF PATENT AND TRADEMARK ASSIGNMENT

This **PATENT AND TRADEMARK ASSIGNMENT AGREEMENT** (the “**Assignment**”), dated as of May 8, 2023 (the “**Effective Date**”), is made by and between C-Bond Systems LLC, a Texas limited liability company, which is a subsidiary of C-Bond Systems, Inc., a Colorado corporation (“**Parent**”), with offices located at 6035 South Loop East Houston, TX 77033 (“**ASSIGNOR**”), in favor of Apex Protect GPS, LLC, a limited liability company organized pursuant to the laws of the State of Texas, (“**BUYER**” or “**ASSIGNEE**”), a , a limited liability company organized pursuant to the laws of the State of Texas, located at 5802 N. Navarro, Victoria, TX 77904, the purchaser of certain assets of Parent pursuant to that certain Asset Purchase Agreement between Buyer and Parent, dated as the Effective Date above (the “**Asset Purchase Agreement**”). ASSIGNOR and Buyer/Assignee are referred to herein collectively as the “**Parties**.”

WHEREAS, ASSIGNOR owns all right, title, and interest in and has the right to assign to Buyer the registered Trademark and the U.S. Patent, as set forth below in Schedule A and Schedule B, respectively;

WHEREAS, under the terms of the Asset Purchase Agreement executed concurrently herewith this Assignment, ASSIGNOR conveyed, transferred, and assigned to Buyer, among other assets, the Trademark and the Patent, and ASSIGNOR agreed to execute and deliver this Assignment, for recording with governmental authorities including, but not limited to, the U.S. Patent and Trademark Office;

WHEREAS, ASSIGNOR desires to assign to ASSIGNEE, and memorialize such by way of this Assignment, its entire right, title, and interest in and to the Trademark and in and to any renewals or registrations that may be granted thereon, all together with the goodwill associated therewith to continue a business substantially similar to the business associated with the Trademark;

WHEREAS, ASSIGNEE is desirous of acquiring the entire right, title, and interest in and to the Trademark and in and to any renewals or registrations that may be filed and granted thereon, all together with the goodwill of the business connected therewith to continue a business substantially similar to the business formerly associated with the Trademark;

WHEREAS, ASSIGNOR desires to assign to ASSIGNEE, and memorialize such by way of this Assignment, its entire right, title, and interest in and to the Patent and in and to all reissues, divisions, continuations, continuations-in-part, and extensions of the Patent; and

WHEREAS, ASSIGNEE is desirous of acquiring the entire right, title, and interest in and to the Patent and in and to all reissues, divisions, continuations, continuations-in-part and extensions of the Patent;

NOW THEREFORE, for the mutual premises and covenants herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, ASSIGNOR and ASSIGNEE hereby agree as follows:

1. ASSIGNOR represents a) that it is the owner of the Patent and Trademark (as defined below) and that it has not assigned, conveyed, transferred or granted to any third party any interest in, or otherwise encumbered in any manner, the Patent or Trademark; and b) that, to the best of its knowledge, no third party owns, is entitled to, or has claimed any right or interest in the Patent or Trademark that would preclude, conflict with or encumber this Assignment;

2. ASSIGNOR, as of the Effective Date, hereby irrevocably sells, assigns, conveys, delivers, transfers, and sets over to ASSIGNEE all of its rights, title, and interest to Assignee in:

a) (i) the trademark registration listed on Schedule A to this Assignment (referred to as the “**Trademark**”), together with the goodwill of the business connected with the use of and symbolized by the Trademark; (ii) all applications to register the Trademark and all renewals of the registrations; and (iii) the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present, and future infringements or dilution of, damage or injury to, the Trademark all for Assignee’s use and enjoyment and for the use and enjoyment of Assignee’s successors, assigns, or other legal representatives, as fully and entirely as the same would have been held and enjoyed by ASSIGNOR if this Assignment had not been made, together with all income, royalties, or payments due or payable as of the Effective Date or thereafter; and

b) (i) the patent listed on Schedule B to this Assignment (the “**Patent**”); (ii) all reissues, divisions, continuations, continuations-in-part and extensions of the Patents; and (iii) the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present, and future infringements, damage or injury to, the Patents all for Assignee’s use and enjoyment and for the use and enjoyment of Assignee’s successors, assigns, or other legal representatives, as fully and entirely as the same would have been held and enjoyed by ASSIGNOR if this Assignment had not been made, together with all income, royalties, or payments due or payable as of the Effective Date or thereafter.

3. ASSIGNOR agrees, at the request of ASSIGNEE and at ASSIGNEE’s expense, to execute and deliver any further documents and legal instruments as may be necessary, and do all other things reasonably necessary to perfect in ASSIGNEE, its assigns, successors, and legal representatives, all right, title, and interest in and to the Patent and Trademark, throughout the world, including without limitation, executing and delivering any and all powers of attorney, applications, assignments, declarations, and affidavits.

4. Each party acknowledges that this Assignment is a legal, valid, and binding obligation of the ASSIGNOR and that ASSIGNOR has full power and authority to enter into and perform its obligations under this Agreement in accordance with its terms.

5. Recordation and Further Actions. ASSIGNOR authorizes the Commissioner for Patents and Commissioner for Trademarks and any other governmental officials to record and register this Assignment upon request by Buyer. ASSIGNOR shall take such steps and actions following the date hereof, including the execution of any documents, files, registrations, or other similar items, to ensure that the assigned Trademark and Patent are properly assigned to Buyer, or any assignee or successor thereto.

6. Terms of the Asset Purchase Agreement. The terms of the Asset Purchase Agreement, including, but not limited to, the representations, warranties, covenants, agreements, and indemnities relating to the assigned Trademark and assigned Patent are incorporated herein by this reference, including, for avoidance of doubt, all of the sections of Article V of the Asset Purchase Agreement, which are expressly and fully incorporated by reference into and integrated with this Assignment. The Parties hereto acknowledge and agree that the representations, warranties, covenants, agreements, and indemnities contained in the Asset Purchase Agreement shall not be superseded hereby but shall remain in full force and effect to the full extent provided therein, except as clarified by the immediately following sentence. For further avoidance of doubt, Buyer shall indemnify, defend, and hold each Seller Indemnified Party, as that term is defined in the Asset Purchase Agreement, harmless from and against any claim, expense, harm, judgment or Loss (as that term is defined in the Asset Purchase Agreement) suffered by a Seller Indemnified Party arising from or related to Buyer’s use of the term “**C-BOND**” in connection with Buyer’s ownership or use of the Trademark. Except as clarified in the immediately preceding sentence, in the event of any conflict or inconsistency between the terms of the Asset Purchase Agreement and the terms hereof, the terms of the Asset Purchase Agreement shall govern.

7. Counterparts. This Assignment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Assignment delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as

delivery of an original signed copy of this Patent Assignment.

8. Successors and Assigns. This Assignment shall be binding upon and shall inure to the benefit of Assignee and its respective successors and assigns.

9. Governing Law. This Assignment and any claim, controversy, dispute, or cause of action (whether in contract, tort or otherwise) based upon, arising out of or relating to this Assignment and the transactions contemplated hereby shall be governed by, and construed in accordance with, the laws of the United States and the State of Texas, as applied to agreements signed in and wholly performed in the State of Texas.

Signature Page follows on next page

IN WITNESS WHEREOF, the Parties have executed and delivered this Assignment to be effective as of the Effective Date above.

C-Bond Systems LLC (as ASSIGNOR)

By: _____
Name: _____
Title: _____

Apex Protect GPS, LLC (as ASSIGNEE)


By: _____
Name: _____
Title: _____

Schedules A and B follow on the next page*

[Signature page to Exhibit C – Patent and Trademark Assignment]

SCHEDULE A

TRADEMARK

Mark	Appl. No.	Reg. No.	Filing Date	Reg. Date
	87/758889	5667458	Jan 17, 2018	Jan 29, 2019

SCHEDULE B

PATENT

Title	Filing Date	Issue Date	Application Number	Patent Number
Multipurpose Solution for Strengthening and Surface Modification of Glass Substrates	Apr 5, 2019	Oct 26, 2021	16/376,944	11,155,491 B2

FORM OF PATENT AND KNOW-HOW LICENSE AGREEMENT

This Patent and Know-how License Agreement (“Agreement”), dated as of May 8, 2023 (the “Effective Date”), is by and between C-Bond Systems LLC, a Texas limited liability company, with offices located at 6035 South Loop East, Houston, TX 77033 (“Licensor”) and Apex Protect GPS, LLC, a limited liability company organized pursuant to the laws of the State of Texas, with offices located at 5802 N. Navarro, Victoria, TX 77904 (“Licensee”).

WHEREAS, Licensor is the sole and exclusive owner of and has the right to license to Licensee the Licensed Patents (as defined below) and Licensed Know-how (as defined below); and

WHEREAS, Licensee wishes to use and practice the Licensed Patents and Licensed Know-how in the Field of Use (as defined below) in the Territory (as defined below) in connection with the Licensed Products (as defined below) and Licensor is willing to grant to Licensee a license to and under the Licensed Patents and Licensed Know-how on the terms and conditions set out in this Agreement; and

WHEREAS, the Parties made and entered into that certain Asset Purchase Agreement dated as of the Effective Date (the “APA”), into which this Agreement is fully incorporated, and any capitalized terms used herein and not otherwise defined shall have the meanings set forth in the APA;

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions.** For purposes of this Agreement, the following terms shall have the following meanings:
 - 1.1 “**Action**” has the meaning set forth in Section 13.1.
 - 1.2 “**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term “control” for purposes of this Agreement means the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise/direct or indirect ownership of more than Fifty percent (50%) of the voting securities of a Person, and “controlled by” and “under common control with” have correlative meanings.
 - 1.3 “**Agreement**” has the meaning set forth in the preamble.
 - 1.4 “**Auditor**” has the meaning set forth in Section 0.
 - 1.5 “**APA**” has the meaning set forth in the Preamble.
 - 1.6 “**Business Day**” means a day other than a Saturday, Sunday or other day on which commercial banks in New York City, New York are authorized or required by Law to be closed for business.

 - 1.7 “**Change in Control**” means with respect to a party, a change of the Person that has control, directly or indirectly, of that party. For the purposes of this definition, “control” has the meaning given to it in the definition of “Affiliate”.
 - 1.8 “**Confidential Information**” means all non-public, confidential or proprietary information of Licensor, or its Affiliates or Representatives, whether in oral, written, electronic or other form or media, whether or not such information is marked, designated or otherwise identified as “confidential” and includes the terms and existence of this Agreement and any information that, due to the nature of its subject matter or circumstances surrounding its disclosure, would reasonably be understood to be confidential or proprietary,] including, specifically: (a) the Licensed Know-how; (b) Licensor’s other unpatented inventions, ideas, methods and discoveries, know-how, trade secrets, unpublished patent applications, invention disclosures, invention summaries and other confidential intellectual property; (c) all other designs, specifications, documentation, components, source code, object code, images, icons, audiovisual components and objects, schematics, drawings, protocols, processes, and other visual depictions, in whole or in part, of any of the foregoing; and (d) all notes, analyses, compilations, reports, forecasts, studies, samples, data, statistics, summaries, interpretations and other materials prepared by or for the Licensee, its Affiliates or its Representatives that contain, are based on, or otherwise reflect or are derived from any of the foregoing in whole or in part.

Confidential Information does not include information that Licensee can demonstrate by documentation: (w) was already known to Licensee without restriction on use or disclosure prior to the receipt of such information directly or indirectly from or on behalf of Licensor; (x) was or is independently developed by Licensee without reference to or use of any Confidential Information; (y) was or becomes generally known by the public other than by breach of this Agreement by, or other wrongful act of, Licensee, its Affiliates or any of its Representatives; or (z) was received by Licensee from a third party who was not, at the time, under any obligation to Licensor or any other Person to maintain the confidentiality of such information.

No Confidential Information is included in any of the foregoing exceptions merely because it comprises or relates to the same general subject matter as a specific item of disclosure falling within such exceptions, nor is any general subject matter of Confidential Information within any of the foregoing exceptions merely because one or more specific items comprising or relating to such subject matter fall within such exceptions.
 - 1.9 “**Effective Date**” has the meaning set forth in the preamble.
 - 1.10 “**Field of Use**” means the field listed in Schedule 1.
 - 1.11 “**Governmental Authority**” means any federal, state, national, supranational, local or other government, whether domestic or foreign, including any subdivision, department, agency, instrumentality, authority (including any regulatory authority), commission, board or bureau thereof, or any court, tribunal or arbitrator.

 - 1.12 “**Improvement**” means any modification of any Licensed Product, provided that the manufacture, use, offer for sale, sale or importation by Licensee of the modified product: (a) would, but for this Agreement, infringe a Valid Claim in a jurisdiction where such a Valid Claim exists; or (b) incorporates, uses or is derived from any Licensed Know-how.

- 1.13 **“Improvement Patent(s)”** means all patent applications, and all patents issuing therefrom that have claims covering Improvements made to the Licensed Patents.
- 1.14 **“Law”** means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any federal, state, local or foreign government or political subdivision thereof, or any arbitrator, court or tribunal of competent jurisdiction.
- 1.15 **“Licensed Know-how”** means any and all technical information, trade secrets, formulas, prototypes, specifications, directions, instructions, test protocols, procedures and results, studies, analyses, raw material sources, data, manufacturing data, formulation or production technology, conceptions, ideas, innovations, discoveries, inventions, processes, methods, materials, machines, devices, formulae, equipment, enhancements, modifications, technological developments, techniques, systems, tools, designs, drawings, plans, software, documentation, data, programs and other knowledge, information, skills and materials controlled by Licensor pertaining to the Licensed Patents, and any modifications, variations, derivative works and improvements of or relating to any of the foregoing.
- 1.16 **“Licensed Know-how Term”** has the meaning set forth in Section 15.1.2.
- 1.17 **“Licensed Patent(s)”** means the patents listed in Schedule 2 together with all patents that issue therefrom in the Territory.
- 1.18 **“Licensed Patent Challenge”** has the meaning set forth in Section 5.1.
- 1.19 **“Licensed Patent Term”** has the meaning set forth in Section 15.1.1.
- 1.20 **“Licensed Product(s)”** means the products described in Schedule 3 and any other product, (a) the manufacture, use, offer for sale, sale or importation of which by Licensee would, but for this Agreement, infringe a Valid Claim in a jurisdiction where such a Valid Claim exists, or (b) that incorporates or uses any element of the Licensed Know-how in its design or manufacture.
- 1.21 **“Licensee”** has the meaning set forth in the preamble.
- 1.22 **“Licensor”** has the meaning set forth in the preamble.

- 1.23 **“Losses”** means all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys’ fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.
- 1.24 **“Payment Statement”** means a statement showing the total number of Licensed Products manufactured and sold, transferred or otherwise disposed of by Licensee in the relevant period; the total sales and net sales price of all Licensed Products sold, transferred or otherwise disposed of by Licensee in the relevant period; the period for which any royalties and payments were calculated; the method used to calculate the royalties and other payments, including an identification of all deductions taken to make the calculation; the exchange rate used, if any, in making the calculations; and such other particulars as are necessary for an accurate accounting of the payments made or owed pursuant to this Agreement.
- 1.25 **“Person(s)”** means an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association or other entity.
- 1.26 **“Representatives”** means a party’s and its Affiliates’ employees, officers, directors, consultants and legal advisors.
- 1.27 **“Term”** has the meaning set forth in Section 15.1.
- 1.28 **“Territory”** means those countries identified in Schedule 4.
- 1.29 **“Valid Claim”** means a claim of an unexpired issued or granted Licensed Patent as long as the claim has not been admitted by Licensor or otherwise caused to be invalid or unenforceable through reissue, disclaimer or otherwise, or held invalid or unenforceable by a Governmental Authority of competent jurisdiction from whose judgment no appeal is allowed or timely taken.

2. Grant.

- 2.1 **Patent and Know-how License** Subject to the terms and conditions of this Agreement, Licensor hereby grants to Licensee during the Term a nontransferable, non-sub-licensable, exclusive right and license under the Licensed Patents and Licensed Know-how to make, have made, use, offer to sell, sell and import Licensed Product in the Field of Use in the Territory.
- 2.2 **Limited Grant.** Except for the rights and licenses granted by Licensor under Section 2 or expressly set forth in a writing signed by Licensor and Licensee following the Effective Date, this Agreement does not grant to Licensee or any other Person any right, title or interest, including any license to Improvements, Improvement Patents or any other patents claiming Improvements, by implication, estoppel, or otherwise. Without limitation of the foregoing, nothing in this Agreement shall be construed as granting by implication, estoppel, or otherwise, any right, title or interest in, to or under any patents other than Licensed Patents. All rights, titles and interests not specifically and expressly granted by Licensor hereunder are hereby reserved.

- 2.3 **Licensee Improvements.** If Licensee seeks to develop any Improvement or have any Improvement Patent application filed with the U.S. Patent and Trademark Office or other governmental authority, it will notify Licensor in writing, which shall set forth a reasonable description and summary of the Improvement. Licensor shall retain sole rights to file for and be listed as owner of any Improvement Patent, but the Parties shall negotiate in good faith a separate agreement whereby half of the Licensee’s reasonable costs and expenses (including attorneys’ and filing fees) incurred in funding the Improvement and/or Improvement Patent application and prosecution thereof shall be reimbursed by Licensor in the event Licensor elects to exploit the Improvement or Improvement Patent. In the event Licensor separately develops any Improvement or receives any Improvement Patent which Licensee desires to license and exploit and which Licensor elects to license hereunder, the Parties shall negotiate in good faith a separate agreement whereby half of Licensor’s reasonable costs and expenses (including attorneys’ and filing fees) incurred in funding the Improvement or Improvement Patent application and prosecution thereof shall be reimbursed by Licensee.

3. Transfer of Licensed Know-how. Licensor shall, within thirty (30) Business Days after the Effective Date, fully disclose the Licensed Know-how to Licensee in such form and media as mutually agreed between the Parties. During the first three (3) months after the Effective Date, upon reasonable notice and during Licensor's normal business hours, Licensor shall (a) designate one (1) technical liaison for communications with Licensee's technical staff, and (b) provide Licensee with ten (10) hours of technical assistance from Licensor's technical liaison by telephone, e-mail, or video conference to answer Licensee's questions concerning the manufacture of the Licensed Products as Licensee reasonably requests all at no additional costs to Licensee. Notwithstanding the preceding, Licensee shall reimburse Licensor for reasonable travel and other out-of-pocket expenses reasonably incurred by Licensor's technical liaison in providing such additional technical assistance. Licensor shall provide receipts to Licensee of such reimbursable travel and expenses incurred prior to Licensee's reimbursement processing.

4. [Intentionally omitted].

5. Records and Audit.

5.1 Records. For a period of three (3) years from the Effective Date, Licensee shall keep complete and accurate records of its sales, uses, transfers and other dispositions of Licensed Product reasonably necessary for compliance with the license limitations and conditions.

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5.2 Audit.

5.2.1 Licensor, at its own expense, may at any time within three (3) years after the termination or expiration of this Agreement, nominate an independent Certified Public Accountant ("Auditor") who shall have access to Licensee's records during Licensee's normal business hours for the purpose of verifying compliance with the terms and conditions of this Agreement, including those pertaining to the Territory and Field of Use.

5.2.2 Licensor shall provide to Licensee a copy of the Auditor's audit report within ten (10) Business Days of Licensor's receipt of the report. If the report reflects non-compliance or breach of the terms and conditions hereunder, Licensee shall disgorge to Licensor any revenue collected by Licensee which Auditor attributes to sales made or business conducted in breach of the terms and conditions of this Agreement, in addition to paying for the costs incurred by Licensor in undertaking the audit.

6. Patent Prosecution and Maintenance. For each Licensed Patent, Licensor shall be solely responsible for, and make all decisions concerning, the preparation, filing, prosecution, and maintenance thereof and notify Licensee of any additions or deletions and any changes in the status of any Licensed Patent.

7. Challenges to Licensed Patents.

7.1 License Termination. If, during the Term, Licensee institutes or actively participates as an adverse party in, or otherwise provides material support to, any action, suit or other proceeding in the Territory to invalidate or limit the scope of any Licensed Patent claim or obtain a ruling that any Licensed Patent claim is unenforceable or not patentable or that any Licensed Products would not, but for the licenses granted hereunder, infringe one or more claims of any Licensed Patent ("Licensed Patent Challenge"), Licensor has the right to immediately terminate this Agreement with notice to Licensee and with no opportunity for Licensee to cure and this Agreement will immediately terminate effective as of the first date of Licensee's first filing or participation in the Licensed Patent Challenge.

7.2 Royalty After Challenge. If Licensee institutes or participates in a Licensed Patent Challenge, Licensee shall thereafter tender to Licensor by or before the end of each calendar month following the first date of Licensee's first filing or participation in the Licensed Patent Challenge, a royalty on the Licensed Patents of Two Thousand Five Hundred Dollars (\$2,500.00), and a separate royalty on the Licensed Know-how of Two Thousand Five Hundred Dollars (\$2,500.00), until such time as Licensor, in its sole discretion, agrees in writing to waive further royalty payments, or until the expiration or termination of this Agreement

8. Enforcement of Licensed Patents and Licensed Know-how and Third-party Infringement Claims

8.1 Notice of Infringement or Third-party Claims. If (a) either party believes that a Licensed Patent or Licensed Know-how is being infringed or misappropriated by a third party in the Field of Use in the Territory, or (b) if a third party alleges that any Licensed Patent is invalid or unenforceable or claims that a Licensed Product, or its use, development, manufacture or sale infringes such third party's intellectual property rights in the Territory, the party possessing such belief or awareness of such claims shall promptly provide written notice to the other party and provide it with all details of such infringement or claim, as applicable, that are known by such Party.

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8.2 Right to Bring Action or Defend

8.2.1 Licensor has the sole right and discretion to prevent or abate any actual or threatened misappropriation or infringement and attempt to resolve any claims relating to the Licensed Patents and Licensed Know-how, including by (a) prosecuting or defending any opposition, derivation, interference, declaratory judgment, federal district court, US International Trade Commission or other proceeding of any kind, and (b) taking any other lawful action that Licensor, in its sole discretion, believes is reasonably necessary, to protect, enforce or defend any Licensed Patent or Licensed Know-how. Licensor has the right to prosecute or defend any such proceeding in Licensor's own name or, if required by applicable Law or otherwise necessary or desirable for such purposes, in the name of Licensee and may join Licensee as a party. Licensor shall bear its own costs and expenses in all such proceedings and have the right to control the conduct thereof and be represented by counsel of its own choice therein.

8.2.2 Licensee shall and hereby does irrevocably and unconditionally waive any objection to Licensor's joinder of Licensee to any proceeding described in Section 6.2.1 on any grounds whatsoever, including on the grounds of personal jurisdiction, venue or *forum non conveniens*. If Licensor brings or defends any such proceeding, Licensee shall cooperate in all respects with Licensor in the conduct thereof, and assist in all reasonable ways, including having its employees testify when requested and make available for discovery or trial exhibit relevant records, papers, information, samples, specimens, and the like subject to Licensor's reimbursement on a monthly basis of all expenses incurred on an on-going basis by Licensee or its employees in providing Licensor such assistance.

8.3 No Obligation to Sue. Licensor shall have no obligation to bring any suit, action or other proceeding against any alleged infringer of any Licensed Patent.

8.4 Recovery and Settlement. If Licensor undertakes the enforcement or defense of any Licensed Patent:

8.4.1 any recovery, damages or settlement derived from such suit, action or other proceeding shall be retained in its entirety by Licensor; and

8.4.2 Licensor may settle any such suit, action or other proceeding, whether by consent order, settlement or other voluntary final disposition, without the prior written approval of Licensee, provided that Licensor shall not settle any such suit, action, or other proceeding in a manner that adversely affects the rights of Licensee concerning the Licensed Patents and Licensed Know-How without Licensee's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

8.5 March-in Rights. If any suit, action or other proceeding alleging invalidity or non- infringement of any Licensed Patent is brought against Licensee, Licensor, at its option, shall have the right, within thirty (30) Business Days after commencement of such suit, action or other proceeding, to intervene and take over the sole defense of the suit, action or other proceeding at its own expense.

9. Compliance with Laws.

9.1 Patent Marking. Licensee shall comply with the patent marking provisions of 35 USC § 287(a) by marking all Licensed Products with the word "patent" or the abbreviation "pat." and either the numbers of the relevant Licensed Patents or a web address that is freely accessible to the public and that associates the Licensed Products with the relevant Licensed Patents. Licensee shall also comply with the patent marking laws of the relevant countries in the Territory.

9.2 Regulatory Clearance. Licensee shall, at Licensee's expense, comply with all regulations and safety standards concerning Licensed Products developed and commercialized by or under the authority of Licensee and obtain all necessary governmental approvals for the development, production, distribution, sale and use of Licensed Products developed and commercialized by or under the authority of Licensee, including any safety or clinical studies. Licensee shall have responsibility for and provide suitable warning labels, packaging and instructions as to the use for such Licensed Products.

9.3 Recordation of License. If recordation of this Agreement or any part of it by a national or supranational agency is necessary for Licensee or Licensor to fully enjoy the rights, privileges and benefits of this Agreement, Licensee shall at its own expense and within One Hundred Twenty (120) Business Days of the Effective Date, record this Agreement or all such parts of this Agreement and information concerning the license granted hereunder with each such appropriate national or supranational patent agency. Licensee shall (a) provide to Licensor for Licensor's review and approval all documents or information it proposes to record at least fifteen (15) Business Days prior to the recordation thereof, and (b) promptly notify Licensor with verification of Licensee's recordation or any related agency ruling. In making any such disclosures, Licensee shall maintain, to the fullest extent permitted by Law, the confidentiality of this Agreement, the terms and conditions of this Agreement and any other Licensor Confidential Information. Any specific disclosure made in accordance with Section 11.3 and not objected to by Licensor shall not constitute a breach of the Licensee's obligations under Section 8.

9.4 Export Compliance. Licensee shall not directly or indirectly, export (including any "deemed export"), nor re-export (including any "deemed re-export") the Licensed Products (including any associated products, items, articles, computer software, media, services, technical data, and other information) in violation of any applicable U.S. Laws. Licensee shall include a provision identical in substance to this Section in its agreements with its third party wholesalers, distributors, customers and end-users requiring that these Persons comply with all applicable U.S. Laws, including all applicable U.S. export Laws. For the purposes of this Section, the terms "deemed export" and "deemed re-export" have the meanings set forth in the Export Administration Regulations. For avoidance of doubt, Licensee has no obligation to provide confirmation or follow-up with such Persons to verify compliance with all applicable U.S. Laws, including U.S. export Laws.

10. Confidentiality.

10.1 Confidentiality Obligations. Each party (the "Receiving Party") acknowledges that in connection with this Agreement it will gain access to Confidential Information of the other party (the "Disclosing Party"). As a condition to being provided with Confidential Information, the Receiving Party shall, during the Term and for three (3) years thereafter:

10.1.1 not use the Disclosing Party's Confidential Information other than as strictly necessary to exercise its rights and perform its obligations under this Agreement; and

10.1.2 maintain the Disclosing Party's Confidential Information in strict confidence and, subject to Section 10.2, not disclose the Disclosing Party's Confidential Information without the Disclosing Party's prior written consent, provided, however, the Receiving Party may disclose the Confidential Information to its Representatives who:

10.1.2.1 have a need to know the Confidential Information for purposes of the Receiving Party's performance, or exercise of its rights concerning the Confidential Information, under this Agreement;

10.1.2.2 have been apprised of this restriction; and

10.1.2.3 are themselves bound by written nondisclosure agreements at least as restrictive as those set forth in Section 8.1, provided further that the Receiving Party shall be responsible for ensuring its Representatives' compliance with, and shall be liable for any breach by its Representatives of, Section 8.1.

The Receiving Party shall use reasonable care, at least as protective as the efforts it uses for its own confidential information, to safeguard the Disclosing Party's Confidential Information from use or disclosure other than as permitted hereby.

10.2 Exceptions. If the Receiving Party becomes legally compelled to disclose any Confidential Information, the Receiving Party shall:

10.2.1 provide prompt written notice to the Disclosing Party so that the Disclosing Party may seek a protective order or other appropriate remedy or waive its rights under Section 8; and

10.2.2 disclose only the portion of Confidential Information that it is legally required to furnish.

If a protective order or other remedy is not obtained, or the Disclosing Party waives compliance under Section 8, the Receiving Party shall, at the Disclosing Party's expense, use reasonable efforts to obtain assurance that confidential treatment will be afforded the Confidential Information.

11. Representations and Warranties.

11.1 Mutual Representations and Warranties. Each party represents and warrants to the other party that as of the date of this Agreement:

- 11.1.1 it is duly organized, validly existing and in good standing as a corporation or other entity as represented herein under the laws and regulations of its jurisdiction of incorporation, organization or chartering;
- 11.1.2 it has, and throughout the Term shall retain, the full right, power and authority to enter into this Agreement, provide the license grants herein, and to perform its obligations hereunder;
- 11.1.3 the execution of this Agreement by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate or organizational action of the party; and
- 11.1.4 when executed and delivered by such party, this Agreement shall constitute the legal, valid and binding obligation of that party, enforceable against that party in accordance with its terms.

11.2 Licensee's Representation and Warranties. Licensee represents and warrants that to its knowledge it has not received any notice or threat of any claim, suit, action or proceeding, and has no knowledge or reason to know of any information, that could: (a) invalidate or render unenforceable any claim of any Licensed Patent; or (b) prove that the Licensed Products are not covered by any claim of any Licensed Patent.

11.3 Disclaimer of Licensor Representations and Warranties. Licensor EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, WHETHER WRITTEN, ORAL, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, CONCERNING THE VALIDITY, ENFORCEABILITY AND SCOPE OF THE LICENSED PATENTS, THE ACCURACY, COMPLETENESS, SAFETY, USEFULNESS FOR ANY PURPOSE OR, LIKELIHOOD OF SUCCESS (COMMERCIAL, REGULATORY OR OTHER) OF THE LICENSED PRODUCTS, LICENSED KNOW-HOW AND ANY OTHER TECHNICAL INFORMATION, TECHNIQUES, MATERIALS, METHODS, PRODUCTS, PROCESSES OR PRACTICES AT ANY TIME MADE AVAILABLE BY LICENSOR INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY, QUALITY, FITNESS FOR A PARTICULAR PURPOSE, AND WARRANTIES ARISING FROM A COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OR TRADE PRACTICE. WITHOUT LIMITATION TO THE FOREGOING, Licensor SHALL HAVE NO LIABILITY WHATSOEVER TO Licensee OR ANY OTHER PERSON FOR OR ON ACCOUNT OF ANY INJURY, LOSS, OR DAMAGE, OF ANY KIND OR NATURE, SUSTAINED BY, OR ANY DAMAGE ASSESSED OR ASSERTED AGAINST, OR ANY OTHER LIABILITY INCURRED BY OR IMPOSED ON Licensee OR ANY OTHER PERSON, ARISING OUT OF OR IN CONNECTION WITH OR RESULTING FROM (A) THE MANUFACTURE, USE, OFFER FOR SALE, SALE, OR IMPORT OF A LICENSED PRODUCT, OR THE PRACTICE OF THE LICENSED PATENTS; OR (B) ANY ADVERTISING OR OTHER PROMOTIONAL ACTIVITIES CONCERNING ANY OF THE FOREGOING.

12. Exclusion of Consequential and Other Indirect Damages. TO THE FULLEST EXTENT PERMITTED BY LAW, Licensor SHALL NOT BE LIABLE TO Licensee OR ANY OTHER PERSON FOR ANY INJURY TO OR LOSS OF GOODWILL, REPUTATION, BUSINESS, PRODUCTION, REVENUES, PROFITS, ANTICIPATED PROFITS, CONTRACTS OR OPPORTUNITIES (REGARDLESS OF HOW THESE ARE CLASSIFIED AS DAMAGES), OR FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, PUNITIVE OR ENHANCED DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, PRODUCT LIABILITY OR OTHERWISE (INCLUDING THE ENTRY INTO, PERFORMANCE OR BREACH OF THIS AGREEMENT), REGARDLESS OF WHETHER SUCH LOSS OR DAMAGE WAS FORESEEABLE OR THE PARTY AGAINST WHOM SUCH LIABILITY IS CLAIMED HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

13. Indemnification.

13.1 Mutual Indemnification. Each party shall indemnify, defend and hold harmless the other party, and each of the other party's respective officers, directors, employees, agents, successors and assigns against all Losses arising out of or resulting from any third party claim, suit, action or other proceeding related to or arising out of or resulting from the other party's breach of any representation, warranty, covenant or obligation under this Agreement (each an "Action").

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13.2 Indemnification Procedure. Each party shall notify the other party in writing of any Action and cooperate with the other party at such other party's sole cost and expense. Subject to Section 6, the indemnifying party shall immediately take control of the defense and investigation of the Action and shall employ counsel reasonably acceptable to the other party to handle and defend the Action, at the indemnifying party's sole cost and expense. Neither party shall settle any Action in a manner that adversely affects the rights of the other party or its Affiliates without such other party's or its Affiliates' prior written consent. Either party and its Affiliates may participate in and observe the proceedings at its own cost and expense with counsel of its own choosing.

14. Insurance. Each party shall, at its sole cost and expense, obtain, pay for and maintain in full force and effect commercial general liability and professional liability (Errors and Omissions) insurance in commercially reasonable and appropriate amounts that (a) provides product liability coverage concerning the Licensed Products and contractual liability coverage for a party's own defense and indemnification obligations under this Agreement, and (b) in any event, provide commercial general liability limits of not less than Two Million US dollars (\$2,000,000) and professional liability insurance limits of not less than Two Million US dollars (\$2,000,000), in each case as an annual aggregate for all claims each policy year. To the extent any insurance coverage required under Section 12 is purchased on a "claims-made" basis, such insurance shall cover all prior acts of the party during the Term, and be continuously maintained until at least three (3) years beyond the expiration or termination of the Term, or such party shall purchase "tail" coverage, effective upon termination of any such policy or upon termination or expiration of the Term, to provide coverage for at least three (3) years from the occurrence of either such event. Each party shall have the other party named in each policy as an additional insured. Upon request by either party, the other party shall provide the requesting party with certificates of insurance or other reasonable written evidence of all coverages described in Section 14. Additionally, a party shall provide the other party with written notice at least ninety (90) Business Days prior to such party cancelling, not renewing, or materially changing the insurance.

15. Term and Termination.

15.1 Term. This Agreement shall commence on the Effective Date and, unless terminated earlier in accordance with Section 15.2, remain in force for each Licensed Product in the Territory on a Licensed-Product-by-Licensed-Product and country-by-country basis:

- 15.1.1 for rights and obligations concerning the Licensed Patents, until the expiration of the last to expire Licensed Patent ("Licensed Patent Term"); and

15.1.2 for rights and obligations concerning the Licensed Know-how, until ten (10) years after such time as the Licensed Know-how ceases to be protectable as a trade secret or otherwise under applicable Law other than as a result of any act or omission of Licensee ("Licensed Know-how Term"). To remove doubt, such Licensed Know-how Term may extend well beyond the Licensed Patent Term under this provision.

Licensee shall promptly notify Licensor of the date of the first commercial use, sale, transfer or other disposition of Licensed Product. As used within Section 15.1, "expiration" and "expire", when referring to a Valid Claim means any expiration, revocation, invalidation or other termination of the Licensed Patent incorporating the Valid Claim. The periods set forth in Section 15.1.1 and Section 15.1.2, or such shorter periods as may result from the earlier termination of this Agreement in accordance with Section 15.2 shall collectively be referred to as the "Term".

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15.2 Termination for Cause. Licensor shall have the right to terminate this Agreement immediately by giving written notice to Licensee if:

15.2.1 Licensee fails to pay any amount due under this Agreement on the due date for payment and remains in default not less than ten (10) Business Days after Licensor's written notice to make such payment;

15.2.2 Licensee materially breaches this Agreement (other than through a failure to pay any amounts due under this Agreement) and, if such breach is curable, fails to cure such breach within thirty (30) Business Days of Licensor's written notice of such breach;

15.2.3 Licensee: (i) becomes insolvent or admits its inability to pay its debts generally as they become due; (ii) becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law, which is not fully stayed within sixty (60) Business Days or is not dismissed or vacated within sixty (60) Business Days after filing; (iii) is dissolved or liquidated or takes any corporate action for such purpose; (iv) makes a general assignment for the benefit of creditors; or (v) has a receiver, trustee, custodian or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business; or

15.2.4 Licensee undergoes a Change in Control, unless otherwise agreed to in writing by the Licensor.

15.3 Effect of Termination. Within ten (10) Business Days after termination or expiration of this Agreement, Licensee shall: (a) immediately cease all activities concerning, including all practice and use of, the Licensed Patents and Licensed Know-how; and (c) within ten (10) Business Days after termination or expiration: (i) return to Licensor all documents and tangible materials (and any copies) containing, reflecting, incorporating or based on Licensor's Confidential Information; (ii) permanently erase such Confidential Information from its computer systems; and (iii) certify in writing to Licensor that it has complied with the requirements of Section 15.3.

15.4 Survival. The rights and obligations of the parties set forth in Section 15.4 and Section 1 (Definitions), Section 4 (Royalties), Section 5 (Challenges to Licensed Patents), Section 8 (Confidentiality), Section 11 (Representations and Warranties), Section 13 (Indemnification), Section 15.3 (Effect of Termination) and Section 16 (Miscellaneous), and any right, obligation or required performance of the parties in this Agreement which, by its express terms or nature and context is intended to survive termination or expiration of this Agreement, shall survive any such termination or expiration.

16. Miscellaneous.

16.1 Force Majeure. Neither party shall be in default hereunder by reason of any failure or delay in the performance of its obligations hereunder, except for Licensee's payment obligations, where such failure or delay is due to any cause beyond its reasonable control, including strikes, labor disputes, civil disturbances, riot, rebellion, invasion, epidemic, pestilence, hostilities, war, terrorist attack, embargo, natural disaster, acts of God, flood, fire, sabotage, fluctuations or non-availability of electrical power, heat, light, air conditioning or Licensee equipment, loss and destruction of property or any other circumstances or causes beyond such party's reasonable control.

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16.2 Further Assurances. Each party shall, and shall cause their respective Affiliates to, upon the reasonable request, and at the sole cost and expense, of the other party, promptly execute such documents and take such further actions as may be necessary to give full effect to the terms of this Agreement.

16.3 Independent Contractors. The relationship between the parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

16.4 No Public Statements. Neither party shall issue or release any announcement, statement, press release or other publicity or marketing materials relating to this Agreement, or, unless expressly permitted under this Agreement, otherwise use the other party's trademarks, service marks, trade names, logos, domain names or other indicia of source, association or sponsorship, in each case, without the prior written consent of the other party, which shall not be unreasonably withheld or delayed.

16.5 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given in accordance with this Section:

If to Licensor:	Scott R. Silverman Chief Executive Officer C-Bond Systems, Inc. 6035 South Loop East Houston, TX 77033 E-mail: ssilverman@cbondsystems.com
If to Licensee:	Apex Protect GPS, LLC

Notices sent in accordance with Section 16.5 shall be deemed effectively given: (a) when received, if delivered by hand (with written confirmation of receipt); (b) when received, if sent by a nationally or regionally recognized expedited courier (receipt requested); (c) on the date sent by facsimile (with confirmation of

transmission), if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the date opened, if sent by e-mail to the email address of a specific, appropriate and intended recipient (with confirmation of the opening of the email).

- 16.6 Interpretation. For purposes of this Agreement: (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; and (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole.

Unless the context otherwise requires, references herein: (x) to Sections and Schedules refer to the Sections of and Schedules attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. Any Schedules referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

- 16.7 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

- 16.8 Entire Agreement. This Agreement, together with the APA, all Schedules and any other documents incorporated herein by reference, constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any conflict between the terms and provisions of this Agreement and those of any Schedule or other document, the following order of precedence shall govern: (a) first, this Agreement, excluding its Schedules; (b) second, the Schedules to this Agreement as of the Effective Date; and (c) third, any other documents incorporated herein by reference.

- 16.9 Assignment. Licensee shall not assign or otherwise transfer any of its rights, or delegate or otherwise transfer any of its obligations or performance, under this Agreement, in each case whether voluntarily, involuntarily, by operation of law or otherwise, without Licensor’s prior written consent. For purposes of the preceding sentence, and without limiting its generality, any merger, consolidation or reorganization involving Licensee (regardless of whether Licensee is a surviving or disappearing entity) shall be deemed to be a transfer of rights, obligations or performance under this Agreement for which Licensor’s prior written consent is required. No delegation or other transfer will relieve Licensee of any of its obligations or performance under this Agreement. Any purported assignment, delegation or transfer in violation of Section 16.9 is void. Licensor may freely assign or otherwise transfer all or any of its rights, or delegate or otherwise transfer all or any of its obligations or performance, under this Agreement without Licensee’s consent. This Agreement is binding upon and inures to the benefit of the parties hereto and their respective permitted successors and assigns.

- 16.10 No Third Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

- 16.11 Amendment; Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the waiving party. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

- 16.12 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon a determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

- 16.13 Governing Law; Submission to Jurisdiction.

16.13.1 This Agreement and all related documents, and all matters arising out of or relating to this Agreement, are governed by, and construed in accordance with, the laws of the State of Texas, United States of America, as applied to agreements signed in and performed wholly within the State of Texas.

16.13.2 Any action, suit or other proceeding arising out of or related to this Agreement, the licenses granted hereunder or the validity or enforceability or scope of any Licensed Patent claim, or whether a Licensed Product infringes a Valid Claim, including any Licensed Patent Challenge or Licensee’s obligations concerning the Licensed Know-how, shall be instituted exclusively in the federal courts of the United States or the courts of the State of Colorado in each case located in the County of Denver, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by mail to such party’s address set forth herein shall be effective service of process for any action, suit or other proceeding brought in any such court.

- 16.14 Waiver of Jury Trial. Each party irrevocably and unconditionally waives any right it may have to a trial by jury for any legal action arising out of or relating to this Agreement or the transactions contemplated hereby.

- 16.15 Equitable Relief. Each party acknowledges that a breach by the other party of this Agreement may cause the non-breaching party irreparable harm, for which an award of damages would not be adequate compensation and, in the event of such a breach or threatened breach, the non-breaching party shall be entitled to seek equitable relief, including in the form of a restraining order, orders for preliminary or permanent injunction, specific performance and any other relief that may be available from any court. These remedies shall not be deemed to be exclusive but shall be in addition to all other remedies available under this Agreement at law or in equity, subject to any express exclusions or limitations in this Agreement to the contrary.

16.16 Attorneys' Fees. In the event that any action, suit or other legal or administrative proceeding is instituted or commenced by either party hereto against the other party arising out of or related to this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and court costs from the non-prevailing party.

16.17 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission (to which a PDF copy is attached) shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

17. Bankruptcy. All rights and licenses granted to Licensee under the license as set forth in Section 2 (the "License") are and will be deemed to be rights and licenses to "intellectual property" as such term is used in, and interpreted under, Section 365(n) of the United States Bankruptcy Code (the "Bankruptcy Code") (11 U.S.C. § 365(n)). Licensee has all rights, elections, and protections under the Bankruptcy Code and all other bankruptcy, insolvency, and similar laws with respect to the License, and the subject matter hereof. Without limiting the generality of the foregoing, Licensor acknowledges and agrees that, if Licensor or its estate shall become subject to any bankruptcy or similar insolvency proceeding:

17.1 subject to Licensee's rights of election under Section 365(n), all rights, licenses, and privileges granted to Licensee under the License will continue subject to the respective terms and conditions hereof, and will not be affected, and Licensor (in any capacity, including, but not limited to, debtor in possession) and its successors and assigns (including a trustee) shall perform all of the obligations required hereunder to be performed by Licensor. If Licensor (in any capacity, including, but not limited to, debtor in possession) and its successors and assigns (including, but not limited to, a Title 11 trustee) rejects its obligations under this Agreement pertaining to the License, as provided under the Bankruptcy Code, Licensee may elect to retain its rights hereunder as provided in the Bankruptcy Code, in which case Licensor (in any capacity, including, but not limited to, debtor in possession) and its successors and assigns (including, but not limited to, a Title 11 trustee), shall provide to Licensee a complete duplicate of, or complete access to, as appropriate, all such intellectual property and embodiments of intellectual property, which, if not already in Licensee's possession, shall be promptly delivered to Licensee or its designee.

17.2 Option to Acquire Assets in Bankruptcy.

17.2.1 Notice of Transfers. If Licensor, in any capacity pertaining to insolvency, including, but not limited to, debtor in possession, and its successors and assigns pursuant to any insolvency process, including, but not limited to, a Title 11 trustee, proposes any offer of sale, transfer, hypothecation or further assignment (collectively referred to hereafter as a "Transfer") of the Licensed Patents to a third party, then Licensor shall promptly give written notice to Licensee at least sixty (60) days prior to the closing of such Transfer (such notice to be hereafter referred to as the "Sales Notice"). The Sales Notice shall describe in reasonable detail the material terms and conditions of the proposed Transfer including, without limitation, the nature of such Transfer, the consideration to be paid and the name and address of each prospective purchaser or transferee.

17.2.2 Licensee Option. Licensee shall have an option (the "Licensee Option") for a period of fifteen (15) days from receipt of the Sales Notice to elect to purchase the Licensed Patent(s) at the same price and subject to the same material terms and conditions as described in the Sales Notice. Licensee may exercise the Licensee Option and, thereby, purchase all or some of the Licensed Patent(s) by notifying the Licensor in writing before expiration of the fifteen (15) day period as to which Patent(s) it wishes to purchase. If Licensee gives the Licensor notice that it desires to purchase any of the Licensed Patent(s), then payment therefore shall be by check or wire transfer against delivery of title to the purchased Licensed Patent(s) properly documented and recorded, at a place agreed upon between the Parties and at the time of the scheduled closing therefor, which shall be no later than forty-five (45) days after the Licensee's receipt of the Sales Notice, unless the Sales Notice contemplated a later closing with the prospective third party transferee(s). For avoidance of doubt, the Licensee Option may solely be exercised in connection with the acquisition of assets sold pursuant to proceedings governed by the Bankruptcy Code or other bankruptcy, insolvency, and similar laws.

17.2.3 Abandonment. If Licensor plans to abandon any patent application or patent included within consisting of, or related to, the Licensed Patent(s), Licensor shall notify Licensee in writing at least twenty (20) days in advance of the due date of any payment or other action that is required to prosecute and maintain the Licensed Patent(s), or any of them. Following such notice, Licensee will have the right, in its sole discretion, to assume control and direction of the prosecution and maintenance of such Licensed Patent(s) at its sole cost and expense in such country, and Licensor shall, at Licensee's written request and sole cost and expense, cooperate with Licensee to assign to Licensee such patent application or patent. Effective as of the effective date of any such assignment under this Section, such patent application or patent shall no longer be a Licensed Patent under this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

FOR C-Bond Systems LLC:

By: _____
Name: _____
Title: _____

FOR Apex Protect GPS, LLC

By: _____
Name: _____
Title: _____

SCHEDULE 1

“Field of Use” means the automotive vehicle industry and is not inclusive of architectural glass business retained by Seller. To be clear, however, the automotive industry does include, but is not limited to, anything that involves, relates to, markets to, sells to, does business with, provides related goods or services to, or is consumed by any uses and applications of the technology within the civilian or military automotive, vehicle and/or transportation industry no matter the channels of trade in any way

SCHEDULE 2

LICENSED PATENTS

Application No.	Patent No.	Patent Title	Patent Date	Status
15/033,625	US 10,155,877 B2	IMPROVED MATERIALS, TREATMENT COMPOSITIONS, AND MATERIAL LAMINATES, WITH CARBON NANOTUBES	Dec. 18, 2018	Issued
14/825,139	US 10,273,347 B2	NANO-(MULTIFUNCTIONAL) SOLUTIONS FOR GLASS AND GLASS PRODUCTS: HETEROGENEOUS NANO-SELF-ASSEMBLY AND/OR COATING	April 30, 2019	Issued
14/128,620	US 10,696,583 B2	COMPOSITION FOR STRENGTHENING GLASS	June 30, 2020	Issued
16/003,872	US 11,247,938 B2	EMULSION COMPOSITIONS AND METHODS FOR STRENGTHENING GLASS	Feb. 15, 2022	Issued

SCHEDULE 3

LICENSED PRODUCTS

Glass and other products and components used in or in relation to the manufacture and operation of civilian, agricultural or military vehicles and equipment, no matter the channels of trade in any way.

SCHEDULE 4

TERRITORY

The “Territory” means the United States of America and all legal territories of the USA.

FORM OF PATENT LICENSE-BACK AGREEMENT

This Patent License-Back Agreement (“**License Agreement**”), dated as of May 8, 2023 (the “**Effective Date**”), is made by and between Apex Protect GPS, LLC, a limited liability company organized pursuant to the laws of the State of Texas (“**LICENSOR**”), located at 5802 N. Navarro, Victoria, TX 77904 and C-Bond Systems LLC, a Texas limited liability company (and a subsidiary of C-Bond Systems, Inc., a Colorado corporation referred to herein as “**Parent**”), with offices located at 6035 South Loop East Houston, TX 77033 (“**LICENSEE**”), where LICENSOR is the purchaser of certain assets of LICENSEE pursuant to an Asset Purchase Agreement between LICENSOR and Parent, dated as the Effective Date above (the “**Asset Purchase Agreement**”). LICENSOR and LICENSEE are referred to herein collectively as the “**Parties**.”

WHEREAS, under the terms of the Asset Purchase Agreement executed concurrently herewith this License Agreement, Licensee conveyed, transferred, and assigned to Licensor, among other assets, U.S. Patent No. 11,155,491 B2 (the “**Patent**”), and the Parties executed and delivered that certain Patent And Trademark Assignment Agreement executed concurrently herewith (the “**Assignment**”), fully conveying all rights to the Patent to Licensor from Licensee;

WHEREAS, as a result of the assignment, LICENSOR owns all right, title, and interest in the Patent and has the full legal right to license-back the Patent to LICENSEE under the specific terms and conditions of this License Agreement;

WHEREAS, LICENSOR desires to license-back the Patent to LICENSEE;

WHEREAS, LICENSEE desires to obtain the license-back from LICENSOR to the Patent;

NOW THEREFORE, for the mutual premises and covenants herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, LICENSOR and LICENSEE hereby agree as follows:

ARTICLE I. PERPETUAL LICENSE; MAINTENANCE; ENFORCEMENT

Section 1.01 License Grant. Subject to the terms and conditions of this License Agreement, LICENSOR grants LICENSEE a perpetual, non-exclusive, worldwide, royalty-free, fully paid-up, non-transferable, non-sublicensable license under the Patent for all uses and applications **except for** any such uses and applications that involve, relate to, market to, sell to, do business with, provide related goods or services to, or are consumed by any uses and applications of the patented technology within the civilian or military automotive, vehicle and/or transportation industry no matter the channels of trade in any way (the “**License**”). To remove any doubt, the prior exceptions are specific prohibitions on the use and application by LICENSEE of the Patent under the License. LICENSEE shall not attempt to license or otherwise grant any rights to any person or entity in the licensed Patent and shall not, absent written agreement with LICENSOR, practice the Patent outside the scope of the rights granted to LICENSEE in this Section 1.01.

Section 1.02 Improvements to Patent. All improvements made by either LICENSOR or LICENSEE to the technology covered by the Patent shall be owned by LICENSOR. To that end, LICENSEE hereby assigns any and all improvements to the Patent made and invented by LICENSEE to LICENSOR. In the event that LICENSEE desires to utilize such improvements to the Patent made by either Party, the Parties hereby agree that they will negotiate in good faith a separate license agreement having pricing and other terms and conditions that are mutually acceptable to both Parties.

Section 1.03 Maintenance of Licensed Patent. LICENSOR shall be responsible for maintenance of the Patent at the United States Patent and Trademark Office (“**USPTO**”).

Section 1.04 Enforcement of the Patent. Each Party shall promptly inform the other Party upon becoming aware of any activity likely to constitute infringement of the Patent. As between the Parties, LICENSOR shall have the exclusive right to assert and enforce the Patent for infringement, defend it against challenges of invalidity or enforceability, and license/sublicense it in settlement thereof (or otherwise). LICENSOR shall have no obligation to bring any suit, action or other proceeding against any alleged infringer of the Patent. LICENSEE hereby agrees to cooperate with LICENSOR as reasonably requested in all such enforcement or defense activities. LICENSOR shall have the exclusive right to select counsel to represent LICENSOR in such activities and to direct counsel in such activities. LICENSOR shall be responsible for all costs and expenses associated therewith and shall be entitled to retain all awards therefrom.

(a) Recovery and Settlement. If LICENSOR undertakes the enforcement or defense of the Patent:

- (i) Any recovery, damages or settlement derived from such suit, action or other proceeding shall be retained in its entirety by LICENSOR; and
- (ii) LICENSOR may settle any such suit, action or other proceeding, whether by consent order, settlement or other voluntary final disposition, without the prior written approval of LICENSEE.

Section 1.05 Challenges to the Patent. Notwithstanding the perpetual License granted herein under Section 1.01, if, during the Term, LICENSEE institutes or actively participates as an adverse party in, or otherwise provides material support to, any action, suit or other proceeding to invalidate or limit the scope of any of the Patent’s claims or obtain a ruling that any of the Patent’s claims are unenforceable or not patentable (“**Licensed Patent Challenge**”), LICENSOR has the right to immediately terminate this License Agreement with notice to LICENSEE and with no opportunity for LICENSEE to cure and this Agreement will immediately terminate effective as of the first date of LICENSEE’S first filing or participation in the Licensed Patent Challenge.

ARTICLE II. TERM

Section 2.01 Term. This License Agreement is effective as of the Effective Date and remains in effect until the first to occur of: (a) expiration of the Patent; b) the Patent is finally deemed invalid or unenforceable in its entirety with no further opportunity for appeal by the USPTO or by the U.S. federal courts; or (c) this License Agreement is terminated pursuant to Section 2.02 (collectively, the “**Term**”).

Section 2.02 Termination:

(a) Termination for Cause. Licensor shall have the right to terminate this Agreement immediately by giving written notice to Licensee if:

- (i) Licensee fails to pay any amount due under this Agreement on the due date for payment and remains in default not less than ten (10) Business Days (as defined below) after Licensor’s written notice to make such payment;

- (ii) Licensee materially breaches this Agreement (other than through a failure to pay any amounts due under this Agreement) and, if such breach is curable, fails to cure such breach within thirty (30) Business Days of Licensor's written notice of such breach;
- (iii) Licensee: (i) becomes insolvent or admits its inability to pay its debts generally as they become due; (ii) becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law, which is not fully stayed within sixty (60) Business Days or is not dismissed or vacated within sixty (60) Business Days after filing; (iii) is dissolved or liquidated or takes any corporate action for such purpose; (iv) makes a general assignment for the benefit of creditors; or (v) has a receiver, trustee, custodian or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business; or
- (iv) Licensee undergoes a Change in Control (as defined below), unless otherwise agreed to in writing by the Licensor.

- (b) Effect of Termination. Within ten (10) Business Days after termination or expiration of this Agreement, Licensee shall: (a) immediately cease all activities concerning, including all practice and use of, the Patent; and (c) within ten (10) Business Days after termination or expiration: (i) return to Licensor all documents and tangible materials (and any copies) containing, reflecting, incorporating or based on Licensor's Confidential Information; (ii) permanently erase such Confidential Information from its computer systems; and (iii) certify in writing to Licensor that it has complied with the requirements of this Section 2.02(b).
- (c) Definitions. For purposes herein, "Business Day" means a day other than a Saturday, Sunday or other day on which commercial banks in New York City, New York are authorized or required by law to be closed for business; "Change in Control" means with respect to a party, a change of the Person that has control, directly or indirectly, of that party, and for the purposes of this definition, "control" has the meaning given to it in the definition of "Affiliate"; "Person(s)" means an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association or other entity; and "Affiliate" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" for purposes of this Agreement means the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise/direct or indirect ownership of more than Fifty percent (50%) of the voting securities of a Person, and "controlled by" and "under common control with" have correlative meanings.

Section 2.03 Survival. Termination of this License Agreement shall not relieve a Party from any of its obligations that have accrued before termination. In addition, the following provisions shall survive termination and remain in effect as applicable: Article I, Article IV, Article V and Section 6.01.

ARTICLE III. MUTUAL REPRESENTATION AND WARRANTIES

Section 3.01 Mutual Representations and Warranties. Each Party represents and warrants to the other Party that:

- (a) it is duly organized, validly existing, and in good standing as a corporation or other entity as represented herein under the laws and regulations of its jurisdiction of incorporation, organization, or chartering;
- (b) it has, and throughout the Term will retain, the full right, power, and authority to enter into this License Agreement and to perform its obligations hereunder;
- (c) the execution of this License Agreement by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary action of the Party; and
- (d) when executed and delivered by such Party, this License Agreement will constitute the legal, valid, and binding obligation of that Party, enforceable against that Party in accordance with its terms.

ARTICLE IV. INDEMNIFICATION; INSURANCE

Section 4.01 Mutual Indemnification. Each Party shall indemnify, defend and hold harmless the other Party, and each of the other Party's respective officers, directors, employees, agents, successors and assigns against all Losses, as that term is defined in the Asset Purchase Agreement, arising out of or resulting from any third party claim, suit, action or other proceeding related to or arising out of or resulting from the other Party's breach of any representation, warranty, covenant or obligation under this Agreement, (each an "Action").

Section 4.02 Indemnification Procedure. Each Party shall notify the other Party in writing of any Action and cooperate with the other Party at such other Party's sole cost and expense. Subject to insurance obligations hereunder, the indemnifying Party shall immediately take control of the defense and investigation of the Action and shall employ counsel reasonably acceptable to the other Party to handle and defend the Action, at the indemnifying Party's sole cost and expense. Neither Party shall settle any Action in a manner that adversely affects the rights of the other Party or its Affiliates, as that term is defined in the Asset Purchase Agreement, without such other Party's or its Affiliates' prior written consent. Either Party and its Affiliates may participate in and observe the proceedings at its own cost and expense with counsel of its own choosing.

Section 4.03 Insurance. Each Party shall, at its sole cost and expense, obtain, pay for and maintain in full force and effect commercial general liability and professional liability (Errors and Omissions) insurance in commercially reasonable and appropriate amounts that (a) provides product liability coverage concerning the Licensed Products and contractual liability coverage for a Party's own defense and indemnification obligations under this Agreement, and (b) in any event, provide commercial general liability limits of not less than Two Million US dollars (\$2,000,000) and professional liability insurance limits of not less than Two Million US dollars (\$2,000,000), in each case as an annual aggregate for all claims each policy year. To the extent any insurance coverage required hereunder is purchased on a "claims-made" basis, such insurance shall cover all prior acts of the Party during the Term, and be continuously maintained until at least three (3) years beyond the expiration or termination of the Term, or such Party shall purchase "tail" coverage, effective upon termination of any such policy or upon termination or expiration of the Term, to provide coverage for at least three (3) years from the occurrence of either such event. Each Party shall have the other Party named in each policy as an additional insured. Upon request by either Party, the other Party shall provide the requesting Party with certificates of insurance or other reasonable written evidence of all coverages described herein. Additionally, a Party shall provide the other Party with written notice at least ninety (90) Business Days prior to such Party cancelling, not renewing, or materially changing the insurance.

ARTICLE V. BANKRUPTCY; ABANDONMENT

Section 5.01 Bankruptcy. All rights and licenses granted to LICENSEE under the License are and will be deemed to be rights and licenses to "intellectual property" as such term is used in, and interpreted under, Section 365(n) of the United States Bankruptcy Code (the "**Bankruptcy Code**") (11 U.S.C. § 365(n)). LICENSEE has all rights, elections, and protections under the Bankruptcy Code and all other bankruptcy, insolvency, and similar laws with respect to the License, and the subject matter hereof. Without

limiting the generality of the foregoing, LICENSOR acknowledges and agrees that, if LICENSOR or its estate shall become subject to any bankruptcy or similar insolvency proceeding:

- (a) subject to LICENSEE's rights of election under Section 365(n), all rights, licenses, and privileges granted to LICENSEE under the License will continue subject to the respective terms and conditions hereof, and will not be affected, and LICENSOR (in any capacity, including, but not limited to, debtor in possession) and its successors and assigns (including a trustee) shall perform all of the obligations required hereunder to be performed by LICENSOR. If LICENSOR (in any capacity, including, but not limited to, debtor in possession) and its successors and assigns (including, but not limited to, a Title 11 trustee) rejects its obligations under this Agreement pertaining to the License, as provided under the Bankruptcy Code, LICENSEE may elect to retain its rights hereunder as provided in the Bankruptcy Code, in which case LICENSOR (in any capacity, including, but not limited to, debtor in possession) and its successors and assigns (including, but not limited to, a Title 11 trustee), shall provide to LICENSEE a complete duplicate of, or complete access to, as appropriate, all such intellectual property and embodiments of intellectual property, which, if not already in LICENSEE's possession, shall be promptly delivered to LICENSEE or its designee.
- (b) Option to Acquire Assets in Bankruptcy.
 - (i) Notice of Transfers. If LICENSOR, in any capacity pertaining to insolvency, including, but not limited to, debtor in possession, and its successors and assigns pursuant to any insolvency process, including, but not limited to, a Title 11 trustee, proposes any offer of sale, transfer, hypothecation or further assignment (collectively referred to hereafter as a "Transfer") of the Assigned Patent to a third party, then LICENSOR shall promptly give written notice to LICENSEE at least sixty (60) days prior to the closing of such Transfer (such notice to be hereafter referred to as the "Sales Notice"). The Sales Notice shall describe in reasonable detail the material terms and conditions of the proposed Transfer including, without limitation, the nature of such Transfer, the consideration to be paid and the name and address of each prospective purchaser or transferee.
 - (ii) LICENSEE Option. LICENSEE shall have an option (the "LICENSEE Option") for a period of fifteen (15) days from receipt of the Sales Notice to elect to purchase the Patent(s) at the same price and subject to the same material terms and conditions as described in the Sales Notice. LICENSEE may exercise the LICENSEE Option and, thereby, purchase all or some of the Patent by notifying the LICENSOR in writing before expiration of the fifteen (15) day period as to which Patent(s) it wishes to purchase. If LICENSEE gives the LICENSOR notice that it desires to purchase any of the Patent(s), then payment therefore shall be by check or wire transfer against delivery of title to the purchased Patent(s) properly documented and recorded, at a place agreed upon between the Parties and at the time of the scheduled closing therefor, which shall be no later than forty-five (45) days after the LICENSEE's receipt of the Sales Notice, unless the Sales Notice contemplated a later closing with the prospective third party transferee(s). For avoidance of doubt, the LICENSEE Option may solely be exercised in connection with the acquisition of assets sold pursuant to proceedings governed by the Bankruptcy Code or other bankruptcy, insolvency, and similar laws.
- (c) Abandonment. If LICENSOR plans to abandon any patent application or patent included within consisting of, or related to, the Patent(s), LICENSOR shall notify LICENSEE in writing at least twenty (20) days in advance of the due date of any payment or other action that is required to prosecute and maintain the Patent(s), or any of them. Following such notice, LICENSEE will have the right, in its sole discretion, to assume control and direction of the prosecution and maintenance of such Patent at its sole cost and expense in such country, and LICENSOR shall, at LICENSEE's written request and sole cost and expense, cooperate with LICENSEE to assign to LICENSEE such patent application or patent. Effective as of the effective date of any such assignment under this Section, such patent application or patent shall no longer be a Patent under this License Agreement.

ARTICLE VI. GENERAL

Section 6.01 Confidentiality. The terms and conditions of this License Agreement, but not its mere existence, are the confidential information of the Parties. No Party shall disclose such terms to any other person or entity other than:

- (a) employees, financial advisors, and attorneys of a Party who have a need to know such terms and who are bound by a written or ethical obligation of confidentiality to such Party;
- (b) as reasonably necessary to comply with any law, regulation, or governmental authority, provided that reasonable measures are taken to preserve the confidentiality hereof to the extent possible; and
- (c) potential investors, acquirors and lenders of a Party who are bound to the Party by an obligation of confidentiality.

Section 6.02 Third Party Beneficiaries. Each Party hereto intends that this License Agreement does not benefit or create any right or cause of action in or on behalf of any person other than the Parties hereto.

Section 6.03 Publicity. No Party shall originate any publicity, news release or public announcement, written or oral, whether to the public or press, stockholders or otherwise, relating to this License Agreement, including its existence, the subject matter to which it relates, performance under it or any of its terms, to any amendment hereto or performances hereunder without the prior written approval of the other Party; provided, however, that no Party shall be prevented from making disclosures or statements that, in the opinion of legal counsel, are required by law. If a Party is required to make an announcement required by law, then, to the extent practicable under the circumstances, it will give the other Party ten (10) days advance written notice of the text of the announcement so that the other Party will have an opportunity to comment upon the announcement. Upon request by a Party for approval of any other disclosures, such approval or disapproval shall be given in writing within fifteen (15) days of its receipt. Once information has been approved for disclosure, no further consent or approval shall be required under this Section with respect to such information.

Section 6.04 Integration. This License Agreement, the Asset Purchase Agreement, and the Assignment Agreement constitute the entire agreement and understanding between the Parties with respect to the matters contained herein.

Section 6.05 Amendments. No amendment or modification of this License Agreement shall be valid or binding upon the Party unless made in writing and signed by an authorized representative of each Party.

Section 6.06 Governing Law; Submission to Jurisdiction. The Parties incorporate Section 6.01 of the Asset Purchase Agreement (Governing Law; Jurisdiction) to govern all issues of jurisdiction of law and venue to interpret or resolve any dispute arising under this License Agreement and all related documents.

Section 6.07 Severability. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 6.08 Headings. The headings of the several sections are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this License Agreement.

Section 6.09 Waiver. The waiver by a Party, whether express or implied, of any provisions of this License Agreement, or of any breach or default of a Party, shall not be construed to be a continuing waiver of such provision, or of any succeeding breach or default or of a waiver of any other provisions of this License Agreement.

Section 6.10 Representations. Each Party hereto acknowledges and agrees (a) that no representation or promise not expressly contained in this License Agreement has been made by another Party hereto or by any of its agents, employees, representatives or attorneys; (b) that this License Agreement is not being entered into on the basis of, of in reliance on, any promise or representation, expressed or implied, covering the subject matter hereof, other than those which are set forth expressly in this License Agreement; and (c) that each Party has had the opportunity to be represented by counsel of its own choice in this matter, including the negotiations which preceded the execution of this License Agreement.

Section 6.11 Relationship of Parties. Nothing herein shall be construed to create any relationship of employer and employee, agent and principal, partnership, or joint venture between the Parties. Each Party is an independent contractor. No Party shall assume, either directly or indirectly, any liability of or for the other Party, except as expressed herein. No Party shall have the authority to bind or obligate another Party and no Party shall represent that it has such authority, except as expressed herein.

Section 6.12 Counterparts. This License Agreement may be executed in counterparts (including by fax and PDF copy), any one of which need not contain the signatures of more than one Party, but all of which, taken together, shall constitute one and the same agreement.

Section 6.13 Equitable Relief. Each Party acknowledges that a breach by the other Party of this Agreement may cause the non-breaching Party irreparable harm, for which an award of damages would not be adequate compensation, and agrees that, in the event of such a breach or threatened breach, the non-breaching Party will be entitled to seek equitable relief, including in the form of a restraining order, orders for preliminary or permanent injunction, specific performance, and any other relief that may be available from any court. These remedies are not exclusive but are in addition to all other remedies available under this Agreement at law or in equity, subject to any express exclusions or limitations in this Agreement to the contrary.

Section 6.14 Waiver of Jury Trial. EACH PARTY HEREBY IRREVOCABLY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON THIS LICENSE AGREEMENT OR ANY DEALINGS BETWEEN THE PARTIES RELATING TO THE SUBJECT MATTER HEREOF. EACH PARTY HEREBY ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO THIS LICENSE AGREEMENT, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS LICENSE AGREEMENT AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH PARTY FURTHER REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS COUNSEL. IN THE EVENT OF LITIGATION, THIS LICENSE AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

Section 6.15 Further Assurances. Each Party agrees that it will execute and deliver, or cause to be executed and delivered, on or after the date of this License Agreement, all such other instruments and will take all reasonable actions as may be reasonably necessary in order to consummate the transactions contemplated by this License Agreement, and to effectuate the provisions and purposes hereof.

Section 6.16 Construction; Interpretation. The language in all parts of this License Agreement shall be construed, in all cases, according to its fair meaning. The Parties acknowledge that each Party and its counsel have reviewed and revised this License Agreement and that any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this License Agreement. Terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa. The word "including" shall mean including without limitation and the words "include" and "includes" shall have corresponding meanings.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have duly executed this License Agreement to be effective as of the Effective Date.

Apex Protect GPS, LLC (as LICENSOR)

By: _____
Name: _____
Title: _____

C-BOND SYSTEMS, LLC (as LICENSEE)

By: _____
Name: _____
Title: _____

[Signature Page to Exhibit E – License Back Agreement]