

Experimental Product Development Agreement

This contractual agreement is entered by and between Corbin Manufacturing & Supply, Inc., located at 600 Industrial Circle, White City, Oregon 97503, USA, hereinafter called "Corbin", and

_____(name), _____(address),
_____(city), _____(state or province), _____(zip or postal code),
_____(country), hereinafter called the "Client", for research and development services related to the production of tooling and development of techniques for the manufacture of the Experimental Product described in Exhibit A, attached, hereinafter called the "Product". In consideration of a Development Fee paid by the Client upon execution of this agreement, Corbin shall provide the following services, results of which shall be delivered in the form of a Product Development Report:

1). Corbin shall strive to experimentally determine, using their best professional judgement, the most satisfactory method of producing the Product using tooling and techniques to be described and graphically illustrated by Corbin in the Development Report. Such experimental work may require consumable materials and tooling manufactured or purchased by Corbin, the cost of which shall be deducted from the Development Fee, and detailed in the Product Development Report. In the event it is determined the Product cannot be satisfactorily produced under the criteria detailed in Exhibit A, the Client may negotiate modifications of the criteria, or decide to conclude the agreement.

2). Any surplus materials, experimental components or prototype tools developed solely from the funds provided by the Development Fee shall become the property of the Client upon completion of the agreement. Information developed relative to manufacturing the Product under this agreement shall be delivered to the Client upon completion of the agreement for any reason.

3). The agreement shall be considered complete upon occurrence any of the following events:

A). Corbin develops a prototype or devises a method of production which is guaranteed (a) to meet the criteria for production of the experimental product described in Exhibit A, and (b) is offered by Corbin to the Client at a specific price. The client is under no further obligation to purchase such equipment, but shall be entitled to the detailed information regarding such equipment or methods as presented in the Product Development Report.

B). Corbin determines that an unforeseen difficulty or incorrect previous assumption about the feasibility of production will interfere with satisfactory production of the Product under the criteria detailed in Exhibit A, and communicates this information to the Client, and the Client determines that no changes to the criteria that might permit satisfactory production are possible.

C). Corbin determines that the Product may not be manufactured using the tools and techniques which can be provided by Corbin, but may be produced using other methods. The Product Development Report shall outline other approaches and suggestions for design or material changes in the Product.

D). Corbin determines that the Product may not be manufactured by any known means within the criteria of Exhibit A. The Product Development Report shall detail the attempts made and reason for their failure.

4). It is specifically stated and understood by both parties to this agreement that Corbin is under no obligation to guarantee successful development of tooling for the production of the Experimental Product, but is engaged solely to attempt, to the best of the Corbin's ability, to determine the most satisfactory production method, and if possible to design prototype tools and methods for the manufacture of the Product. In any experimental endeavour, the possibility exists that a satisfactory answer may not be found, and that the value of efforts to determine this outcome is in preventing future loss in pursuit of an impractical goal. It is further stated and understood by both parties that Corbin is under obligation only to use reasonable diligence in applying professional experience and knowledge to the development of a production method and tooling, but cannot guarantee such results, nor warrant that satisfactory results are possible. A feasibility study may have suggested that satisfactory production is possible, and even likely, but not that it is certain. Certainty can only occur after development of tooling and methods has been completed. The Client agrees that the payment of the Development Fee shall not indicate an expectation of a guarantee of successful outcome.

5). Corbin shall, upon completion of the agreement, refund any unused amount of the development fee or apply it to the purchase of tooling and supplies ordered by the Client. The use of the Development Fee shall be determined by subtracting the cost of materials purchased solely for use in completing the agreement, and delivered to the Client, or if consumed, an accounting of consumed material shall be provided, and the hourly billing time used at the currently published shop rate or overtime shop rate for rush orders. The Development Fee is an estimate of costs which are unknown until completed, and may be more or less than the actual costs. Corbin will not charge more than the Development Fee stated in this agreement if no changes are made to the criteria in Exhibit A by the client, except those suggested by Corbin to expedite production.

6). In the event that changes to the criteria in Exhibit A, other than those suggested by Corbin, are made by the Client, Corbin reserves the right to cease development until payment of such additional fees as

may be necessitated by the new criteria have been paid by the Client. If such changes are made which require additional fees, and such fees are not paid by the Client within 30 days, the agreement may be terminated. In that event, Corbin shall provide to the Client all information and materials related to the use of the initial Development Fee.

7). The information and methods developed or employed in the Development Agreement are the nonexclusive property of the Client and Corbin. Corbin makes every effort to safeguard design concepts developed and presented by the Client, but having been in the position of dealing with thousands of clients in the same field of endeavor over several decades, many ideas and concepts have been presented which are similar or identical to those of other clients. There is a considerable likelihood that the same techniques or tools may be developed with or without slight modifications, for a number of different clients. It is specifically agreed that this shall not be construed as a breach of trust or disclosure of proprietary information. Corbin agrees not to disclose client names or their products to others unless specifically authorized by the Client or required to do so by duly constituted law enforcement authority, except as necessary for the procurement of materials or services in behalf of the Client.

8). In consideration of the terms of this agreement, the Client agrees to pay the sum \$ _____ US Dollars as the Development Fee, submitted with this instrument.

This agreement is executed on the _____ day of _____, 20____
by

(client)

(Corbin Manufacturing & Supply, Inc.)