

LICENSE AGREEMENT

THIS AGREEMENT is made effective January 14, 2005 ("Effective Date"), by and between the **UNITED STATES POSTAL SERVICE** ("USPS" or "Licensor"), an independent establishment of the United States government, and **LEPAGE'S 2000, INC.** (hereinafter referred to Individually or collectively as the "Licensee") with all its wholly owned subsidiaries or affiliates (as listed in Section 20 of the Agreement), a Michigan corporation with its principal place of business at 21450 Trolley Industrial Drive, Taylor, Michigan 48180.

In this Agreement, USPS grants to Licensee a license to use certain names, trademarks, service marks, trade dress and/or copyrights on and in connection with the manufacture, distribution, advertising, promotion and sale of certain goods listed below, on the terms and conditions specified below and in the attached Exhibits A, B, C, D and E which are incorporated herein by reference, Definitions of the various terms used below are listed in Exhibit B:

1. Licensed Properties: The Licensed Properties are the trademarks, service marks, trade dress and/or copyrights listed on Exhibit A to this Agreement.
2. Licensed Articles:

Category A: Mail, Ship, Move and Store Products: Mail, Ship, Move and Store Products are defined as those products, supplies, and materials used specifically in the method and process which prepares, packs, labels, stores, tracks and identifies for transportation from one place to another by postal mail or otherwise. Such products include packaging tapes, adhesive tapes, stretch wrap, adhesive labels, address labels, twine, corrugated boxes, mailing tubes, bubble wrap, bubble paper, bubble mailers, moving boxes, stickers, flags, mailing boxes, craft paper [used as shipping material], paper mailers, labels, sticky notes, glue and partial glue based products, tapes and tape products, rubber bands, storage boxes, and any labels or tags for tracking tracing or identification;

Category B: Stationery Products: Stationery Products are defined as products used in the communication of one person to another using "words on paper" and related paper products used in the celebration of holiday and other gift giving and special occasions. Such products include greeting cards, gift-wrap paper and pop-wrap paper.

From time to time but not more than twice a year, Licensee may submit other, additional products to USPS for possible inclusion as Licensed Articles, USPS will review submissions from Licensee within twenty (20) business days of such submission. If, in its sole discretion, USPS decides to include any submitted products as Licensed Articles, USPS will prepare a written document setting forth the terms and conditions of inclusion which when signed by both parties shall constitute an amendment to this Agreement. Business/office machines, computers, office equipment and tools of measurement or other function (either digital, electronic or mechanical) are expressly excluded from Licensed Articles. Notwithstanding anything to the contrary herein, all decisions regarding interpretation and definition of Licensed Articles, as well as all possible inclusion of products pursuant to a written amendment to this Agreement, shall be at the sole, unfettered discretion of the USPS.

3. Type of License:

A: Mail, Ship, Move and Store Products – This License is exclusive including the Postal Service for products using The Shipping Standard and other Licensed Properties developed jointly by the parties in connection with this Agreement. Such jointly developed Licensed Properties shall not be used under the ReadyPost program or for other Postal Service programs for sale in commercial retail outlets. The Postal Service shall maintain all rights to use all other Licensed Properties in any manner, territory, field of use, channel of distribution, etc., on or in connection with any of its own products or services, whether sold through Postal Service retail outlets or otherwise; nor shall this Agreement be construed to restrict or prevent the Postal Service from contracting for the manufacture or distribution of any Postal Service products or services.

B: Stationery Products - Non-exclusive.

4. (a) Licensed Territory: United States, its territories and possessions, US military bases world wide, Mexico, Canada, NAFTA members and Western Europe (which for the purpose of this Agreement will be defined as members of European Union (EU), including new members to the EU), Australia and New Zealand.

Licensee shall advise USPS of retail customers of Licensee with international distribution; approval to ship these customers internationally will not be unreasonably withheld by USPS.

USPS in its sole discretion shall decide whether during the Term of this Agreement any additional Territories will be included as Licensed Territories.

4. (b) USPS and Licensee acknowledge that success in the United States market is a prerequisite for market entry in foreign markets. Therefore, Licensee efforts initially will focus almost entirely towards establishing a fully developed and successful program in the United States which shall serve as the model for export to the international markets.
4. (c) In the event that Licensee has no sales of any Licensed Articles in a given Territory for six consecutive months after Licensee's first date of sale of the Licensed Article in said Territory, such Territory shall cease to be a Licensed Territory for the remainder of the Term (and any renewal term) of this Agreement.
4. (d) If Licensee withdraws Licensed Article(s) from a specific Territory or fails to ship Licensed Article(s) for six consecutive months after Licensee's first date of sale of such Licensed Article(s) in said Territory, Licensee's rights with respect to those Licensed Articles will terminate. Notwithstanding the foregoing, in such an event Licensee will be given three months from notification to re-establish distribution of Licensed Articles.
5. (a) Channels of Distribution: Licensee agrees to seek premiere channels of distribution including but not limited to: food/grocery stores, drug stores, mass retailers, office superstores, warehouse clubs, dollar stores, Internet/virtual retailers, commercial

stationers, General Services Administration (GSA), US Military locations world wide (excluding Postal Retail outlets on US military sites), commercial markets/industry and internal use, convenience stores, hardware outlets, direct mail, industrial distributors and industrial and commercial users and any other outlets deemed relevant to the product categories and approved in writing by the USPS.

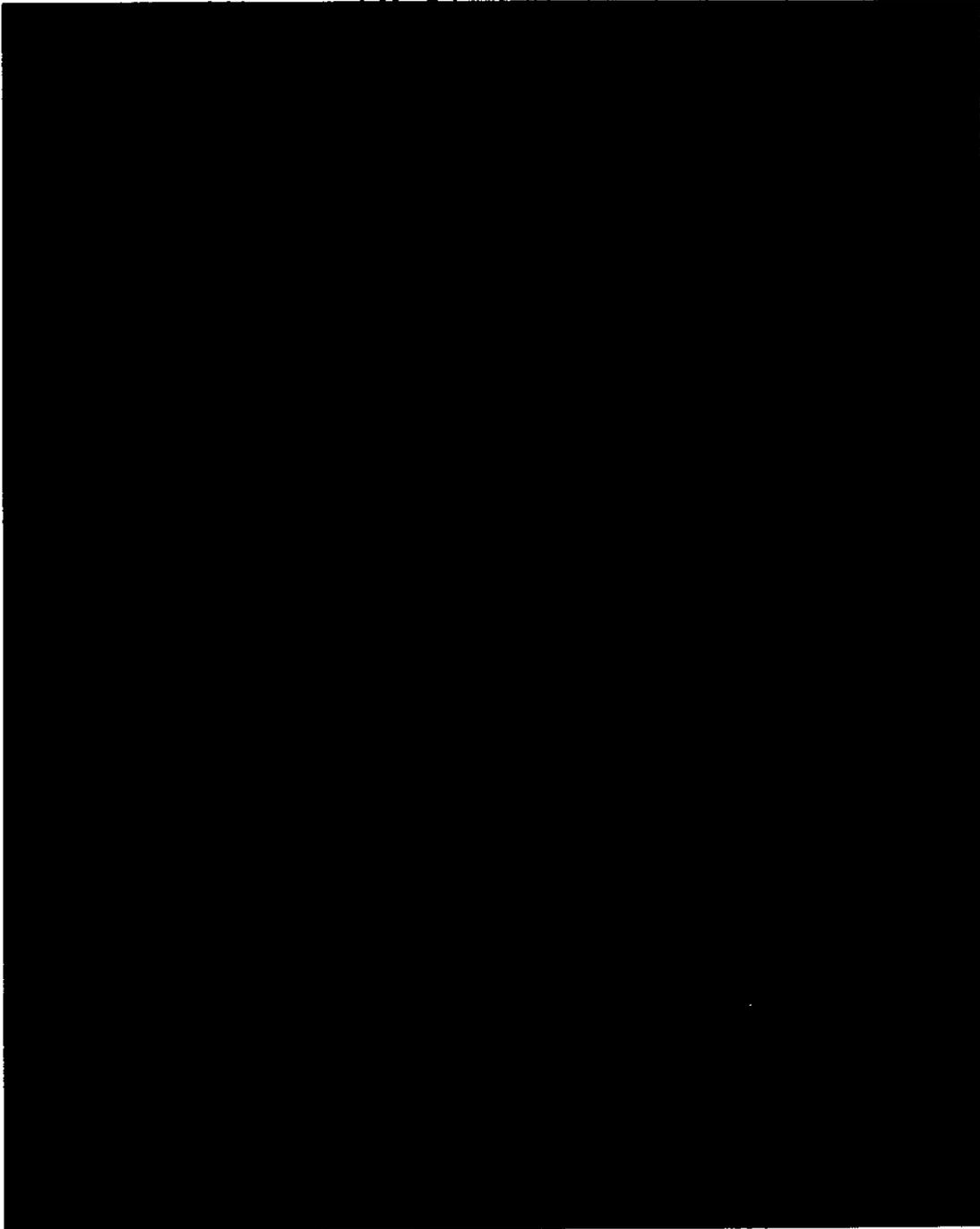
5. (b) USPS grants the first right of refusal for any additional distribution rights of Licensed Articles in any of the Channels of Distribution which are referred to herein, and are not subject to a USPS grant of license which precedes the execution of this Agreement and which shall then become exclusive to the Licensee.
5. (c) This Agreement does not preclude the Licensee from distributing, marketing and selling their own products in regions irrespective of whether exclusivity has been granted or not pursuant to this Agreement.
6. Initial Term: January 14, 2005 through January 15, 2007, Contract Period 1 shall begin January 14, 2005 and shall end January 15, 2006. Each consecutive twelve-month period thereafter shall be deemed a Contract Period, i.e. Contract Period 2 means January 15, 2006 - January 15, 2007
7. (a) Option Renewal Term Net Sales Minimum: 

 Upon written notification by Licensee and written verification by Licensee that sales have met or will meet criteria and stating Licensee's desire and intention to continue the license, this Agreement will automatically renew without any further action or burden to Licensee. In the event both conditions of this subsection are not achieved, Licensor, in its sole discretion, can determine whether to renew and the duration of any such renewal.

7. (b) For purposes of this Section 7, Net Sales shall not include any sales of Licensed Articles made by Licensee to USPS Retail Channels and outlets as defined in Section 1(k) of Exhibit B.
8. Renewal Term: Subject to the terms and conditions set forth in this Agreement, 



9. Royalty Rate:



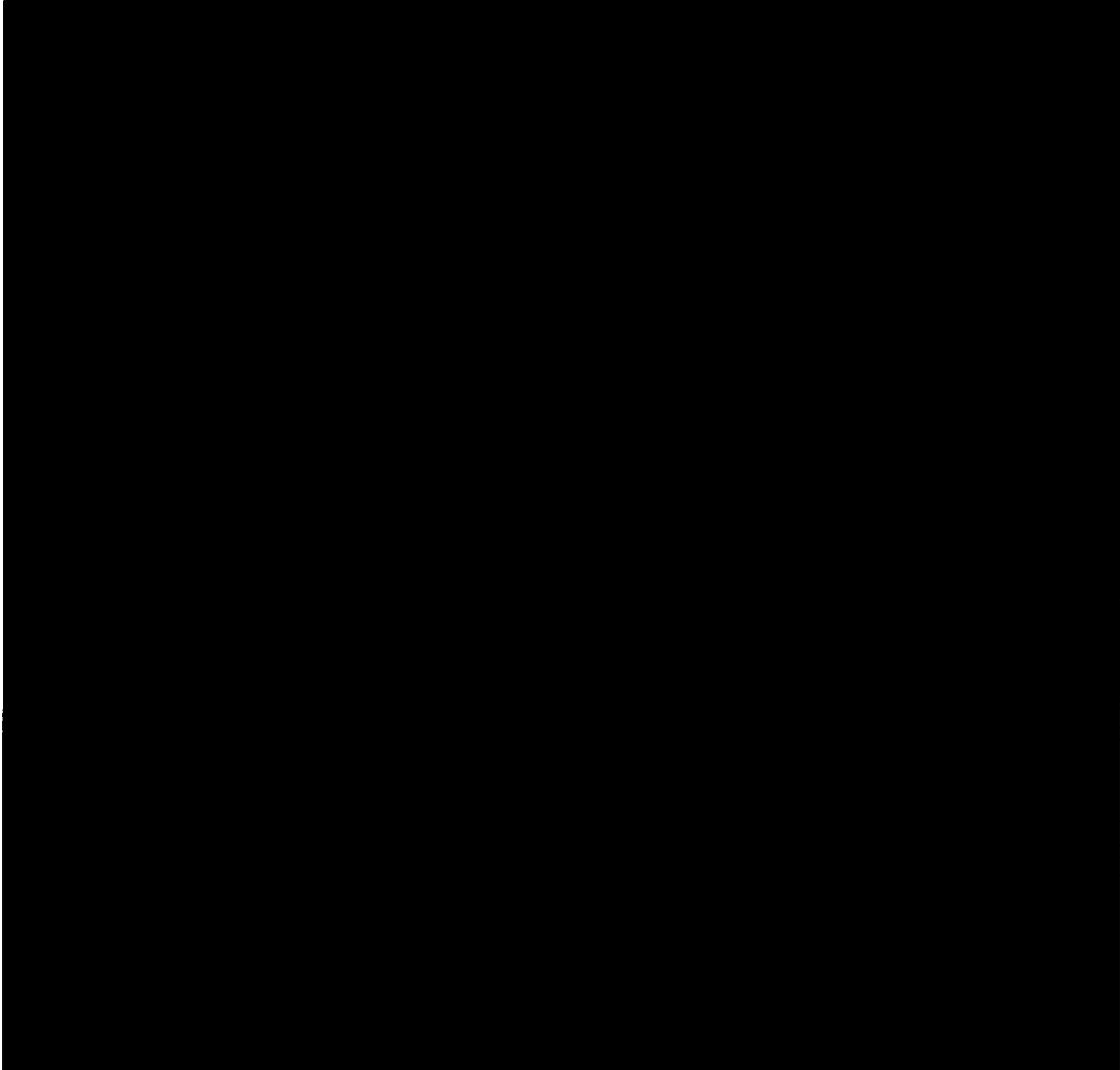
9.

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9. (f) The Licensee reserves the right to renegotiate royalty rates with the Licensor, under the specific and special conditions where; 1) a particular customer of Licensee is conducting a bidding process with respect to certain Licensed Articles; 2) the current royalty rate causes Licensed Articles to be priced non competitive relative to the market; and/or 3) the current royalty rate prohibits Licensee from successfully marketing Licensed Products and realizing a standard industry profit.

Such renegotiated rates will be agreed upon in writing as an amendment to this Agreement before they go into effect. If market conditions change and, as determined by

the USPS, the conditions subparts 1), 2) or 3) of Section 9(f) no longer exist, USPS royalty with respect to Licensed Articles will return to the original schedule set forth in 9 (a), (b) and (c) above.

Under the abovementioned conditions, Licensor agrees to act reasonably and in good faith to effect new royalty rates in furtherance of Licensing Program,

10. (a) Guaranteed Minimum Royalty and Schedule: [REDACTED]

- 10 (b) [REDACTED]

11. Advertising Commitment: Licensee is committed to spend a commercially reasonable amount of time and money to promote Licensed Articles through Trade and Consumer Advertising, consistent with industry standards.

12. Cooperative Advertising Fund: Licensee will make available to its customers an adequate cooperative advertising allowance consistent with industry standards. [REDACTED]

[REDACTED] The parties shall meet three months prior to end of the Initial Term to discuss whether or not to continue this process into the renewal terms if any.

13. Payments and Royally Statements:

Royalty Payments Shall Be Sent To:

USPS Licensing Program
PO Box 7247-7087
Philadelphia, PA 19170-7087

Monthly Sales and Quarterly Royalty Reports Shall Be Sent To:

U.S. Postal Service
Licensing Program, Royalty Reports
475 L'Enfant Plaza, SW, Room 1P801
Washington, DC 20260-0801

14. Notices to USPS Shall Be Sent to USPS Follows

USPS notice: U.S. Postal Service
Licensing Program
475 L'Enfant Plaza SW, Rm. 1P801
Washington DC 20260-0801

15. Notices to Licensee shall be sent to the following addresses:

LePage's Products, Inc,
41 Lesmill Road
North York, Ontario
Canada, M3B 2T3

LePage's Products, Inc.
21450 Trolley Industrial Drive
Taylor, Michigan 48180

16. Insurance: 

17. Form of Copyright And Trademark Notices: See Exhibit A to this Agreement.

18. Marketing Dates: Approval of prototypes sent to Licensor:

The USPS shall use its best efforts to make an approval determination on prototypes sent by Licensee within 10 days of receipt,

19. Standard Terms and Conditions: See Exhibit B to this Agreement, which is incorporated herein by reference.

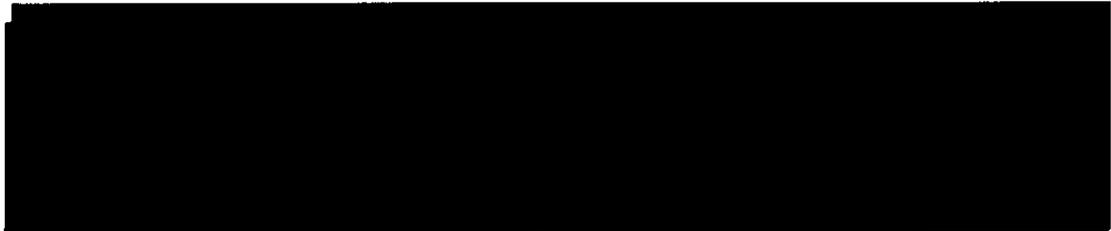
20. Licensee Federal Tax Identification Number:

LePage's Products, Inc. 820556068

LePage's 2000, Inc, 38-2802450

As new subsidiaries of Licensee are created, Parties will amend this Agreement to reflect any changes and additions.

21. Other Terms and Conditions:



IN WITNESS WHEREOF, duly authorized representatives of USPS and Licensee have executed this Agreement, including the terms and conditions set forth in the attached Exhibits A, B, C, D and E.

UNITED STATES POSTAL SERVICE

By: [Signature]
Name: ALBERT JAFFER
Title: VP P&C
Date: JAN 14 '05

LEPAGE'S 2000, INC.

By: [Signature]
Name: D. Chandran
Title: E. V. President
Date: 1/15/05

LEPAGE'S PRODUCTS, INC.

By: [Signature]
Name: CLARENCE S. CHANDRAN
Title: PRESIDENT
Date: 1/15/05

EXHIBIT A

LICENSED PROPERTIES

Licensed Properties shall mean the following United States Postal Service trademarks, service marks, trade dress and/or copyrights:

USPS

USPS Corporate Signature



Wholly Owned Stamp Images, subject to USPS approval

Mr. ZIP



THE SHIPPING STANDARD

The Shipping Standard™



Wholly Owned Stamp images shall not include any Semi-Postal or Social Awareness stamps. Semi-postal stamps are created through congressional legislation and are valid for postage at the one ounce First Class letter rate in effect at the time of purchase, with the difference between the sales price and postage value consisting of a tax-deductible contribution. The designation of a stamp as Social Awareness shall be at the sole discretion of the USPS. Use of Semi-Postal and/or Social Awareness stamps by Licensee shall require a written modification to this Agreement, signed by an authorized representative of the USPS, which such modification may be granted at the sole discretion of the USPS,

Each use of a Licensed Property shall be accompanied by the appropriate®,™ or © designation as directed. Each Licensed Article shall bear the following notice: "Trademarks and copyrights used herein, or hereon, are properties of the United States Postal Service and are used under license to LePage's All rights reserved." Licensee shall display the marks listed above only according to the specifications provided by USPS,

Reproductions of stamps that are between 75% - 150% of the original stamp size must include a cancellation as part of the design.

Licensee acknowledges and agrees that the USPS may, In its sole discretion and without notice to Licensee, restrict the usage of wholly and jointly owned images in its sole discretion,

Concurrence (Initial)

Three handwritten initials or signatures are written in black ink. The first is a stylized 'J' with a loop. The second is a more complex, scribbled signature. The third is a stylized 'S' or 'J' with a loop.

EXHIBIT B

STANDARD TERMS AND CONDITIONS

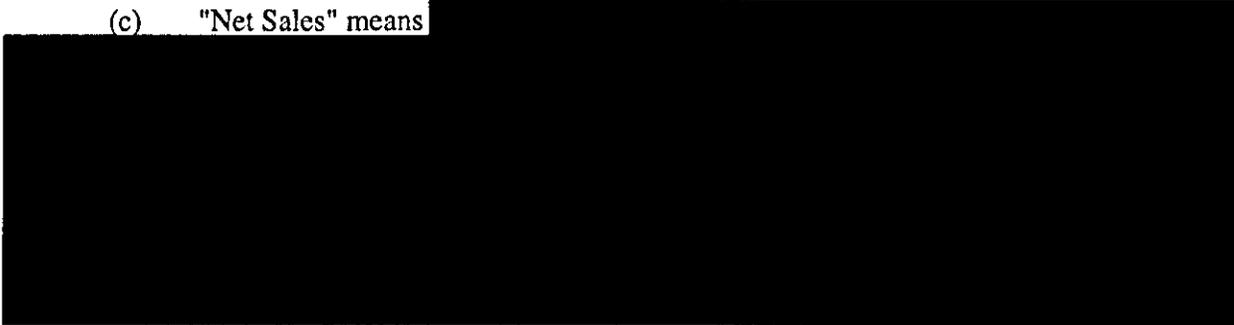
These Standard Terms and Conditions shall be deemed fully incorporated in the License Agreement made effective as of January 14, 2005, by and between LePage's Products, Inc. and the United States Postal Service ("License Agreement") to which this Exhibit B is attached, and these Standard Terms and Conditions and the License Agreement shall hereinafter collectively be referred to as the Agreement. All terms used in these Standard Terms and Conditions shall, unless expressly provided to the contrary herein, have the same respective meanings as set forth in the License Agreement, Unless expressly provided to the contrary herein, to the extent that any provision of these Standard Terms and Conditions conflicts with any provision of the License Agreement, the License Agreement shall control.

1. **Definitions:** For purposes of this Agreement (including the "License Agreement"), the following terms shall have the following specified meaning:

(a) "Close-Out" means the sale of merchandise at a very low price in order to reduce inventory in a short time, which shall be permitted during the Sell-Off period under the terms and conditions specified herein, or at any other time which the Licensee determines to be consistent with prevailing market strategies, and /or the highest traditions of industry standards, The Licensee shall notify the Licensor in the form of an addendum to the quarterly report with respect to the business rationale for any Close-Out.

(b) "Collateral Materials" means packaging, cartons and containers, packing and wrapping material, tags and labels.

(c) "Net Sales" means



(d) "Jointly-Owned Stamp Designs" means those United States postage stamp designs featuring trademarks, copyrights, or rights of publicity that are jointly owned or controlled by USPS and a Joint-Owner(s).

(e) "Joint-Owner(s)" means an entity, other than USPS or Licensee, recognized by USPS as owning rights in a stamp design.

(f) "Licensed Articles" means the items specified in Section 2 of the License Agreement. In the event of any question regarding the definition of merchandise which Licensee

may wish to produce as Licensed Articles, the final decision shall remain with Licensor in its sole discretion.

(g) "Premium" means any article used for the purpose of increasing the sale of, promoting, or publicizing any other product or service, including but not limited to incentives for consumers, sales forces, members of the trade, or fund-raising.

(h) "Promotional Materials" means all advertising and sales materials, including but not limited to sales sheets, brochures, direct mail, and catalog layouts.

(i) "Sell-Off Period" means the one hundred eighty (180) day period commencing after the termination of the Agreement, during which Licensee may dispose of excess inventories of Licensed Articles. Licensee may present special circumstances for USPS approval, under which more time is required for disposal of inventory, which such approval may not be unreasonably withheld.

(j) "Trade and Consumer Advertising" means the portion of direct costs incurred by Licensee in connection with newspaper, magazine and other print advertising; direct mail advertising; radio and television advertising; internet advertising; and promotional materials, displays and other point-of-sale materials displaying the Property, buying of shelf space, any retail rebates and incentives, any direct costs associated with promotions and events, any strategic competitor inventory buy-backs or any Close-Out of inventory, and this sum will not exceed [REDACTED] of the total sales in any given year.

(k) "USPS Retail Channels" means any retail channel that is owned by the USPS and operated by USPS personnel, including but not limited to: USPS on-line store, USPS lobbies and outlets, the OLRP Program, and USPS events sales made by USPS personnel.

(l) All references to dollar amounts in the Agreement are to be read that such amounts are to be United States Dollars (USD).

2. Grant of License:

(a) Grant: Subject to the limitations set forth herein, USPS hereby grants to Licensee a non-transferable, non-exclusive license to design, manufacture, have manufactured, sell, distribute, and advertise Licensed Articles bearing the Licensed Properties in the Licensed Territory or Territories.

(b) Limitations on Grant:

(i) Licensee shall not have the right to grant sublicenses of any or all of its rights under this Agreement unless it first obtains USPS' prior written consent to each sublicense.

(ii) No license is granted hereunder for the use of the Licensed Properties for any purpose other than on or in connection with the Licensed Articles.

(iii) Licensee may use the USPS corporate signature identified in Licensed Properties only in connection with the sale of Licensed Articles and only for the purpose of indicating that the use of the Licensed Properties is authorized by USPS.

(iv) Pursuant to section 5(b) of the License Agreement, nothing in this Agreement shall be construed to prevent USPS from using or licensing others to use the Licensed Properties for any purpose except those Exclusive Licensed Articles, rights of refusal; and all other rights referred to in the License Agreement, and Exhibits, attachments, and addendums thereto.

(v) Licensee shall not sell or distribute the Licensed Articles outside the Licensed Territory or knowingly sell the Licensed Articles to persons who intend or are likely to resell them outside the Licensed Territory.

(vi) No license is granted for use of the Licensed Properties in connection with or on premium sales, close-outs, door-to-door, give-aways, souvenirs, fund raisers, television sales (excluding home shopping television networks), infomercials, contest products, combination sales, computer and/or any other electronic publishing and/or delivery systems (excluding Internet sales authorized herein) or any similar methods of merchandising.

(vii) Licensee acknowledges that, from time to time and without Licensee's approval, USPS may modify certain elements of the Licensed Properties, add new Licensed Properties, or discontinue the use of certain Licensed Properties. Accordingly, USPS does not represent or warrant that the Licensed Properties or any of its elements will be maintained or used in any particular fashion. In the event that USPS makes modifications to the Licensed Properties, this Agreement will be subject to any such modifications effective upon written notification from the USPS; however, Licensee shall be allowed a reasonable sell-off period for any existing inventory of Licensed Articles bearing discontinued or modified Licensed Properties.

(viii) Licensee acknowledges and agrees that it is solely responsible for arranging the sale of the Licensed Articles and that nothing in this Agreement shall be construed as requiring the USPS to purchase, or otherwise facilitate the sale of, Licensed Articles, or to provide Licensee with access to USPS employees, USPS internal communication systems or USPS retail distribution channels.

(ix) USPS reserves all rights not expressly granted herein.

(c) Licensee's Obligations:

(i) Licensee agrees to use its best efforts to sell, distribute and supply the Licensed Articles within the Licensed Territory. Licensee must begin the bona fide manufacture, distribution, and sale of the Licensed Articles on a Licensed Territory-wide basis. Failure by the Licensee to timely engage in full and regular distribution and active marketing of the Licensed Articles is considered a material breach of this Agreement. If Licensed Articles are out of distribution in any country of the Licensed Territory for [REDACTED] USPS must notify the Licensee and give [REDACTED] to rectify the situation. Failure to rectify the

situation within the proscribed time period will result in USPS having the option to terminate the Agreement with respect to those specific Licensed Articles and specific country or countries of the Licensed Territories and any and all rights in and to those Licensed Articles in those countries within the Licensed Territory revert immediately to USPS. If any rights with respect to some, but not all specific Licensed Articles or countries within the Licensed Territory shall revert to USPS pursuant to this paragraph, all of the remaining terms and conditions of this Agreement shall remain in full force and effect, including, but not limited to, payment of specified Royalty Payments and Guaranteed Minimum Royalty.

(ii) Licensee further undertakes to make and maintain adequate and reasonable arrangements for the broadest distribution of Licensed Articles through the Channels of Distribution specified in the License Agreement. Licensee agrees to maintain adequate inventories of the Licensed Articles as an essential part of its distribution program. All Close-Outs shall be sold only through retail outlets and traditional and accepted dealers in such merchandise and upon such terms and conditions as Licensee, in its sole discretion, acting in a manner which is consistent with the highest traditions of industry standards, determines appropriate, and shall not be sold to any person or entity which Licensee knows, or has reason to know, will export such Close-Outs from the Licensed Territory. Licensee undertakes to use its best efforts to design, manufacture, promote and sell the Licensed Articles displaying or embodying the Licensed Properties in all of the potential markets in the Licensed Territory and to fill orders promptly. Licensee will diligently and continuously manufacture, distribute, promote and sell the Licensed Articles during the Term of this Agreement and Licensee will procure and maintain adequate facilities and trained, competent personnel sufficient to accomplish the foregoing. In the event Licensee has any Licensed Articles manufactured for it by another supplier, Licensee assumes full responsibility and liability under this Agreement for such supplier's actions or omissions to the same extent as though committed or omitted by Licensee.

3. **Term:** This Agreement shall be for the period set forth in the License Agreement, unless sooner terminated in accordance with the terms and conditions set forth herein.

4. **Payment:**

(a) **Royalties for Sales Prior to Effective Date:** The estimated royalty payment which would have been due for net sales occurring prior to the effective date of this Agreement is

[REDACTED] This amount will be adjusted upon audited statements. [REDACTED]

[REDACTED] This amount shall be used as the parties mutually agree as a cooperative advertising and marketing allowance, or for other purposes including development and improvement of the relationship between the parties.

[REDACTED]

(b) **Royalty Rate:** Licensee agrees that it will pay USPS a non-refundable royalty equal to the percentage set forth in the License Agreement on Licensee's Net Sales of Licensed

Articles made during the Term of this Agreement, any extensions or renewals, and any Sell-off Period ("Royalty Payments").

(c) Guaranteed Minimum Royalty: Licensee agrees to pay USPS the Guaranteed Minimum Royalty set forth in the License Agreement, according to the payment schedule set forth therein. The Guaranteed Minimum Royalty is an advance against and is deducted from the Royalty Payments due during the Initial Term. No portion of the Guaranteed Minimum Royalty is refundable under any circumstance. If this Agreement is terminated as a result of a material breach of the Agreement by Licensee, the greater of all Guaranteed Minimum Royalties and/or earned Royalty Payments due for the remainder of the Initial Term of the Agreement or any agreed-upon Renewal Period thereof shall immediately become due and payable.

(d) Statements and Payments: Within thirty (30) days following the end of each quarter, Licensee shall submit a full, accurate, and detailed statement in the format outlined in Exhibit C, signed by an authorized officer of Licensee, and certified as accurate which shall include all information necessary for USPS to determine the proper payment to be received for that contract period. In addition, Licensee shall provide a letter from its CFO at the end of each year certifying the accuracy of the previous four-quarter financial reports. Such statement shall also include all information relating to Trade and Consumer Advertising expenditures.

Payments to USPS shall be due and payable thirty (30) days following the end of each contractual quarter, Payments shall be made payable, to the U.S. Postal Service Licensing Program at the address for Royalty Payments in the License Agreement, with a copy to the USPS representative at the address for Monthly Sales Reports in the License Agreement. Payments may be made by check or electronic funds transfer. Licensee shall be charged interest at the rate of

or the maximum rate permitted by law, whichever is lower, on each unpaid amount from the first day payment becomes due through the date of payment, Should Licensee wish to make a claim for the return of any royalty payments, including but not limited to claims for refund of payments for returns of Licensed Articles in subsequent reporting periods, such claim must be made within sixty (60) calendar days after the date Licensee first becomes aware of the problem. Licensee shall not make, and USPS shall not be liable for or obligated to pay, any claims for refunds of royalty payments If such claims are made more than sixty (60) days after the date that the Licensee first becomes aware of said problem. For payments made by check, the date of payment shall be the date of postmark of the envelope containing the check. For payments by electronic funds transfer, the date of payment shall be the date payment is received into the account of the USPS. Licensee shall furnish such statements to USPS whether or not any Licensed Articles were sold during the Period.

Licensee shall also provide sales information on a monthly basis in a format mutually agreed upon by both parties.

5. Approvals and Quality Control: USPS shall control the nature and quality of all products or services offered for sale under this Agreement, the appearance and use of the Licensed Properties, and the appearance and use of all advertising and promotion for the Licensed Articles and/or the Licensed Properties.

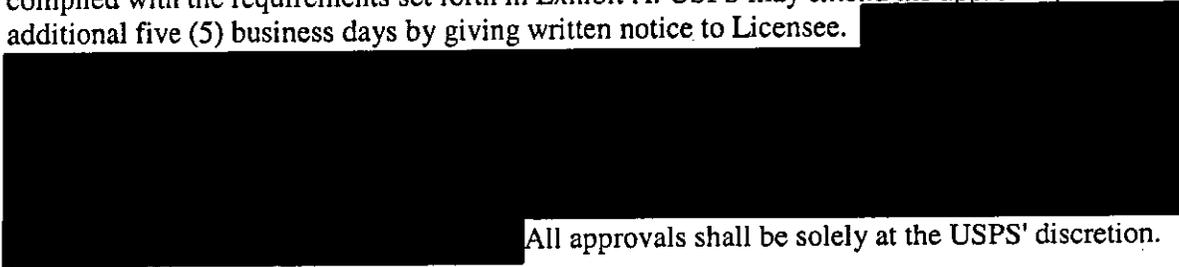
(a) USPS Approval of Licensed Articles: Licensee must obtain USPS written approval of the styles, designs, packaging, contents, workmanship, and quality of all Licensed Articles and associate materials prior to the distribution or sale thereof. USPS maintains the rights to take all actions that it deems necessary to ensure that Licensed Articles manufactured or sold hereunder are consistent with the high quality and reputation of the Licensed Properties.

(b) License Compliance with Applicable Law: Licensee warrants that all Licensed Articles shall be manufactured, sold, labeled, packaged, distributed, and advertised in accordance with all applicable laws and regulations. Licensee further warrants that the Licensed Articles and all promotional, advertising, and packaging material shall meet the quality and standard requirements set forth in Exhibit D. Approval of a particular product pursuant to this License shall not be deemed a waiver of any of the quality and standard requirements set forth in Exhibit D. Licensee shall not offer for sale, advertise, promote, distribute, or use for any purpose any Licensed Articles or packaging that are damaged, defective, seconds, or that otherwise fail to meet the specifications or quality requirements listed in Exhibit D or deviate in type or quality from the products which have been approved in writing by USPS.

(c) Delivery and Approval of Samples:

(i) Licensee shall, before selling or distributing any Licensed Articles, furnish, to USPS free of cost, for written approval, one each of concept art, final art, mock-ups, and prototypes of the Licensed Articles, and all designs which Licensee intends to use in connection with the Licensed Properties, to be followed by four (4) production samples of each Licensed Article, together with its Collateral Materials, and any additional samples as may be reasonably required. Licensee shall also submit all Promotional Materials for prior written approval by USPS. The Licensed Articles, Collateral Materials, and Promotional Materials shall be of a standard of quality, appearance, and style approved in writing by USPS prior to any advertising, sales, distribution or use of same taking place,

(ii) Relating to any item submitted for approval, the USPS shall use its best efforts to approve or disapprove such submission within ten (10) business days after receipt; provided, however, that the USPS shall have no obligation hereunder to review or approve Licensed Articles bearing Jointly Owned stamp designs until such time as Licensee has complied with the requirements set forth in Exhibit A. USPS may extend the approval period an additional five (5) business days by giving written notice to Licensee.

 All approvals shall be solely at the USPS' discretion.

Product Review packages/samples shall be sent to:

USPS Licensing Program
Attn: Product Review
PO Box 23786

Washington, DC 20026-3786

(iii) At the direction of the USPS, Licensee shall submit samples of the Licensed Articles to an independent laboratory or other test facility jointly selected and approved by USPS and the Licensee. All costs associated with such inspection, testing and analysis shall be borne by Licensee and the results of such Inspection, testing and analysis shall be submitted to USPS. Upon reasonable request by USPS, such testing shall be conducted throughout the Term and any renewal of this Agreement.

(iv) After samples of the Licensed Articles, Collateral Materials, and Promotional Materials have been approved pursuant to this paragraph, Licensee shall not depart therefrom without written consent by USPS. In the event there is a departure from the approved samples, USPS shall have the right in the reasonable exercise of its sole discretion to withdraw its approval of such Licensed Articles, Collateral Materials or Promotional Materials, or to terminate this Agreement unless Licensee cures such breach within thirty (30) calendar days of written notice of same.

(v) For the purpose of quality control and review, upon request by USPS, Licensee shall, at its own expense, provide a reasonable number of samples of Licensed Articles to USPS at the beginning of each Contract Period or at any other time during the Term and renewal. Each Licensed Article shall be shipped in its usual container with all packaging, tags, instructional, promotional, or other materials that usually accompany the product.

(d) Use of Property: Other than its own name and logo, Licensee shall not use any other trademark or design in combination with any Licensed Property on any Licensed Article without USPS' prior written approval. Licensee shall cause to appear on all Licensed Articles produced hereunder, and on their tags, packaging, and the like, such legends, markings, disclaimers, and trademark and copyright notices as USPS may specify. Whenever Licensee reproduces the stamp designs set forth in Exhibit A, it must reproduce them in their entirety on the Licensed Articles and Licensee shall make no alterations, additions, subtractions, or modifications to such stamp designs without USPS' prior written approval. If any such alterations, additions, subtractions, or modifications result in the creation of a new or derivative work within the meaning of the copyright laws, Licensee hereby assigns to USPS any and all rights to such works, including but not limited to any and all copyrights.

(e) Product Recall: Licensee shall bear any and all costs related to any product recall of Licensed Articles, whether voluntary or required by a government agency or the USPS. The USPS only shall have the right to declare a product recall if it reasonably determines (in its sole discretion) that it is necessary for reasons of public health, safety, welfare, or by operation of law or statute. In the event of a recall, Licensee will consult with USPS, and get the prior express written approval of the USPS, regarding all aspects of handling such recall. Licensee agrees that adequate identification stamping will be placed on finished Licensed Articles to best facilitate any product recall that may be declared hereunder.

(f) Consumer Inquiries: Licensee shall, at its sole cost, establish and maintain procedures satisfactory to USPS for the handling of all consumer inquiries, complaints, product warranty issues, guarantee/satisfaction issues, and response and compliance requirements.

relating to any of the Licensed Articles ("Consumer Inquiries"). USPS may forward to Licensee for handling any and all Consumer Inquiries that it receives. Licensee shall submit to USPS a quarterly report of all Consumer Inquiries and the manner in which they were handled.

(g) **Trade and Consumer Advertising:** During the first Contract Year, Licensee will spend for trade and consumer advertising for the Articles bearing the Property the amount stated in Section 11 of the Agreement. In each of the following Contract Years, Licensee will spend for trade and consumer advertising a sum calculated at the rate specified in Section 11. Along with Licensee's annual Royalty and Sales reporting requirements, Licensee will furnish Licensor with a statement of all moneys spent by it for such advertising during the preceding Contract Period with such other proof of the advertising expenditures as Licensor may reasonably request from time to time. All advertising shall be based on guidelines provided by the USPS. Any special promotions not covered by the guidelines will require USPS approval. USPS will review final artwork and make best efforts to respond within 10 business days, unless the USPS extends the approval period through written notice for an additional 10 business days.

6. **Confidentiality:** Any information or documents received or learned by Licensee in any form related to any postal programs or initiatives not publicly available, including, but not limited to, the USPS stamp program or future stamp images, shall constitute Confidential Information. Licensee is strictly prohibited from disclosing any Confidential Information. Failure to adhere to this requirement is a material breach of contract and shall be cause for immediate termination of this Agreement.

7. **Records:** Licensee agrees to keep accurate books of account and records covering all transactions relating to this Agreement. USPS and its duly authorized representatives shall have the right at all reasonable business hours to examine such books and records in Licensee's possession or under its control with respect to the subject matter and terms of this Agreement, and shall have free and full access thereto for such purposes and for the purpose of making copies thereof. All such books and records shall be kept available for [REDACTED] after the termination of this Agreement. In order to facilitate inspection of its books and records with respect to amounts due, Licensee will designate a symbol or number that will be used exclusively in connection with Licensed Articles and with no other articles which Licensee may manufacture, sell or distribute. In the event USPS discovers a discrepancy in favor of USPS of [REDACTED] on any Royalty Statement certified by an authorized officer of Licensee, Licensee shall pay all reasonable costs and expenses related to such inspection, including attorneys' fees if applicable.

8. **Intellectual Property Rights:**

(a) Licensee recognizes the great value of the goodwill associated with the Licensed Properties and acknowledges that all rights therein and goodwill attached thereto belong exclusively to USPS, and that all use of the Licensed Properties will inure to the benefit of USPS. USPS will solely own all inventions, writings, ideas, discoveries, formulas, processes, computer programs, techniques, know-how, data, improvements and other proprietary information (whether or not patentable) that USPS (whether alone or jointly with others) made,

conceived, developed, reduced to practice, purchased, leased, licensed or produced prior to this Agreement, or that USPS makes, conceives, develops, reduces to practice, or produces as a part of or in connection with this Agreement ("Inventions). All Inventions that are not the subject of patents or applications will be considered Confidential Information of USPS. Nothing in this Agreement shall be construed to transfer any right, title or interest in USPS' designs, Inventions, copyrights, trade secrets, trade names or other intellectual property.

(b) Licensee will solely own all inventions, writings, ideas, discoveries, formulas, processes, computer programs, techniques, know-how, data, improvements and other proprietary Information (whether or not patentable) that Licensee (whether alone or jointly with others, apart from the USPS) made, conceived, developed, reduced to practice, purchased, leased, licensed or produced as a prior to this Agreement or that Licensee makes, conceives, develops, reduces to practice, or produces that are not part of or in connection with this Agreement ("Licensee Inventions"). All Licensee Inventions that are not the subject of patents or applications will be considered Confidential Information of Licensee. Nothing in this Agreement shall be construed to transfer any right, title or interest in Licensee's designs, inventions, copyrights, trade secrets, trade names or other intellectual property.

(c) USPS may seek, in its own name and at its own expense, appropriate trademark and/or copyright protection for the Licensed Properties. USPS shall retain all right, title, and interests in the Licensed Properties and all inventions, writings, ideas, discoveries, formulas, processes, computer programs, techniques, know-how, data, improvements and other proprietary information that USPS owned or claimed prior to the date of this Agreement, and Licensee shall retain all right, title, and interests in technologies and brands that it owned prior to the commencement of this Agreement and any new patents technologies or trade marks.

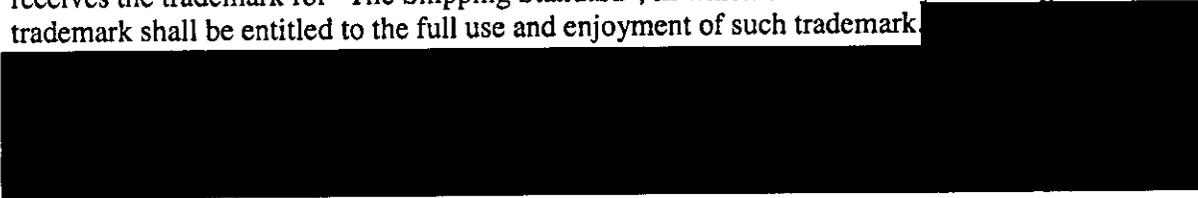
(d) To the extent that USPS and Licensee develop new trademarks and/or copyrights related to the Licensed Articles for which appropriate trademark and/or copyright protection is sought, USPS will apply for such protection at its sole expense. Licensee will cooperate with USPS in obtaining the appropriate protection. As necessary to obtain the appropriate protection, Licensee shall make any assignments to USPS and take any actions necessary to transfer ownership of such protected property to USPS.

(e) Upon obtaining any such intellectual property protection, as discussed in the previous subparagraph, USPS shall grant an exclusive, royalty-free license to Licensee for the use of such protected Intellectual property on or in connection with the Licensed Articles for the term of this Agreement, including any renewals and extensions.

(f) Upon termination of this Agreement, for any basis set forth in Section 9 hereof, neither party shall use the intellectual property discussed in subparagraph (d) and (e) of this Section 8, absent any mutually agreed upon written agreement outlining the parameters for such use.

(g) Licensee agrees to withdraw its trademark application for "The Shipping Standard." USPS will trademark "The Shipping Standard" and grant an exclusive, no-fee license to Licensee to use such trademark on Licensed Articles. USPS shall reimburse Licensee for all reasonable costs associated with Licensee's application for such trademark. Upon termination of

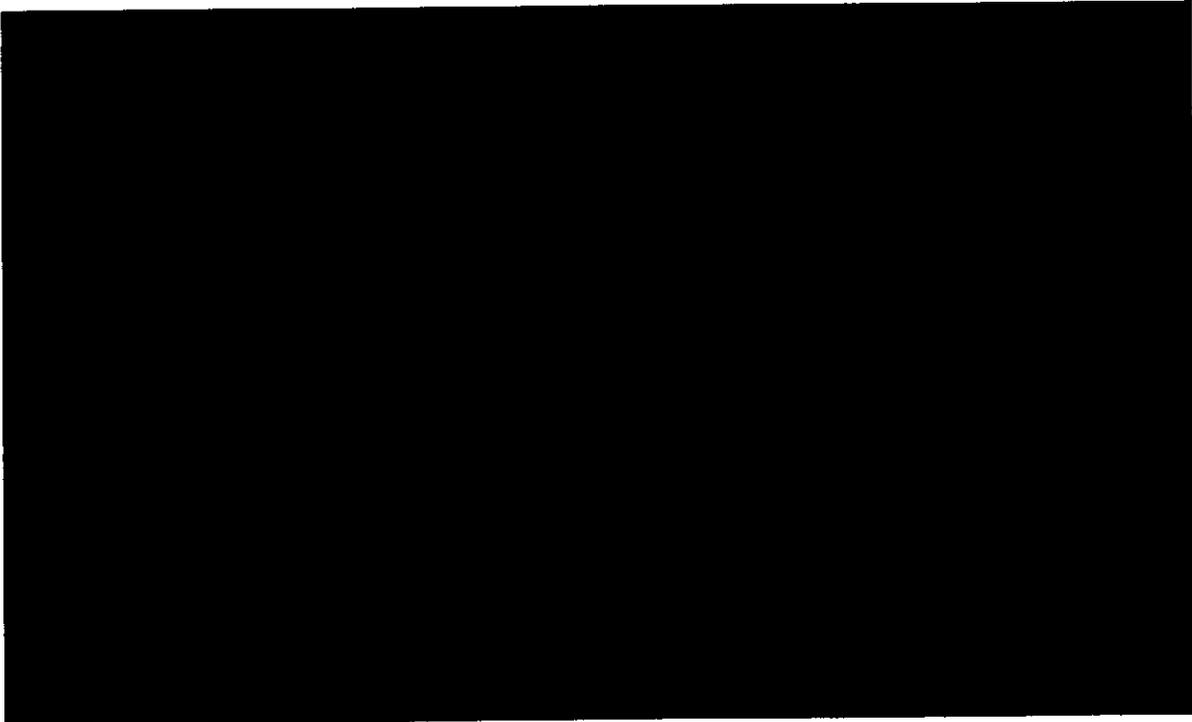
this Agreement pursuant to Section 9 herein, neither Party shall use the trademark "The Shipping Standard" unless and until, upon expiration of such trademark, either Party reapplies for and receives the trademark for "The Shipping Standard"; in which case the Party receiving such trademark shall be entitled to the full use and enjoyment of such trademark.



(h) Licensee agrees that, during the term of this Agreement and thereafter, Licensee will not contest, harm, misuse, or bring into disrepute any of USPS' rights in and to the Licensed Properties, or contest the validity of this Agreement. Licensee acknowledges and agrees that USPS would not have an adequate remedy at law and would be irreparably harmed in the event Licensee were to misuse, harm, or bring into disrepute any of the Licensed Properties or if Licensee were to breach any term of this Agreement concerning the proper use of the Licensed Properties. Accordingly, it is agreed that, in the event of a breach or threatened breach of this paragraph or any term or condition of this Agreement concerning the proper use of the Licensed Properties, USPS, in addition to any other remedies at law or in equity, shall be entitled to equitable relief, including but not limited to immediate injunctive relief without the requirement of posting a bond or other security and without resorting to Arbitration herein.

9. **Termination:**

(a) Without prejudice to any other rights, and in addition to any termination rights provided elsewhere in this Agreement, USPS shall have the right to terminate this Agreement upon written notice to Licensee at any time if:





(b) Termination of this Agreement under the provisions of this paragraph shall be without prejudice to any rights that USPS may otherwise have against Licensee. Upon the termination of this Agreement, notwithstanding anything to the contrary herein, all royalties on sales theretofore made, and any balances owed on Guaranteed Minimum Royalties, shall become immediately due and payable. Notwithstanding any termination or expiration of this Agreement, USPS shall have and hereby reserves all rights and remedies which it has or which are granted to it by operation of law, to enjoin the unlawful or unauthorized use of the Licensed Properties.

(c) Upon termination of this Agreement for any reason, each Party shall remain liable only for those obligations that accrued prior to the date of such termination. Neither Party shall be bound by any obligations the other Party may undertake pursuant to any other agreement with any third-party.

10. **Disposal of Stock/Sell-Off Period:**

(a) After expiration or termination of this Agreement, Licensee shall have no further right to manufacture, advertise, distribute, sell, or otherwise deal in any Licensed Articles except as hereinafter provided.

(b) It is specifically understood that Licensee shall not sell or dispose of any such Licensed Articles in job lots at reduced prices, other than is customary in the ordinary course of business.

(c) After expiration or termination of this Agreement, the parties shall follow the procedures set forth below:

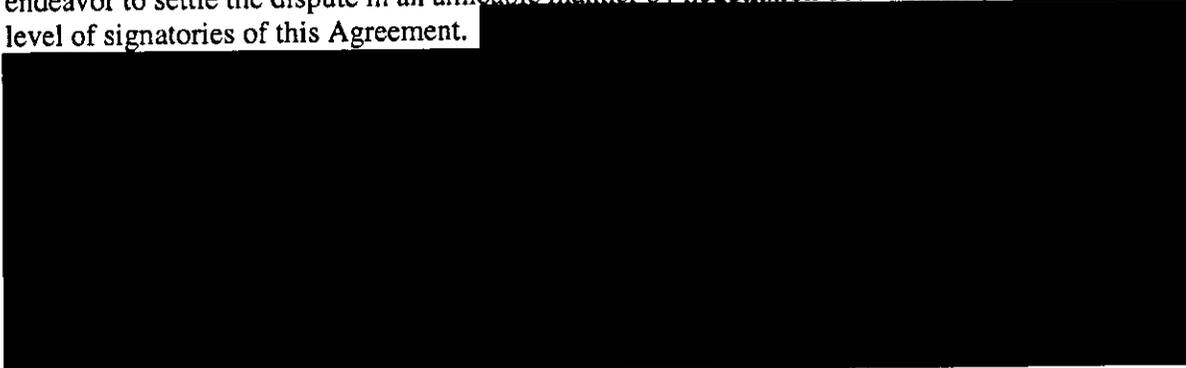
(i) Licensee shall prepare a complete, written inventory list and submit same to USPS within ten (10) days of the expiration or termination of this Agreement. Such list must include orders on hand, work in process, and finished Licensed Articles.



Notwithstanding the foregoing, Licensee shall have no right to dispose of Licensed Articles if this Agreement is terminated under Paragraph 9 herein.

(d) Except as specifically provided in this Agreement, on the expiration or termination of this Agreement, all of the rights of Licensee under this Agreement shall terminate herewith and shall revert immediately to USPS. All royalties on sales made shall become immediately due and payable, and Licensee shall discontinue all use of the Licensed Properties and shall promptly transfer to USPS, free of charge, all registrations, filings and rights with regard to the Licensed Property which Licensee may have possessed at any time. The underlying rights, including but not limited to any and all trademarks and copyrights to all artwork, photographs, drawings, illustrations, forms, patterns and similar items developed by Licensee in the manufacture, sale or distribution of Licensed Articles, are the property of USPS.

11. Dispute Resolution: If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through direct discussions, the parties agree first to endeavor to settle the dispute in an amicable manner by negotiation between the parties at the level of signatories of this Agreement.



12. Consent To Jurisdiction: With respect to any suit, action or other proceeding relating to the Agreement that has not been resolved by negotiation or mediation (collectively "Proceedings"), the parties each irrevocably submit to the exclusive personal jurisdiction of the United States District Court for the District of Columbia. With respect to any Proceeding filed in said court, the parties expressly waive any objection to the laying of venue in such court, any claim that such court is an inconvenient forum and any claim that such court does not have personal jurisdiction over such party.

13. Choice of Law: This Agreement shall be governed by and construed in accordance with principles of federal common law, or if there is found to be no such common law, then the law of the State of New York. Further, the parties each agree and acknowledge that the provisions of the USPS Purchasing Manual shall not apply to this Agreement, and the parties waive any and all express and implied remedies, recourse or administrative procedures provided or created thereby.

14. Indemnification:

Indemnification of USPS:

Excluding claims for infringement based upon use of those Licensed Properties that are wholly-owned by the USPS, Licensee agrees to defend (with counsel reasonably acceptable to USPS), indemnify and hold USPS and its agents, representatives and assignees harmless against any and all claims, demands, causes of action, liability, loss, damage, judgments or expense (including reasonable attorneys' fees and court costs) arising out of Licensee's design, manufacture, distribution, shipment, labeling, sale, advertisement, or promotion of the Licensed Articles or the labeling, packaging, advertising or promotional materials for the Licensed Articles. USPS shall have the right to defend any such claim or suit through counsel of its own choice.

(a) Indemnification of Licensee:

(b) Licensee indemnifies the Postal Service, its employees, and its agents against liability, including costs and fees, for patent infringement (or unauthorized use) arising from the manufacture, use, or delivery of supplies or the performance of service, by or for the Postal Service, if the supplies or service (with or without relatively minor modifications) have been or are being offered for sale or use in the commercial marketplace by Licensee.

(c) The Postal Service must promptly notify Licensee of any claim or suit subject to the indemnity of paragraph (a) above alleging patent infringement or unauthorized use of a patent.

(d) To the extent allowed by law, Licensee may participate in the defense of any suit to which this clause applies,

(e) This indemnification does not apply to infringement or unauthorized use claims that are unreasonably settled without Licensee's consent before litigation.

(f) This clause must be included in all subcontracts under this agreement, at any tier,

15. Insurance: In accordance with Section 16 of the Agreement, Licensee shall, throughout the term of this Agreement, including renewals and extensions thereof, and for a period of [REDACTED] thereafter, obtain and maintain at its own cost and expense a third-party liability insurance policy with a recognized insurance carrier acceptable to USPS, naming USPS as "Additional Named Insured" or the like, including a waiver of subrogation in favor of USPS. The amount of coverage shall be in accordance with the amount set forth in the Agreement. This insurance shall provide for at least thirty (30) days prior written notice to USPS and Licensee of the cancellation or any material change or modification in the terms and conditions of the policy. Licensee shall, within thirty (30) days of execution of this Agreement and at all times thereafter, furnish to USPS a certificate demonstrating current maintenance of the insurance described above. Upon USPS' request, Licensee shall also furnish USPS with certified copies of said insurance policies. Licensee shall not distribute or sell the Licensed Articles prior to receipt by USPS of such evidence of insurance.

16. Renewal: Provided that Licensee is not then in breach, this Agreement may be renewed in accordance with the renewal terms set forth in the License Agreement. Provided that the

License Agreement allows for renewal. Licensee must notify the USPS in writing of its intention to exercise this option [REDACTED] prior to the expiration of the then current Term of the Agreement. Failure to exercise this option within the time specified herein shall not result in immediate non-renewal and Licensee will be given opportunity to cure this deficiency. Any renewal pursuant to this paragraph is subject to this Agreement not having been terminated in accordance with the provisions hereof.

17. **Notices:** All notices and statements to be given and all payments to be made hereunder, shall be given or made at the respective addresses of the parties as set forth in the License Agreement unless notification of a change of address is given in writing. Any notice shall be sent by registered or certified mail, and shall be deemed to have been given at the time it is mailed. A notice sent by the USPS representative shall have the same force and effect as a notice from the USPS.

18. **Joint Ventures:** Nothing herein contained shall be construed to place the parties in the relationship of partners, joint venturers or agents, and Licensee shall have no power to obligate or bind USPS in any manner whatsoever. Licensee warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Licensee for the purpose of securing business. For breach or violation of this warranty, USPS shall have the right to terminate this Agreement without liability or in its discretion, to recover the full amount of such commission, percentage, brokerage or contingent fee. No member of, or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this Agreement or to any benefit that may arise therefrom; this prohibition shall not be construed to extend to this Agreement if made with a corporation for its general benefit.

19. **Enforcement of Licensed Properties:**

(a) Licensee agrees to cooperate with and assist USPS in protecting and enforcing USPS' rights to the Licensed Properties. Licensee shall promptly inform USPS of any infringement or other violations of the Licensed Properties that come to its attention. After consultations with the Licensee and an initial Cease and Desist notification being sent to the violator, USPS shall then have the sole right at its own expense to determine whether or not any further action shall be taken on account of any such infringement or violations. USPS shall receive all amounts awarded as damages, profits, and settlement proceeds or otherwise in connection with such claims or suits.

(b) Licensee agrees not to contest or otherwise challenge or attack USPS' rights in the Licensed Properties or the validity of the license granted herein during the term of this Agreement or thereafter. Licensee further agrees not to do anything, either by act of omission or commission, which might impair, jeopardize, violate or infringe the Licensed Properties, or to misuse or bring into dispute the Licensed Properties.

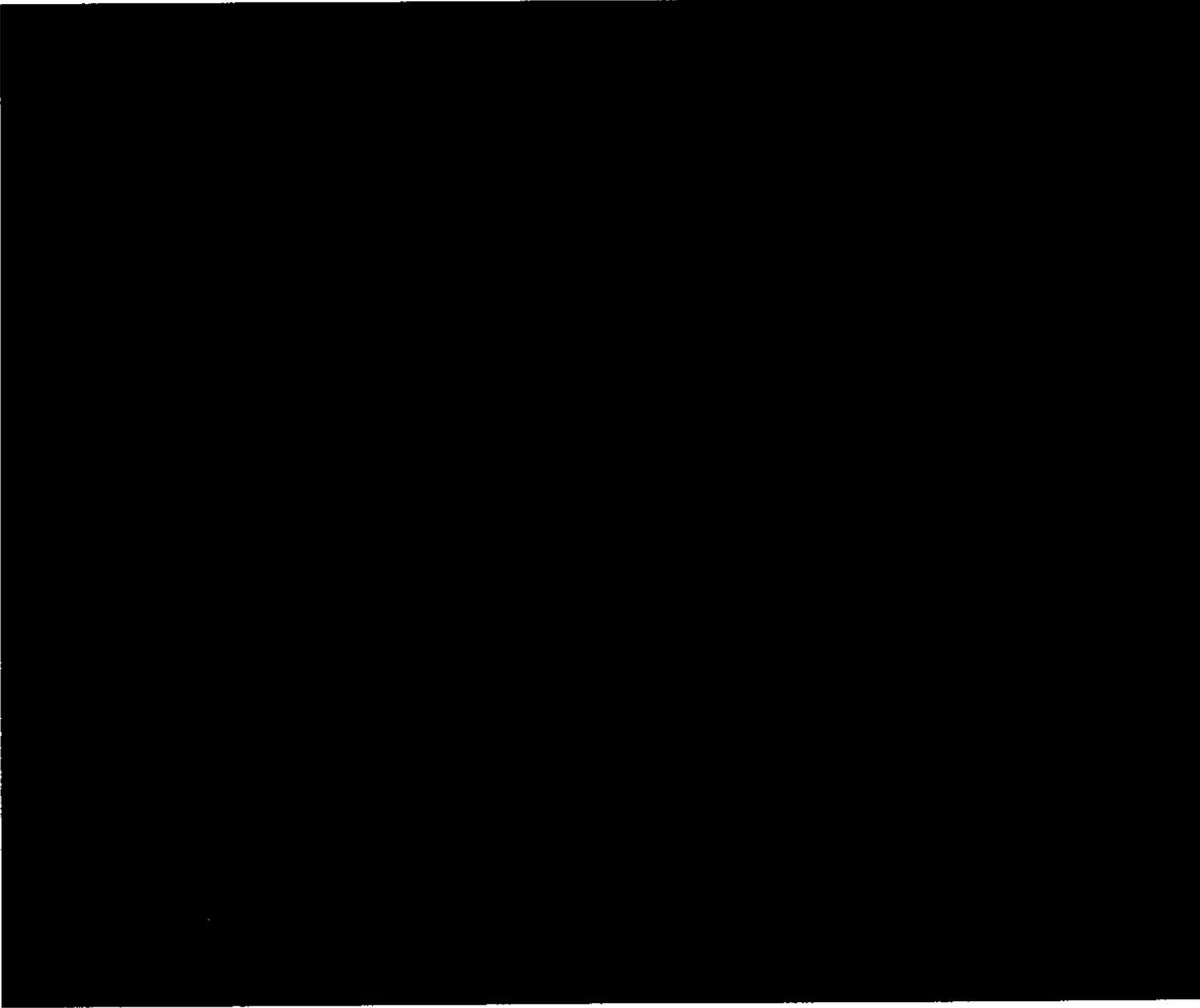
(c) Licensee shall not use any of the Licensed Properties as part of its company name, corporate name, trade name or domain name, and shall not attempt to register any of the Licensed Properties or confusingly similar marks or substantially similar designs in the Licensed

Territory or elsewhere during the term of this Agreement or thereafter, or aid or abet anyone else in doing so.

(d) The administrative and judicial defense of the Licensed Properties in the Licensed Territory shall be undertaken solely by USPS. Licensee agrees to furnish USPS or its designated legal representative with all proof and commercial, technical or other information or assistance required and which Licensee is able to furnish as well as such other assistance as USPS or its lawyers may reasonably require for this purpose. Licensee shall, if requested by USPS, join USPS in the aforementioned administrative and judicial defense of the Licensed Properties, the cost of which shall be borne exclusively by USPS.

(e) Licensee agrees to cooperate with USPS in any effort that USPS may deem advisable to record Licensee as a registered user or the like. Upon expiration or termination of this Agreement for any reason, Licensee shall similarly cooperate with USPS in destroying any such records that may exist. All expenses associated with such recording and destruction of records shall be borne by USPS.

20. No Assignment: 



21. **Force Majeure:** It is understood and agreed that in the event that an act of the government, or war conditions, or fire, flood or labor trouble in the factory of Licensee or in the factory of those manufacturing Licensed Articles, prevents the performance by Licensee of the provisions of this Agreement, then such nonperformance by Licensee shall not be considered as grounds for breach of this Agreement and such nonperformance shall be excused while the conditions herein prevail and for two (2) months thereafter. In the event USPS is required by any other branch, agency or independent establishment of the United States Government or a court of competent jurisdiction to terminate or cease performance of its obligations under this License Agreement, USPS may provide notice of termination, which notice shall be effective immediately (or at such other time as specified therein by USPS), USPS shall not be responsible to the Licensee for reimbursement of any costs or damage incurred as a result of such termination. In the event either Party is enjoined from proceeding with this License Agreement by government action or a court of competent jurisdiction, such Party may give notice of termination, which notice shall be effective immediately or at such other time as specified by such injunction. Neither Party shall be responsible to the other Party for reimbursement of any costs or damage incurred as a result of such termination.

22. **Compliance with Privacy Act:** To the extent applicable, Licensee agrees that it will comply with the Privacy Act of 1974, 5 U.S.C. § 552(a) and any and all Postal Service rules and regulations issued thereunder in the performance of its responsibilities under this License Agreement.

23. **Miscellaneous:** This Agreement constitutes the entire Agreement and understanding between the parties hereto and terminates and supersedes any prior Agreement or understanding relating to the subject matter hereof between USPS and Licensee. USPS and Licensee are not relying upon any statements, warranties, or representations except those contained in this Agreement. The paragraph and other headings contained herein are for reference purposes only and will not affect the meaning of interpretation of this Agreement. None of the provisions of this Agreement can be waived or modified except in writing signed by both parties, and there are no representations, promises, agreements, warranties, covenants or undertakings other than those contained herein.

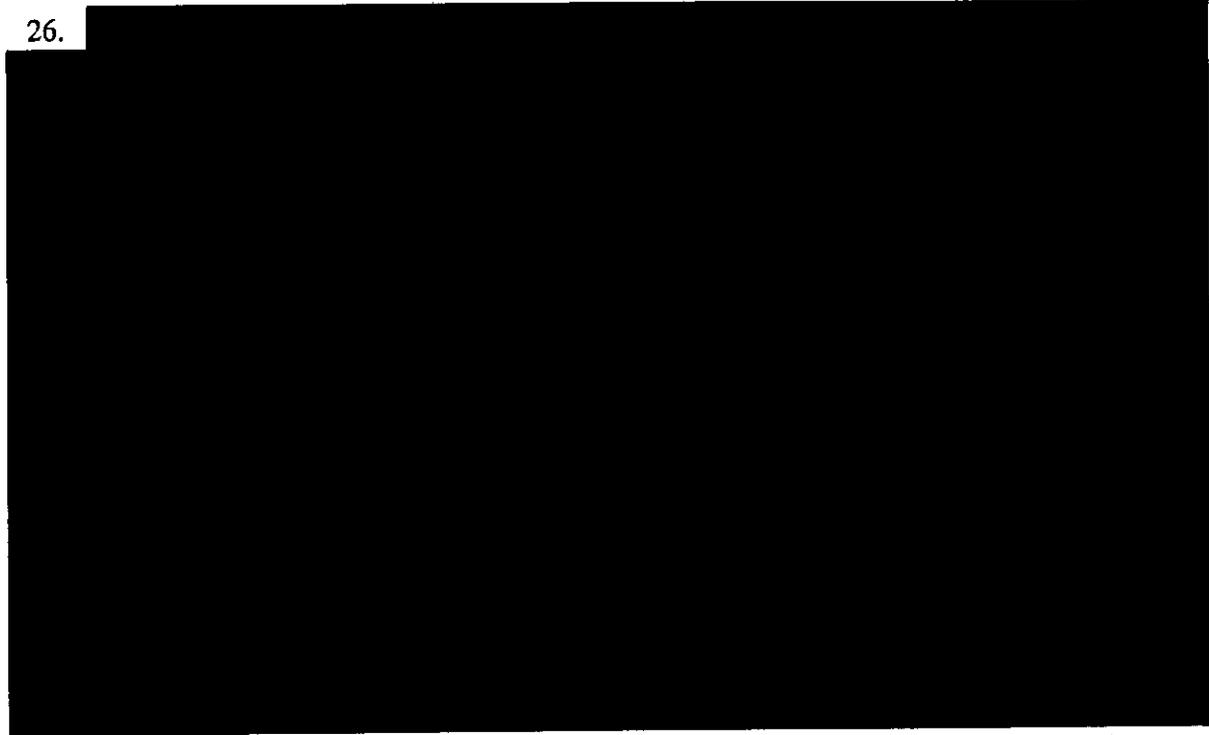
24. **No Reliance on Other Representations:** The parties have not relied on any representations, promises, warranties, statements, or undertakings by the other party, its counsel or its representatives other than those contained in this Agreement.

25. **Warranties:**

(a) **Licensee's Warranty:** Licensee warrants and represents that it is authorized to enter into this Agreement and that there is no existing agreement with any third party that prevents it or restrains its ability to comply with its obligations under this Agreement. Licensee further warrants and represents that it owns or has acquired all rights, title and interest to any design that it claims can be used on any Licensed Articles; that it has acquired any necessary authorization, license, or permission from any third party(ies) to manufacture, promote, market, distribute, and/or sell Licensed Articles. Licensee shall not disclaim any warranty whether contained herein or arising by operation of law, and any attempted disclaimer shall be deemed null and void.

(b) USPS Warranty: USPS represents and warrants to Licensee that the USPS has the full right, power, and authority to enter into this Agreement, to perform as required under this Agreement, and to grant the rights granted under this Agreement.

26.



27. Severability: If any term, provision, covenant or condition of this Agreement, or the application thereof to any person, place or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such term, provision, covenant or condition as applied to other persons, places and circumstances shall remain in full force and effect.

Concurrence (Initial)

Handwritten initials and signatures. There are two distinct signatures or initials written in black ink, one to the left and one to the right of a horizontal line.

EXHIBIT C:

SALES & ROYALTY PRODUCT CATEGORY & CHANNEL REPORT FORM

To: USPS Licensing Program
 P.O. Box 7247
 7087 Philadelphia, PA 19170-7087

Finance Number: 10-6001

Account Number: 7247-7087

From: (Licensee) _____

Month/Year: _____ Month: _____ Year: _____

Item No. SKU	Product Description	Channel	Unit Price	Units		Total		Royalty	
				Sold	Total	Unit Sales	Royalty Rate	Total Royalties	
Totals:									

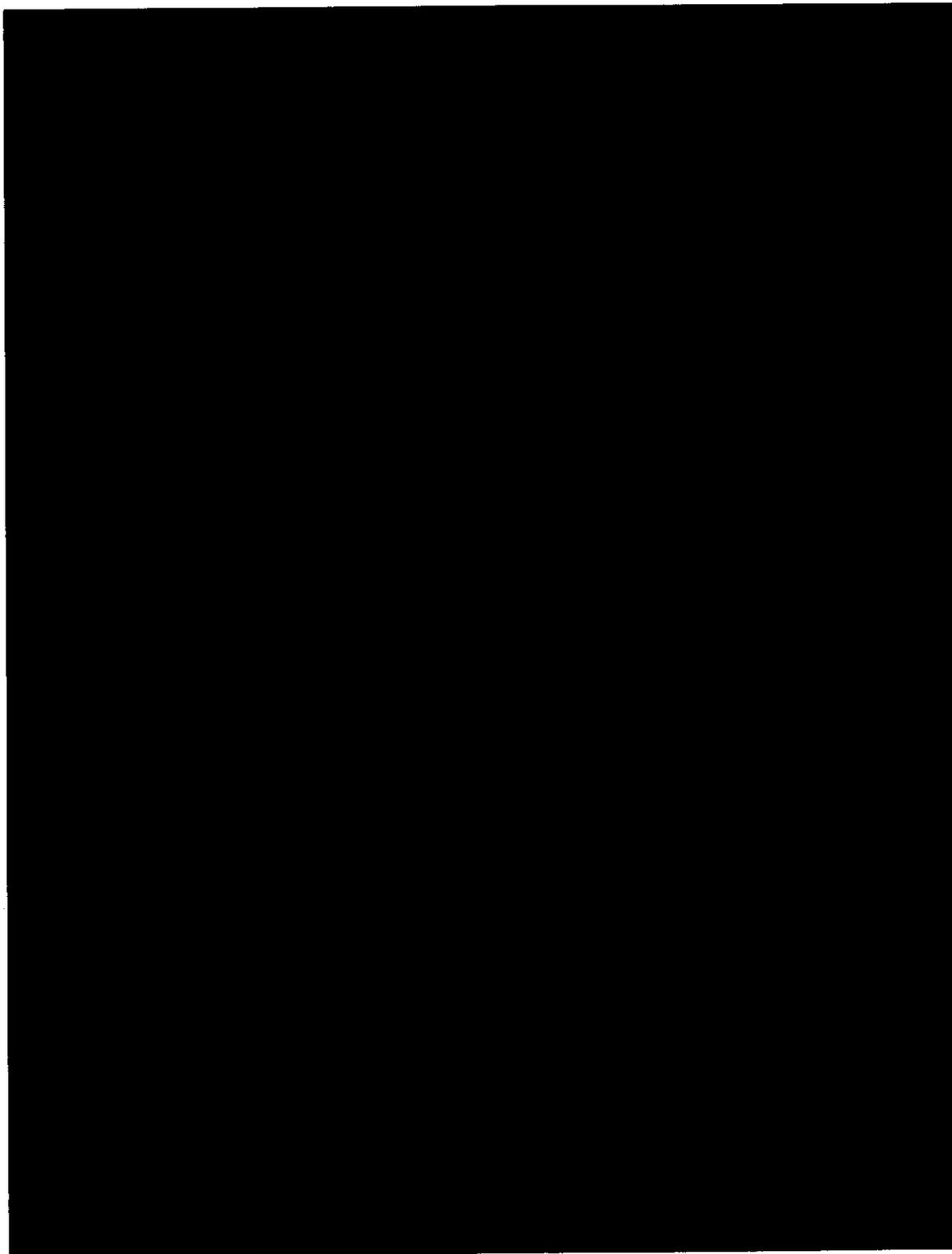
USD\$ _____

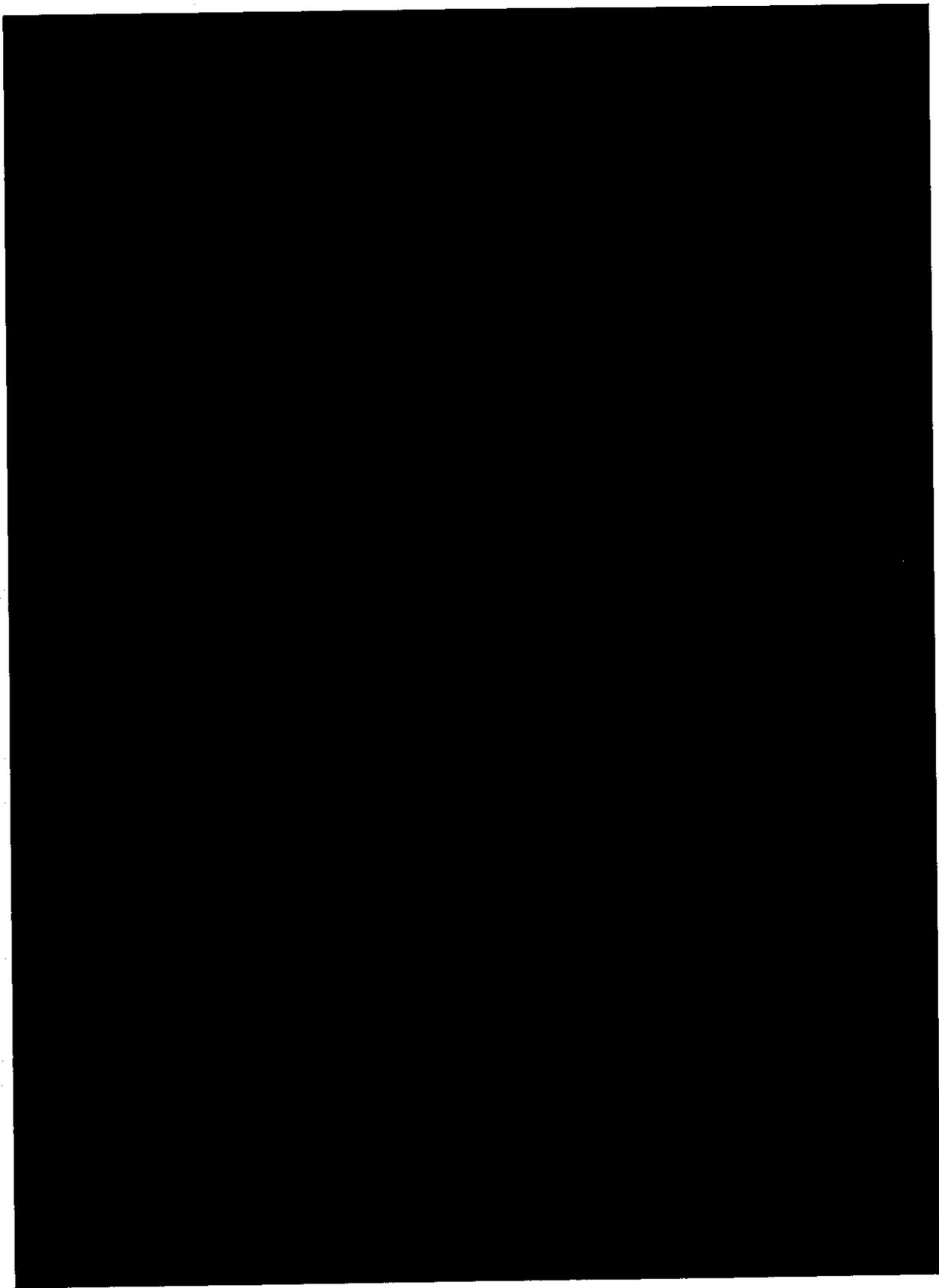
EXHIBIT D

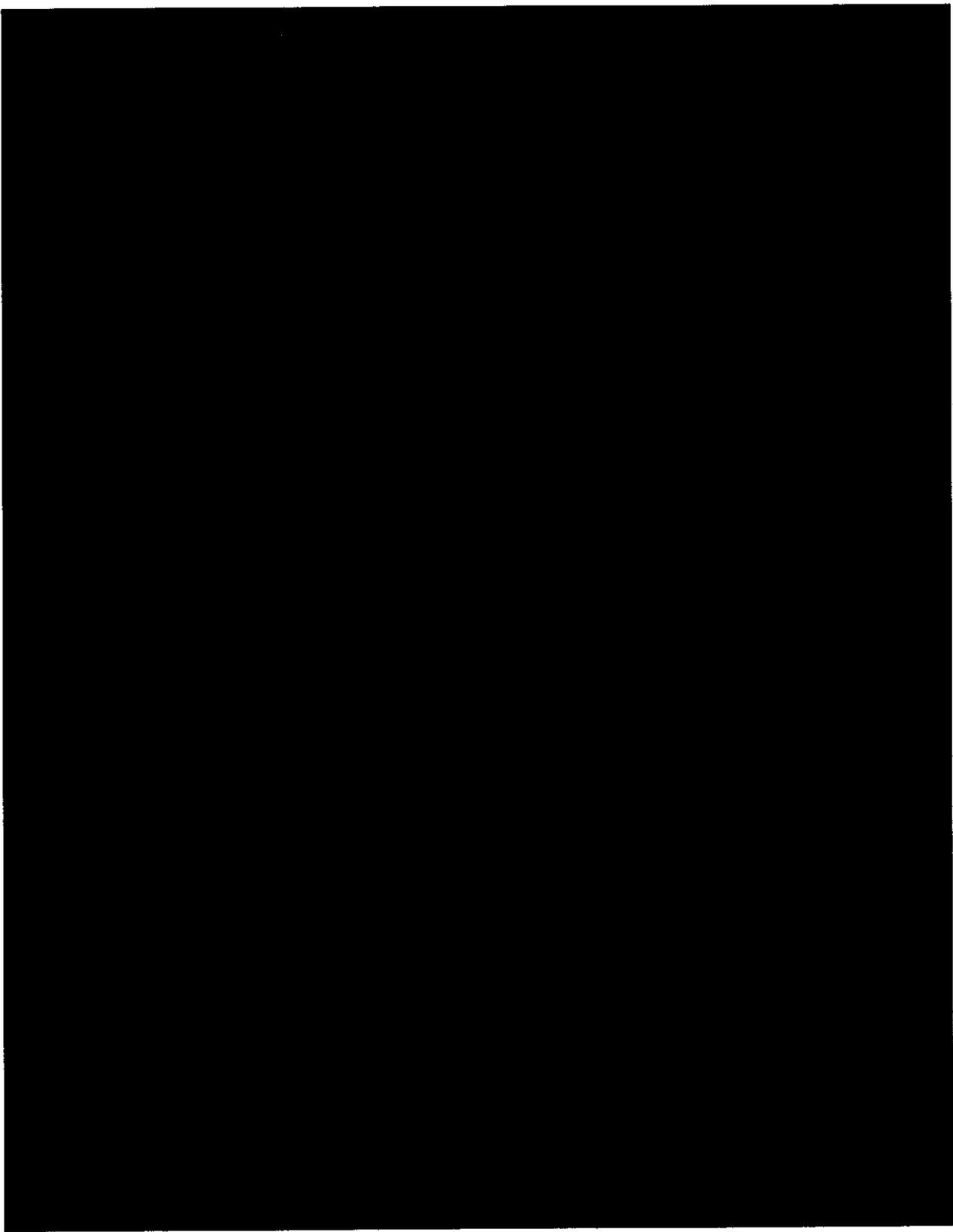
QUALITY STANDARDS

1. The Licensed Articles are to be manufactured by Licensee or its subcontractors pursuant to this Agreement and sold by Licensee or its distributor in strict compliance with all applicable state and federal laws and regulations, Licensee may be required to show evidence of certification.
2. The Licensed Articles shall be of high quality in design, material and workmanship and suitable for the purpose intended.
3. The Licensed Articles must be of such style and appearance as to have a positive impact on the USPS, Words, shapes, or devices that are obscene-Or scandalous are unacceptable,
4. When affixed to Licensed Articles, the Licensed Properties shall be clear and legible without bleeding of line or color.
5. Products made of metal, wood, wood products, glass or plastic shall resist breakage or shattering when dropped on a wooden surface from a distance of one yard and shall resist bending when used by a child of 12 years of age.
6. No injurious, deleterious or toxic substances will be used in or on the Licensed Articles.
7. The Licensed Articles will not cause harm when used as instructed and with ordinary care for their intended purpose.

EXHIBIT E







UNITED STATES POSTAL SERVICE

[Signature]
Signature

[Signature]
Name

U.P. A&C

Title

JAN 14 '05

Date

LEPAGE'S 2000, INC.

[Signature]
Signature

Dhiren Chandaria

Name

Executive Vice President

Title

1/12/05

Date

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