

SD HOST/ANCILLARY PRODUCT LICENSE AGREEMENT (HALA)

This SD HOST/ANCILLARY PRODUCT LICENSE AGREEMENT is made by and between SD-3C LLC (“SD-3C LLC” or “Licensor”) a Delaware limited liability company having its registered office at 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, U.S.A, under authorization of the members of SD Group (as defined below), and _____ (“Licensee”, also including the entities listed in Schedule C), a corporation having its principal place of business at _____, and is effective as of the later of the two (2) signature dates below (the “Effective Date”).

WHEREAS, Panasonic Corporation, SanDisk Corporation and Toshiba Corporation have jointly developed a next generation card technology; and

WHEREAS, SD Group owns valuable Essential Patent Claims (as defined below) to make, use and sell SD Host Products (as defined below) and SD Ancillary Products (as defined below); and

WHEREAS, SD Group has defined certain specifications which are valuable to the production and use of SD Host Products and SD Ancillary Products, and have obtained know-how, trade secret and technical information and copyrights embodied therein (defined hereinafter as “SD Group Specifications”); and

WHEREAS, Licensor owns the SD Logos; and

WHEREAS, Licensor believes that a non-exclusive joint licensing program, under which licensees can obtain access and a license to as many Essential Patent Claims of SD Group as possible, the SD Group Specifications (excluding the Specifications Addenda) and the SD Logos in one transaction, is an efficient method for licensing Essential Patent Claims of SD Group, SD Group Specifications (excluding the Specifications Addenda) and SD Logos for the benefit of licensees and the public, and SD Group has granted Licensor the right to grant licenses with respect to the Essential Patent Claims of the SD Group and SD Group Specifications (excluding the Specifications Addenda) on their behalf to licensees that wish to make, use or sell SD Host Products or SD Ancillary Products; and

WHEREAS, Licensee wishes to obtain a license under the Essential Patent Claims of SD Group, SD Group Specifications (excluding the Specifications Addenda) and SD Logos to make, use and sell SD Host Products and/or SD Ancillary Products;

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

1. **Definitions.** For purposes hereof, the following capitalized terms shall have the respective meanings provided below:

1.1 **“Affiliate”** shall mean, with respect to any party hereto, any corporation, firm, partnership, proprietorship, or other legally recognizable form of business entity, in whatever country organized or resident, directly or indirectly owned or controlled by such party, but only for so long as such ownership or control exists. For the purpose of this definition, “ownership” shall mean more than fifty percent (50%) beneficial ownership of the equity securities or interests of the legally recognizable entity or the ability to vote more than fifty percent (50%) of the aggregate votes cast at a partner or shareholder meeting (or the ability to control any single class of votes), in each case, only so long as such ownership or voting rights continue. For the purpose of this definition, “control” shall mean the power to direct or cause the direction of the management or policies of such legally recognizable entity, directly or indirectly, whether through the ownership of voting shares, by contract or otherwise. Licensee’s Affiliates that are authorized to exercise rights under this Agreement are listed in Schedule C. Licensee may add any of its Affiliates, or may alternatively note “all Affiliates”, to Schedule C at any time with prior written notice to Licensor.

1.2 **“Agreement”** or **“HALA”** shall mean this SD Host/Ancillary Product License Agreement, including all schedules attached hereto, and any and all amendments to the Agreement and/or such schedules.

1.3 **“Confidential Information”** shall mean, if disclosed in tangible form, information marked “Confidential”, “Proprietary” or with other similar designation to indicate its confidential or proprietary nature, or if disclosed orally, is indicated orally to be confidential or proprietary by Licensor at the time of such disclosure and is confirmed in writing as confidential or proprietary by Licensor within a reasonable time after such disclosure.

1.4 **“Content Protection for Recordable Media”** shall mean a certain technology that helps to prevent unauthorized reproduction and/or manipulation of digital and/or electronic content and that is licensed by a separate agreement from the entity known as 4C Entity, LLC, a Delaware limited liability company.

1.5 **“Essential Patent Claims”** shall mean claims of a patent or patent application which would be necessarily and unavoidably infringed by the making, having made, designing, using, offering for sale, selling, importing, exporting, leasing or disposing by other means of those portions of a product that implements the secure digital technology in compliance with the SD Group Specifications in a particular country in the absence of a license or other authorization from the owner of such patent claims in such country. As used herein, “infringe” includes direct infringement, contributory infringement and/or inducement of infringement. Essential Patent Claims shall not include patent claims for a format that is independently adopted by third parties but incorporated and referenced in the SD Specifications, nor shall it include Semiconductor Memory Technology or semiconductor process/packaging technologies.

1.6 **“HALA-FAQ”** shall mean the document located on Licensor’s website location at www.SD-3C.com, as may be amended from time to time by Licensor.

1.7 **“Licensable”** shall mean possession of the ability to grant a license or sublicense of, or within, the scope provided for herein without payment of royalties or other compensation by

a party to any third party which is not an Affiliate of such party and without violating the terms of any agreement or other arrangements with a third party.

1.8 “**SD Ancillary Products**” shall mean products, or parts or software thereof, that: (i) in whole or in part comply with all applicable portions of Part 1, Part 2 or Part 3 of the SD Specifications; AND (ii) are interoperable with SD Host Products or SD Memory Cards. SD Ancillary Products include, but are not limited to, adapters and software applications, and SD I/O Cards, but do NOT include SD Host Products, SD Memory Cards, other products incorporating semiconductor memory products (including but not limited to flash memory, ROM or RAM) used for data storage in accordance with Part 2 of the SD Specifications, flash memory storage devices, or flash memory controllers.

1.9 “**SD Association**” or “**SD Card Association**” shall mean the SD Card Association, which is a California membership corporation having its principal place of business at 2400 Camino Ramon, Suite 375, San Ramon, CA 94583, U.S.A.

1.10 “**Licensor Compliance Committee**” shall mean a committee appointed or approved by Licensor to verify an SD Product’s compliance with the SD Specifications pursuant to Schedule D.

1.11 “**SD Association Specifications**” shall mean the specifications owned and licensed by SD Association, specifically, (i) the incremental portions that constitute any material revisions of the SD Group Specifications and (ii) Parts 5 and higher.

1.12 “**SD Card Association License Agreement**” shall mean the separate license agreement by which SD Association licenses certain trade secret rights, copyrights and other rights in the SD Association Specifications and pictographs of the SD Association.

1.13 “**SD Group**” shall mean collectively Panasonic Corporation, SanDisk Corporation and Toshiba Corporation and their respective Affiliates.

1.14 “**SD Group Specifications**” shall mean the specifications established by the SD Group for flash memory cards defined by the SD Physical Specification (Part 1 of the SD Specifications), the SD Logical Specification (Part 2 of the SD Specifications), the SD Security Specification (Part 3 of the SD Specifications) and the SD Audio Specification (Part 4 of the SD Specifications), as of the time specified in Schedule A, including any corrections or other non-material changes made thereto by SD Group and subject to the caveats in Schedule A, shall also include the Specifications Addenda. SD Group Specifications are further described in the SD Specifications Parts 1-4 as set forth in Schedule A and are included in Confidential Information.

1.15 “**SD Host Products**” shall mean Standalone products, or parts or software thereof, that actually host SD Memory Cards and comply with Part 1 and Part 2, and all other applicable portions of the SD Specifications.

1.16 “**SD I/O Cards**” shall mean SD Ancillary Products that: (i) are capable of performing any function other than memory storage, wherein for the purposes of this section “memory storage” shall mean the storage of any data in a non-volatile memory device, regardless of whether the non-volatile memory storage device is used for the storage of executable code,

non-executable code, drivers, or any other type of data or information (e.g., Supplemental Code Area or SD Memory as described in Part E-1 of the SD Specifications); (ii) comply with Part 1 of the SD Specifications; and (iii) comply wholly or in part with Part E-1 of the SD Specifications. I/O cards that include Supplemental Code Area, SD Memory or any other type of memory storage will be licensed by the Licensor under a separate license agreement.

1.17 “**SD Logos**” shall mean the trademark rights, copyrights and other rights in and to certain logos of SD Host Products and SD Ancillary Products as set forth in Schedule B-2, which may be revised from time to time by Licensor.

1.18 “**SD Logo Guideline**” shall mean the Part 1 (SD Logo Guideline) of the SD Logo Guideline / SDA Logo Guideline referenced in Schedule B-1 that sets forth the standards for using the SD Logos, as such part may be revised from time to time by Licensor.

1.19 “**SD Memory Cards**” shall mean semiconductor memory products (including but not limited to flash memory, ROM, RAM and I/O cards (with memory storage capacity)) other than SD I/O Cards, or parts or software thereof, that comply with all of Part 1, Part 2 and Part 3 of the SD Specifications. SD Memory Cards also include, but are not limited to, embedded products that comply with Part 1 (except the form factor), Part 2 and Part 3 of the SD Specifications.

1.20 “**SD Memory Card License**” shall mean the separate license agreement by which Licensor licenses certain technology relating to SD Memory Cards.

1.21 “**SD Products**” shall mean the SD Host Products, SD Ancillary Products and SD Memory Cards.

1.22 “**SD Specifications**” shall mean the SD Group Specifications and the SD Association Specifications collectively.

1.23 “**Schedule A**” shall mean Schedule A attached to this Agreement, as such schedule may be amended in accordance with Section 10 below from time to time by Licensor.

1.24 “**Schedule B**” shall mean Schedule B attached to this Agreement, as such schedule may be amended from time to time by Licensor.

1.25 “**Schedule C**” shall mean Schedule C attached to this Agreement, as such schedule may be amended from time to time by Licensee upon written notice to the Licensor.

1.26 “**Schedule D**” shall mean Schedule D attached to this Agreement, as such schedule may be amended from time to time by Licensor .

1.27 “**Semiconductor Memory Technology**” shall mean technology including patent claims relating to the development, design, manufacture or sale of any semiconductor memory devices.

1.28 “**Specifications Addenda**” shall mean those specifications established, owned and licensed separately by the SD Association that are set forth on Schedule A. The Specifications Addenda may be amended by Licensor from time to time to include specifications duly adopted by

the SD Association. Amendments to the Specifications Addenda, if any, will be described in the HALA-FAQ.

1.29 **“Standalone”** with respect to a device shall mean that the device is capable of functioning without relying on interaction or attachment to another independent device.

1.30 **“Third Party SD Host/Ancillary Product Licensee”** or **“TPHAL”** shall mean a third party that has executed an SD Host/Ancillary Product License Agreement with Licensor. The term Third Party SD Host/Ancillary Product Licensee shall also include such third party’s Affiliates that are licensed under such agreement.

1.31 **“Third Party SD Memory Card Licensee”** or **“TPCL”** shall mean a third party that has executed an SD Memory Card License Agreement (including, flash memory cards, I/O Cards, OTP cards, etc.) with Licensor. The term Third Party SD Memory Card Licensee shall also include such third party’s Affiliates that are licensed under such agreement.

2. **Essential Patent Claims License**

2.1 Upon the terms and conditions and with the limitations and exceptions hereafter set forth, Licensor hereby grants to Licensee a non-exclusive, non-transferable, royalty-free license, on a worldwide basis during the term hereof, to make, have made, design, use, offer for sale, sell, import, export, lease or otherwise dispose of SD Host Products and SD Ancillary Products under the Essential Patent Claims Licensable by Licensor.

2.2 Licensor hereby releases Licensee and their customers from any and all claims of any past infringement of the Essential Patent Claims Licensable by Licensor arising from Licensee’s making, having made, designing, using, offering for sale, selling, importing, exporting, leasing or disposing by other means of SD Host Products and SD Ancillary Products for the period prior to the Effective Date of this Agreement.

2.3 IT IS EXPRESSLY UNDERSTOOD THAT THE RIGHTS AND LICENSES GRANTED PURSUANT TO THIS AGREEMENT DO NOT EXTEND TO ANY SEMICONDUCTOR MEMORY TECHNOLOGY, FLASH MEMORY CONTROLLER TECHNOLOGY OR SEMICONDUCTOR PROCESS/PACKAGING TECHNOLOGY.

2.4 Licensee hereby grants to each member of the SD Group and each TPHAL under the Essential Patent Claims Licensable by Licensee, a non-exclusive, non-transferable, royalty-free license to and release from any and all claims of infringement, on a worldwide basis, to make, design, have made, use, offer to sell, sell, import, export, lease or otherwise dispose of SD Host Products and SD Ancillary Products. Such license grants are made only to such parties that have entered into a substantially similar SD Host/Ancillary Product License Agreement.

2.5 Licensee hereby agrees to grant under non-discriminatory, fair and reasonable terms and conditions to each member of the SD Group and each TPCL under the Essential Patent Claims Licensable by Licensee, a non-exclusive, non-transferable license to and release from any and all claims of infringement, on a worldwide basis, to make, design, have made, use, offer to sell, sell, import, export, lease or otherwise dispose of SD Memory Cards.

2.6 Licensors and Licensee hereby agree that in the event any dispute arises that cannot be settled between the parties, as to determination of (i) the fair and reasonable terms and conditions for the license to be granted by Licensee in accordance with Section 2.5 above, or (ii) whether a certain patent claim is an Essential Patent Claim, the dispute shall be determined by an expert jointly appointed and paid for by the Licensee and Licensor. This dispute resolution process is without prejudice to any other rights of a party under this Agreement.

2.7 Licensor shall have the right to terminate the license granted in Section 2.1 under any of the Essential Patent Claims owned by any member of SD Group in the event that Licensee has (i) brought a claim(s) against a member of SD Group or any TPHAL or TPCL, in a lawsuit or other proceeding, that such entity is infringing or has infringed a patent claim, that such entity reasonably believes is an Essential Patent Claim, by making, having made, designing, using, offering for sale, selling, importing, exporting, leasing or disposing by other means of SD Products, (ii) attempted or threatened to revoke the license under Section 2.4 above, or (iii) unreasonably refused to grant a license under Section 2.5 above, to such member of the SD Group or TPCL.

2.8 Licensee shall have the right to terminate the license granted in Sections 2.4 and 2.5 to a specific member of the SD Group, a TPHAL or a TPCL under any of the Essential Patent Claims owned by Licensee in the event that (i) such specific member of the SD Group, TPHAL or TPCL has brought a claim(s) against Licensee, in a lawsuit or other proceeding, that the Licensee is infringing or has infringed a patent claim, that Licensee reasonably believes is an Essential Patent Claim, by making, having made, designing, using, offering for sale, selling, importing, exporting, leasing or otherwise disposing of any SD Products, (ii) such specific member of the SD Group has attempted or threatened to revoke the license under Section 2.1 above, (iii) such TPHAL has attempted or threatened to revoke the license under the equivalent of Section 2.4 above in such TPHAL's SD Host/Ancillary Product License Agreement with Licensor, or (iv) such TPCL has unreasonably refused to grant a license under the equivalent of Section 2.5 above in such TPCL's SD Memory Card License Agreement with Licensor, to Licensee.

3. SD Group Specifications License

3.1 Upon the terms and conditions and with the limitations and exceptions hereafter set forth, including but not limited to the confidentiality obligations contained herein, Licensor hereby grants to Licensee a non-exclusive, non-transferable license, on a worldwide basis during the term hereof, to use the SD Group Specifications (excluding the Specifications Addenda) as listed in Schedule A hereto, including the technical information, know-how and trade secrets contained therein, solely to make, design, have made, use, offer for sale, sell, import, export, lease or otherwise dispose of SD Host Products and SD Ancillary Products.

3.2 Licensee hereby agrees that in the event Licensee has SD Host Products or SD Ancillary Products made, developed, designed or otherwise manufactured by a third party on a subcontract basis pursuant to Sections 2.1 and/or 3.1 of this Agreement, Licensee shall ensure that such third party has executed an SD Host/Ancillary Product License Agreement with Licensor prior to contracting with such third party. Licensee shall, however, have the option to contract to have SD Host Products or SD Ancillary Products made, developed, designed or otherwise manufactured by a third party on a subcontract basis, without the requirement that the third party

execute an SD Host/Ancillary Product License Agreement, provided that Licensee hereby agrees that Licensee has not, and will not, disclose the Confidential Information, to such third party unless (i) such third party has agreed, in writing, to comply with confidentiality obligations at least as restrictive as those in this Agreement; and (ii) Licensee is responsible and financially liable for such third party's compliance with the applicable terms and conditions of this Agreement.

3.3 Upon payment by Licensee of the fees stated in Section 7.1, a copy of the current version of the SD Group Specifications necessary for the SD Host Products and SD Ancillary Products, which may not be reproduced in whole or in part, will be available through either the SD-3C or the SD Association.

3.4 Licensee acknowledges and agrees that the right to use the SD Group Specifications (excluding the Specifications Addenda) licensed hereunder does not extend to Licensee's use of the same in connection with any product that does not comply with the applicable SD Specifications as required herein, or that is incompatible with products that comply with the SD Specifications.

3.5 Licensee acknowledges and agrees that, making, having made, designing, using, offering for sale, selling, importing, exporting, leasing or disposing by other means of SD Host Products and SD Ancillary Products may require a separate license for Content Protection for Recordable Media.

3.6 Licensee acknowledges and agrees that, making, having made, designing, using, offering for sale, selling, importing, exporting, leasing or disposing by other means of SD Memory Cards requires Licensee to enter into a separate SD Memory Card License.

3.7 Licensee acknowledges and agrees that if Licensee's SD Host Products or SD Ancillary Products use, incorporate or support Content Protection for Recordable Media as a security feature, then it shall comply with all applicable portions of Part 3 of the SD Specifications.

3.8 Licensee acknowledges and agrees that, making, having made, designing, using, offering for sale, selling, importing, exporting, leasing or disposing by other means of SD Host Products and SD Ancillary Products may require Licensee to enter into a separate SD Card Association License Agreement.

3.9 Licensee acknowledges and agrees that any license to use the SD Association Specification and the Specifications Addenda must be obtained from the SD Association.

4. SD Logo License and Trademark

4.1 Upon the terms and conditions and with the limitations and exceptions hereafter set forth, Licensor hereby grants to Licensee a non-exclusive, non-transferable license to use the SD Logos solely on SD Host Products and SD Ancillary Products, and accompanying packing materials, and in related advertising and other sales and marketing literature, including catalogues or brochures, and user manuals for such SD Host Products and SD Ancillary Products, in the form and manner specified in the SD Logo Guideline on a worldwide basis during the term hereof. In the event that Licensee has SD Host Products or SD Ancillary Products made, developed, designed or otherwise manufactured by a third party on a subcontract basis pursuant to Sections 2.1, 3.1

and/or 3.2 of this Agreement, Licensee shall be responsible for such third party's compliance with the applicable terms and conditions of this Agreement, and Licensee shall make sure that such third party uses the SD Logos with the SD Host Products and SD Ancillary Products manufactured for, and sold by, Licensee, under the terms and conditions of this Agreement.

4.2 Licensee is strictly prohibited from using the SD Logos in any other form than that which is specifically set forth in the SD Logo Guideline.

4.3 In Licensee's sole discretion, Licensee shall have the right, and is strongly encouraged, to place the SD Logos on all SD Host Products and SD Ancillary Products and accompanying product packaging to the extent that such placement is practicable.

4.4 Licensee shall place the SD Logo on all user manuals that accompany SD Host Products and SD Ancillary Products even if the SD Logos are not affixed to the SD Host Products or SD Ancillary Products.

4.5 Licensee shall ensure that there is imprinted legibly and irremovably on all materials and things on or with which the SD Logos appear in any form, the legends and notices required by the SD Logo Guideline.

4.6 Licensee shall not co-join or combine any other logo, trademark, trade name or other designation with the SD Logos, and shall use the SD Logos only as commercially separate and distinct from any other logo, trademark, trade name or other designation. Licensee shall not use the SD Logos in a manner which impairs the right in the SD Logos.

4.7 Licensee shall use reasonable efforts to ensure that distributors' and retailers' usage of the SD Logos in advertising, promotional materials, catalogues or brochures offering Licensee's SD Host Products and SD Ancillary Products for sale shall comply with the SD Logo Guideline and Sections 4.2, 4.4, 4.5, 4.6 and 5.1 of this Agreement.

4.8 In cases where Licensee sells SD Host Products or SD Ancillary Products on an OEM basis, the Licensee shall use reasonable efforts to ensure that such purchaser's usage of the SD Logos in product packaging, advertising, promotional materials, catalogues or brochures offering such SD Host Products or SD Ancillary Products for sale shall comply with the SD Logo Guideline and Sections 4.2, 4.4, 4.5, 4.6 and 5.1 of this Agreement in case such purchaser chooses to use the SD Logos.

4.9 Licensee shall not object to the use of the trademark and/or combination of letters "SD" or incorporation thereof with SD Products by any TPHAL, any TPCL or any member of the SD Group and Licensee shall not claim any consideration for such use; provided, however, that such TPHAL, TPCL or member of the SD Group shall extend the same treatment to Licensee.

4.10 Licensee shall be afforded a reasonable period of time (not less than three (3) months) subsequent to any changes to the SD Logo Guideline or the SD Logos to implement the new requirements of the SD Logo Guideline and SD Logos or to discontinue use of the SD Logos without affecting the validity of this Agreement or the rights granted hereunder. Licensee shall have the right to sell remaining inventory stock and complete and sell manufacturing work in

process which becomes non-compliant as a direct result of such change to the SD Logo Guideline or the SD Logos.

5. Verification

5.1 Licensee agrees that all products bearing or marketed under the SD Logos or otherwise claiming to be compatible with SD Products shall conform to the applicable SD Specifications and that all uses of the SD Logos shall fully comply with the SD Logo Guideline. Licensee further agrees that in case the Licensee sells any SD Host Products or SD Ancillary Products on an OEM basis to third parties, the Licensee shall cause, and bear responsibility for causing, such third parties to comply with the requirements that all products bearing or marketed under the SD Logos or otherwise claiming to be compatible with SD Products and sold by the third parties shall conform to the applicable SD Specifications, and that all uses of the SD Logos by the third parties shall comply with the SD Logo Guideline.

5.2 Licensee hereby agrees not to make, have made, design, use, offer for sale, sell, import, export, lease or otherwise dispose of a purported SD Product bearing or marketed under the SD Logos or otherwise claiming to be compatible with SD Products other than in full compliance with the applicable SD Specifications and the procedures set forth below and in Schedule D, as may be amended from time to time by Licensor.

5.3 If at any time during the term hereof, the Licensor Compliance Committee determines, in its sole reasonable judgment, that Licensee may be manufacturing (except for prototypes), selling, marketing, promoting or distributing an SD Product bearing or marketed under SD Logos or otherwise claiming to be compatible with SD Products which is not in full compliance with the applicable SD Specifications, at the request of the Licensor Compliance Committee, such Licensee shall submit sample SD Product (except a prototype) to a Designated Laboratory (as defined in Schedule D) for verification in accordance with the procedures set forth in Schedule D.

5.4 If Final Failure (defined in Schedule D) is declared for an SD Product by the Licensor Compliance Committee in accordance with committee protocol, then Licensor shall have the right to terminate the rights relating to the SD Logos granted to such Licensee under this Agreement with respect to such SD Product that has been declared the Final Failure, upon thirty (30) days' prior written notice to Licensee.

5.5 The right of termination set forth in Section 5.4 above shall not be exclusive of any other remedies or means of redress to which the Licensor may be lawfully entitled, and all such remedies shall be cumulative. Upon termination pursuant to Section 5.4, all rights of Licensee granted hereunder, relating to the SD Logos with respect to the SD Product that failed to meet the verification standards, shall cease.

5.6 NO NOTICE OR STATEMENT OF ANY KIND SENT BY LICENSOR OR THE LICENSOR COMPLIANCE COMMITTEE SHALL BE CONSTRUED AS A REPRESENTATION OR WARRANTY OF ANY KIND WITH RESPECT TO THE SD PRODUCT IDENTIFIED IN SUCH NOTICE OR STATEMENT, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A

PARTICULAR PURPOSE, NON-INFRINGEMENT, OR INTERCHANGEABILITY OR INTEROPERABILITY WITH OTHER SD PRODUCTS.

6. Services by Licensor

6.1 Licensee agrees that Licensor Compliance Committee has the right, to request sample SD Product (except a prototype) from Licensee pursuant to Section 5.3 in order to perform verification in accordance with the procedures set forth in Schedule D.

6.2 Licensor shall have the right to disclose the identity of Licensee as an SD Host/Ancillary Product licensee.

7. Fees

7.1 In consideration of the licenses granted hereunder, upon the terms and conditions and with the limitations set forth herein, Licensee agrees to pay to Licensor an annual license fee of three thousand US dollars (\$3,000.00). The license fee paid hereunder shall cover Licensee and Licensee's Affiliates listed in Schedule C, and shall not be returnable or refundable in any event.

7.2 The annual license fees indicated in Section 7.1 above shall be due January 1st of each calendar year for the term of the Agreement. Licensor, at its discretion, may provide Licensee with an invoice prior to year end. Licensee agrees to pay the amounts due to Licensor within forty-five (45) days after receipt of an invoice from Licensor each calendar year for the term of the Agreement. The annual license fees will be pro-rated on a quarterly basis for the initial year of this Agreement. For example, if the Effective Date of this Agreement is in August, then the annual license fees will be pro-rated by fifty percent (50%) to account for the two (2) full quarters during which this Agreement was not in effect. Licensee agrees that late payment of the license fees shall bear interest at one percent (1%) per month or, if less, the maximum rate allowed by law.

7.3 Payments for verification costs and fees shall be governed by Schedule D hereto.

7.4 All payments made by Licensee to Licensor under this Agreement shall be made without any deduction for any taxes, except any income or withholding taxes that are required to be withheld under any law of any applicable jurisdiction on any payments by Licensee to Licensor under this Agreement, which taxes shall be withheld by Licensee to the extent required by law and actually paid to the appropriate taxing authority. Licensee shall within forty-five (45) days following payment of any such taxes provide proof to Licensor of payment of such taxes (including, but not limited to, official receipts in the name of Licensor and photocopies of all forms filed by Licensee with the appropriate taxing authorities) together with certified English translations of such documentation (if not in the English language). Licensee shall indemnify and hold harmless Licensor for any penalties and interest that may be payable as a result of Licensee's failure to timely pay all taxes or other assessments of Licensor that Licensee is obligated to withhold. All other taxes imposed on payments by Licensee to Licensor including but not limited to value added taxes, consumption taxes, and sales taxes, which may be imposed now or in the future or under the laws of any applicable jurisdiction shall be Licensee's sole responsibility and Licensee shall promptly transmit such taxes to the appropriate authorities as and when they become due. Such taxes shall not affect Licensee's obligation to make payments to Licensor as required under this Agreement.

8. Ownership of the Essential Patent Claims, SD Group Specifications and SD Logos; Reservation of Rights

8.1 Licensee acknowledges and agrees that this Agreement does not transfer or convey to Licensee ownership of or any rights in any of the Essential Patent Claims of the SD Group, SD Group Specifications or the SD Logos, except as expressly set forth herein. Licensee's use of the SD Logos (if Licensee has been granted the license to use the SD Logos) shall inure solely to the benefit of the owner of the SD Logos, as the owner of all rights in and to the SD Logos. Upon termination of this Agreement, no monetary amounts shall be assigned as attributable to any goodwill associated with such Licensee's use of the Essential Patent Claims of the SD Group, the SD Group Specifications (excluding the Specifications Addenda) or the SD Logos. Licensee further acknowledges and agrees that this Agreement does not transfer any ownership of or convey any rights in or to SD Association Specifications, Specification Addenda, or pictographs or application formats of the SD Association.

8.2 Licensor acknowledges and agrees that this Agreement does not transfer or convey to Licensor ownership of or any rights in any of the Essential Patent Claims or other intellectual property of Licensee, except as expressly set forth herein.

8.3 Licensor hereby reserves all rights not herein expressly granted to Licensee. Such reserved rights are the sole and exclusive property of the Licensor, SD Group or their respective licensors.

9. Confidentiality

9.1 Licensee agrees that Licensee shall use SD Group Confidential Information pursuant to the terms and conditions of this Agreement, only for the purposes expressly identified in Sections 2.1 and 3.1 of this Agreement. Licensee further agrees that Licensee shall not disclose to any party SD Group Confidential Information pursuant to the terms and conditions of the Agreement, except to those certain employees and independent contractors who require such access to carry out the purpose of this Agreement and who have agreed, in writing, to the confidentiality obligations hereunder.

9.2 Licensee shall not copy, alter, modify, disassemble or reverse engineer any of the SD Group Confidential Information.

9.3 Licensee shall use the same degree of care, but no less than reasonable care under the circumstances, in keeping SD Group Confidential Information confidential as it uses for its own confidential information of a similar nature.

9.4 The obligations under this Agreement shall not extend to Confidential Information that: (i) was generally available to the public at the time it was disclosed; (ii) becomes generally available to the public after disclosure which is not a result of any improper inaction or action of Licensee, or breach of its obligations hereunder; (iii) was known to Licensee, other than under an obligation of confidentiality, at the time of disclosure; (iv) is disclosed to Licensee without confidential obligation by a third party with rightful authority to do so; (v) is independently developed by Licensee, through a person or persons who have not had access to the Confidential Information; or (vi) is disclosed by Licensor to a third party without restrictions on such third

party's rights to disclose or use the same; provided however that the confidentiality obligations under this Agreement shall always extend to any next generation card technology specifications disclosed by Licensor to Licensee regardless of whether the disclosure occurred before Licensee's execution of this Agreement.

9.5 Licensee shall comply with all applicable rules and regulations of the United States, Japan and other countries and jurisdictions relating to the export or re-export of any Confidential Information or an SD Product. Notwithstanding the licenses granted in Sections 2.1 and 3.1 above, Licensee shall further be responsible for obtaining any export license or authorization as may be required under such laws or regulations with respect to the export of any Confidential Information or an SD Product.

9.6 Notwithstanding anything to the contrary contained herein, Licensee may disclose Confidential Information if required by any judicial or governmental request, requirement or order, or by operation of law, provided, however, that Licensee shall promptly inform Licensor of such request, requirement or order and take steps necessary to obtain a protective order.

9.7 All of the confidentiality and limited use obligations contained herein shall survive for ten (10) years after termination of this Agreement, except for the SD Security Specification, which confidentiality period shall survive in perpetuity.

9.8 All Confidential Information (excluding the Specifications Addenda) shall remain the property of Licensor, SD Group, or the party which gave Licensor the authority to license such Confidential Information. At the reasonable request of Licensor, upon termination or expiration of this Agreement, and subject to the provisions of Section 14.2 below, all Confidential Information furnished to Licensee hereunder, and all copies thereof, if any, shall be, at the discretion of Licensor, returned to Licensor or destroyed, with a written representation, by Licensee.

10. SD Group Specifications Change

10.1 Licensor shall only make corrections or other non-material changes to the SD Group Specifications (excluding the Specifications Addenda), and Licensor shall amend Schedule A to reflect such changes.

11. Indemnification

11.1 Licensee hereby agrees to indemnify, hold harmless and defend Licensor, and the SD Group, with respect to any third party claim arising out of, or relating to Licensee's making, having made, designing, using, offering for sale, selling, importing, exporting, leasing or disposing by other means of SD Host Products or SD Ancillary Products except to the extent that: (i) such claim arises from a negligent act or willful misconduct of the Licensor, or the SD Group, or (ii) such claim is independently attributable to the SD Group Specifications (excluding the Specifications Addenda), except for any claim arising out of, or relating to, the Content Protection for Recordable Media; provided, however, that Licensee receives prompt notice of any such claim and has the right to control the defense and settlement of such claim. Licensor hereby agrees, at Licensee's written request and at Licensee's expense, to provide reasonable technical assistance in the defense of any such third party claim.

12. Warranties and Disclaimer

12.1 Licensor represents, warrants and covenants that it has the right to enter into this Agreement and to license the Essential Patent Claims, the SD Group Specifications (excluding the Specifications Addenda) and SD Logos Licensable by SD Group to Licensee pursuant to the terms contained herein.

12.2 Licensee represents and warrants that it has the right to enter into this Agreement and to license the Essential Patent Claims pursuant to the terms contained herein.

12.3 EXCEPT AS EXPRESSLY STATED IN SECTIONS 12.1 AND 12.2 ABOVE, NEITHER LICENSOR, SD GROUP NOR LICENSEE MAKE ANY REPRESENTATION OR WARRANTY AS TO THE VALUE OR UTILITY OF THE PATENT CLAIMS LICENSED OR INFORMATION TO BE SUPPLIED PURSUANT TO THIS AGREEMENT, SUCH AS BUT NOT LIMITED TO THE ESSENTIAL PATENT CLAIMS, THE SD GROUP SPECIFICATIONS (INCLUDING EFFECTIVENESS OF SECURITY OF PART 3 OF SD SPECIFICATIONS (AND CONTENT PROTECTION FOR RECORDABLE MEDIA TECHNOLOGY WHICH IS NOT LICENSED UNDER THIS AGREEMENT)), THE SD LOGOS, AND TECHNICAL INFORMATION AND SUPPORT, IF ANY, OR THE ABILITY OF LICENSOR, SD GROUP OR LICENSEE TO MAKE USE THEREOF TO SECURE INTERCHANGEABILITY OR INTEROPERABILITY WITH OTHER SD PRODUCTS. NEITHER LICENSOR, SD GROUP NOR LICENSEE MAKE ANY WARRANTY WHATSOEVER THAT THE USE OF ESSENTIAL PATENT CLAIMS OR INFORMATION, INCLUDING BUT NOT LIMITED TO THE SD GROUP SPECIFICATIONS, SUPPLIED PURSUANT TO THIS AGREEMENT DOES NOT INFRINGE OR WILL NOT CAUSE INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHT OWNED OR CONTROLLED BY ANY PERSON. EACH PARTY UNDERSTANDS AND AGREES THAT NEITHER THE LICENSOR, THE SD GROUP, THE LICENSOR COMPLIANCE COMMITTEE NOR THE LICENSEE MAKES ANY WARRANTY WHATSOEVER THAT ANY MAKING, HAVING MADE, DESIGNING, USING, OFFERING FOR SALE, SELLING, IMPORTING, EXPORTING, LEASING OR DISPOSING BY OTHER MEANS OF SD HOST PRODUCTS OR SD ANCILLARY PRODUCTS WILL BE FREE FROM INFRINGEMENT OF ANY THIRD-PARTY INTELLECTUAL PROPERTY RIGHTS. NEITHER LICENSOR, SD GROUP, THE LICENSOR COMPLIANCE COMMITTEE NOR LICENSEE MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AND EXPRESSLY DISCLAIM IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT, AND ANY EQUIVALENTS UNDER THE LAWS OF ANY JURISDICTION THAT MIGHT ARISE FROM ANY ACTIVITIES OR INFORMATION DISCLOSURES RELATING TO THIS AGREEMENT.

13. Limitation of Liability

13.1 NEITHER LICENSOR, NOR THE LICENSOR COMPLIANCE COMMITTEE NOR SD GROUP NOR ANY AFFILIATE, DIRECTOR, OFFICER, AGENT, MEMBERS, REPRESENTATIVES, EQUIVALENT CORPORATE OFFICIAL, OR EMPLOYEE ACTING IN THEIR CAPACITIES AS SUCH (COLLECTIVELY THE "LICENSOR AFFECTED

PARTIES”) SHALL BE LIABLE TO LICENSEE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES WHATSOEVER (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS OR PERSONAL PROFITS, BUSINESS INTERRUPTION, OR ANY OTHER PECUNIARY LOSS) ARISING OUT OF ANY CAUSE OF ACTION RELATING TO THIS AGREEMENT, OR ARISING OUT OF LICENSEE’S MAKING, HAVING MADE, DESIGNING, USING, OFFERING FOR SALE, SELLING, IMPORTING, EXPORTING, LEASING OR DISPOSING BY OTHER MEANS OF ANY VERIFIED PRODUCTS OR ANY PRODUCTS THAT IMPLEMENT THE ESSENTIAL PATENT CLAIMS, SD GROUP SPECIFICATIONS OR SD LOGOS WHETHER UNDER A THEORY OF CONTRACT, TORT, INDEMNITY, PRODUCT LIABILITY OR OTHERWISE, EVEN IF THE LICENSOR AFFECTED PARTIES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

13.2 EXCEPT FOR WILLFUL MISCONDUCT OR BREACH OF CONFIDENTIALITY, NEITHER LICENSEE NOR ANY AFFILIATE, DIRECTOR, OFFICER, AGENT, MEMBERS, REPRESENTATIVES, EQUIVALENT CORPORATE OFFICIAL, OR EMPLOYEE ACTING IN THEIR CAPACITIES AS SUCH (COLLECTIVELY THE “LICENSEE AFFECTED PARTIES”) SHALL BE LIABLE TO LICENSOR FOR ANY INDIRECT OR CONSEQUENTIAL DAMAGES WHATSOEVER (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS OR PERSONAL PROFITS, BUSINESS INTERRUPTION, OR ANY OTHER PECUNIARY LOSS) ARISING OUT OF ANY CAUSE OF ACTION RELATING TO THIS AGREEMENT WHETHER UNDER A THEORY OF CONTRACT, TORT, INDEMNITY, PRODUCT LIABILITY OR OTHERWISE, EVEN IF THE LICENSEE AFFECTED PARTIES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING AND SUBJECT TO SECTION 15.5 BELOW, LICENSEE AFFECTED PARTIES SHALL REMAIN LIABLE TO LICENSOR FOR ANY CLAIMS ASSERTED BY LICENSOR OR THE SD GROUP AGAINST THE LICENSEE AFFECTED PARTIES FOR REASONABLE ATTORNEY FEES AND COSTS OF SUIT.

13.3 TO THE EXTENT THAT ANY COURT OF COMPETENT JURISDICTION RENDERS JUDGMENT AGAINST ANY OF THE LICENSOR AFFECTED PARTIES NOTWITHSTANDING THE ABOVE LIMITATION, THE LICENSOR AFFECTED PARTIES’ AGGREGATE LIABILITY TO THE LICENSEE IN CONNECTION WITH THIS AGREEMENT SHALL IN NO EVENT EXCEED THE AMOUNT OF MONEY RECEIVED BY LICENSOR FROM SUCH LICENSEE UNDER THIS AGREEMENT IN THE TWELVE (12) MONTHS PRECEDING THE DATE ON WHICH SUCH LIABILITY ARISES.

13.4 NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, EXCEPT FOR WILLFUL MISCONDUCT OR BREACH OF CONFIDENTIALITY BY LICENSEE, LICENSEE’S MAXIMUM AGGREGATE LIABILITY TO LICENSOR SHALL IN NO EVENT EXCEED THREE MILLION U.S. DOLLARS (US\$ 3,000,000).

14. Term and Termination

14.1 This Agreement shall become effective as of the Effective Date and shall continue in force for a period of three (3) years (“Initial Term”) and shall automatically extend for

additional periods of three (3) years as amended (each such period, a “Renewal Term”) (collectively, Initial Term and Renewal Terms, the “Term”), unless: (i) Licensee delivers written notice of termination to Licensor at least sixty (60) days prior to the expiration of the Initial Term of this Agreement or any Renewal Term thereof, or decides to not execute any amendment to this Agreement; or (ii) this Agreement is otherwise terminated pursuant to the terms and conditions of this Agreement. The parties agree that Licensor shall only have the right to amend the terms and conditions of this Agreement by providing Licensee with notice of such amendment at least ninety (90) days prior to the expiration of the Initial Term or any Renewal Term and such amendments are effective commencing with the Renewal Term following such notice unless Licensee terminates the agreement pursuant to 14.1(i).

14.2 Immediately upon termination of this Agreement, Licensee shall return to Licensor or destroy at Licensor’s instruction, all SD Group Specifications licensed to Licensee hereunder, the SD Logo Guideline (if Licensee has been granted the license to use the SD Logos), and all copies of the foregoing documents, upon the last date that this Agreement remains in force and effect. To the extent Licensee is required by effect of statute or other governmental regulation, Licensee may, upon written explanatory notice to Licensor, maintain copies of relevant SD Group Specifications for the limited purposes required by such statute or other governmental regulation. Licensee acknowledges and agrees that on the termination of this Agreement all rights of Licensee granted hereunder shall cease; provided however, that: (i) except in the case where termination is for a breach by Licensee, Licensee shall have the right to sell remaining inventory stock and complete and sell any manufacturing work in process that complies with the SD Group Specifications, and (ii) end-users may continue to use SD Products sold by Licensee.

14.3. Either party may terminate this Agreement at any time on sixty (60) days’ notice to the other party in the event that the latter shall materially breach or fail to perform any material obligation under this Agreement and such default is not remedied within sixty (60) days after notice is given specifying the nature of the default. Without limiting the generality of the foregoing, a breach of any of the following Sections hereunder shall be deemed to be a material breach of this Agreement: 3.2, 3.4, 3.5, 3.6, 3.7, 4.1, 4.2, 4.4, 4.5, 4.6, 4.9, 5.1, 5.2, 5.3, 7.1 and Section 9. Such right of termination shall not be exclusive of any other remedies or means of redress to which the non-defaulting party may be lawfully entitled, and all such remedies shall be cumulative.

14.4 Subject to Section 2.8 above, Licensee hereby agrees that all licenses granted prior to the termination of this Agreement by Licensee in accordance with Sections 2.4 and 2.5 above to members of the SD Group and to each TPHAL and TPCL for Essential Patent Claims, shall survive the termination of this Agreement.

14.5 Licensee hereby agrees that the use of the SD Logos in any way not in compliance with the SD Logo Guideline, as such SD Logo Guideline may be modified from time to time upon reasonable notice to Licensee, or on any product or in any advertisement or sales literature concerning any product, which product does not comply with the SD Specifications, shall constitute a material breach of this Agreement. Nothing in this Section 14.5 shall have the effect of limiting the ability of Licensee to discontinue use of the SD Logos under Section 4.10 of this Agreement.

14.6 In the event that any Event of Bankruptcy occurs, then Licensor or Licensee may give notice to the offending party terminating this Agreement and this Agreement shall be terminated in accordance with the notice. An “Event of Bankruptcy” occurs if:

- (i) a decree or order by a court having jurisdiction in the premises has been entered adjudging a party as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, readjustment, arrangement, composition, winding up or similar relief for a party under any applicable statute, or a decree or order of a court having jurisdiction in the premises for the appointment of a liquidator, receiver, administrator, trustee or assignee in bankruptcy or insolvency or other similar person or official of a party or of a substantial part of the property, or for the winding up or liquidation of the affairs of such party has been entered and remains unstayed; or if any substantial part of the property of a party has been sequestered or attached and has not been returned to the possession of a party or released from such attachment within fourteen (14) days thereafter; whether any such act or event occurs in the United States, or any foreign country, subdivision thereof, or any other jurisdiction; or
- (ii) if the other party becomes the subject of a voluntary or involuntary petition in bankruptcy or any similar proceeding relating to insolvency, receivership or reorganization and if such petition or proceeding is not dismissed within sixty (60) days of filing. If such proceeding is involuntary and is contested in good faith, this Agreement shall terminate only after the passage of one hundred twenty (120) days without the dismissal of such proceeding

14.7 Subject to Section 14.4 above, Licensee may terminate this Agreement anytime after giving ninety (90) days advanced written notice to Licensor.

14.8 The provisions set forth in Sections 4.10, 8 through 13, 14.2, 14.4, 14.8, 15 and the fees past due under Section 7 and Schedule D, shall survive the termination of this Agreement in perpetuity.

15. **Miscellaneous**

15.1 Licensee agrees that it has no right to bring any actions for unauthorized use or infringement of any of the Essential Patent Claims of the SD Group, the SD Group Specifications or the SD Logos. Licensee will promptly notify Licensor should it learn of any such potential unauthorized use or infringement. In any suit or action brought against Licensee that challenges or concerns the validity of any right granted by Licensor hereunder, Licensor shall have the option, at their own expense, to assume the defense of any such right granted by Licensor.

15.2 The performance by Licensor and Licensee of their respective obligations hereunder shall be conditioned upon and subject to the receipt of all necessary export approvals required by and all restrictions or conditions imposed by any relevant government.

15.3 This Agreement and the rights granted hereunder shall be personal to Licensee and shall not be assigned, pledged, divided or otherwise encumbered in any way except that they may be assigned in connection with a merger, sale, change of control or reorganization pursuant to

which Licensee transfers all, or substantially all, of the assets of Licensee, provided that the assignee agrees, in writing, to be bound by the terms and conditions of this Agreement and Licensee provides prior written notice to Licensor. Licensee shall not have the right to sublicense any rights granted hereunder, provided that nothing herein shall prohibit or otherwise restrict end users' rights to use SD Host Products and SD Ancillary Products manufactured hereunder by Licensee. Licensor shall have the right to assign this Agreement, at any time during the term thereof, to any other party which succeeds Licensor in its function as the licensor of the Essential Patent Claims of the SD Group, the SD Group Specifications (excluding the Specifications Addenda) and the SD Logos, upon reasonable prior written notice to Licensee.

15.4 Wherever provision is made in this Agreement for the giving of any notice, such notice shall be in writing and shall be deemed to have been duly given if mailed by first class mail, postage prepaid, addressed to the party entitled to receive the same, or delivered personally to such party, or sent by facsimile transmission, or sent by electronic mail, or sent by courier,

if to Licensor, to:

SD-3C LLC
c/o Miller Kaplan Arase LLP
4123 Lankershim Blvd.
North Hollywood, CA 91602-2828
Attention: Michael Quackenbush
Fax: (818) 769-3100

And if to Licensee, to:

Attention:

Fax:

or to such other address, in any such case, as any party hereto shall have last designated by notice to the other party. Notice shall be deemed to have been given on the day that it is so delivered personally or sent by facsimile transmission and the appropriate answer back or confirmation of successful transmission is received or, if sent by courier, shall be deemed to have been given two (2) business days after delivery by the courier company, or if mailed, ten (10) business days following the date on which such notice was so mailed.

15.5 THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED ACCORDING TO THE LAWS OF THE STATE OF CALIFORNIA, AS IF THIS AGREEMENT WERE WHOLLY EXECUTED AND WHOLLY PERFORMED WITHIN SUCH STATE, AND WITHOUT REFERENCE TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF. THE PREVAILING PARTY IN ANY DISPUTE WITH RESPECT TO THIS AGREEMENT SHALL

BE ENTITLED TO RECEIVE ITS REASONABLE AND DOCUMENTED FEES AND COSTS, INCLUDING BUT NOT LIMITED TO ATTORNEY'S FEES. THE PARTIES AGREE THAT THE UNITED NATIONS CONVENTION ON CONTRACTS ON THE INTERNATIONAL SALE OF GOODS SHALL NOT APPLY TO THIS AGREEMENT.

15.6 ALL DISPUTES BETWEEN THE PARTIES HERETO ARISING OUT OF OR IN CONNECTION WITH THE INTERPRETATION OR EXECUTION OF THIS AGREEMENT, LICENSOR'S LICENSING OF THE ESSENTIAL PATENT CLAIMS, THE SD GROUP SPECIFICATIONS, AND THE SD LOGOS, OR LICENSEE'S USE OF THE ESSENTIAL PATENT CLAIMS OF THE SD GROUP, THE SD GROUP SPECIFICATIONS AND THE SD LOGOS, SHALL BE FINALLY SETTLED BY THE FEDERAL OR STATE COURTS LOCATED IN THE COUNTY OF SANTA CLARA IN THE STATE OF CALIFORNIA; AND EACH PARTY TO THIS AGREEMENT HEREBY: (i) IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS FOR THE RESOLUTION OF SUCH DISPUTES; (ii) IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF SAID COURTS IN ANY SUCH DISPUTE BY PERSONAL DELIVERY OR MAILING OF PROCESS BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, AT THE RESPECTIVE ADDRESS SET FORTH IN SECTION 15.4 ABOVE; (iii) IRREVOCABLY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN SUCH COURTS OR TO THE CONVENIENCE OR INCONVENIENCE OF CONDUCTING OR PURSUING ANY ACTION OR PROCEEDING IN ANY SUCH COURT; AND (iv) IRREVOCABLY WAIVES ANY RIGHT TO A TRIAL BY JURY REGARDING THE RESOLUTION OF ANY DISPUTES BETWEEN THE PARTIES HERETO ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

15.7 This Agreement shall inure to the benefit of the parties hereto and each of their respective Affiliates, provided that: (i) such Affiliates shall comply with the terms of this Agreement, (ii) nothing herein shall relieve any party of any of its obligations under the terms of this Agreement, and (iii) a party shall be responsible for the acts and omissions of its Affiliates as if such acts and omissions had been the acts and omissions of such party.

15.8 This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter hereof and merges all prior discussions between them and neither of the parties shall be bound by any conditions, definitions, warranties, waivers, releases or representations (either expressed or implied) with respect to the subject matter of this Agreement, other than expressly set forth herein (including the exhibits hereto), or as duly set forth on or subsequent to the date hereof in writing signed by a duly authorized representative of the party to be bound thereby.

15.9 This Agreement may be executed in counterparts (including facsimile transmission) each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

15.10 At the request of Licensor, Licensee shall update the list in Schedule C if such list has not been updated in the immediately preceding three (3) months.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives as of the Effective Date.

SD-3C LLC (“Licensor”)

 (“Licensee”)

By (Sign):

By (Sign):

Name (Print): James Brelsford

Name (Print):

Title: President

Title:

Date:

Date:

SCHEDULE A

SD GROUP SPECIFICATIONS:

SD Physical Specification:	Part 1 Physical Layer Specifications Version 1.01 Released on April 15, 2001.
SD Logical Specification:	Part 2 File System Specifications Version 1.01 Released on April 15, 2001.
SD Security Specification:	Part 3 Security Specifications Version 1.01 Released on April 15, 2001.
SD Application Format:	Part 4 Audio Specifications Version 1.01 Released on April 15, 2001.

SPECIFICATIONS ADDENDA¹:

TITLE

DETAIL

SD Physical Specification:

Part 1 Physical Layer Specifications Version 1.10
Released on October 15, 2004 by SD Association

Part 1 Physical Layer Specifications Version 2.00
Released on May 9, 2006 by SD Association

Part 1 Physical Layer Specifications Version 3.00
Released on April 16, 2009 by SD Association

Addendum: miniSD Memory Card Specifications Version 1.02
Released on February 14, 2003 by SD Association.

Addendum: microSD Memory Card Specification Version 1.00
Released on May 18, 2005 by SD Association.

Addendum: microSD Memory Card Specification Version 1.10
Released on June 7, 2006 by SD Association.

SD Logical Specification:

Part 2 File System Specifications Version 2.00
Released on May 9, 2006 by SD Association

¹ The Specifications Addenda are included in this Schedule A because Licensor wishes the license grants covering the SD Group Specifications as set forth in this Agreement to cover any Licensable Essential Patent Claims of Licensor in such Specifications Addenda. Note, however, that to obtain a license for the use of the Specifications Addenda, Licensee must obtain a license directly from the SD Association.

SD Security Specification:	Part 3 Security Specifications Version 2.00 Released on June 7, 2006 by SD Association.
SD Application Format:	Supplementary Notes 1, 2, 3, and 4 for Audio Specification, and Audio EMD Extension and its supplementary Notes as approved by SD Association.
SDIO Card Specification	Part E-1 SDIO Card Specification Version 1.10 Released on August 18, 2004 by SD Association.

SCHEDULE B-1

SD Logo Guideline: SD Logo Guideline / SDA Logo Guideline available from the SD-3C LLC website.

SCHEDULE B-2

SD Logos: SD Logos as available from the SD-3C LLC website.

SCHEDULE C

List of Licensee's Affiliates as of _____:

SCHEDULE D
VERIFICATION PROCEDURE

1. Licensee shall, before the initial shipment of each different model of SD Host Products or SD Ancillary Products, finish self-verification on such products in accordance with SD Group Specifications provided by Licensor, and in accordance with procedures set forth herein.

2. If, in its reasonable judgment, the results of the verification at its own facility are that such SD Host Products or SD Ancillary Products do not comply with the applicable SD Specifications, Licensee shall modify the non-compliant products so as to comply and verify that such modified products are compliant or determine not to ship such products with the SD Logos.

3. Licensee shall keep records of the verification conducted at its own facility for at least two (2) years after the discontinuation of production of the relevant model.

4.1 If requested by the Licensor Compliance Committee pursuant to Section 5.3 of this Agreement, Licensee shall immediately submit one (1) sample of SD Host Product or SD Ancillary Product (except prototypes), as the case may be, which the Licensor Compliance Committee suspects to be non-compliant with the applicable SD Specifications and the Licensee's verification records for such products, to a laboratory designated by Licensee from among the list then provided by the Licensor Compliance Committee ("Designated Laboratory").

4.2 The Designated Laboratory shall inform the Licensor Compliance Committee and the Licensee of the result of the verification. If the result of the verification is that, in the sole reasonable judgment of the Licensor Compliance Committee, such sample product does not comply with the applicable SD Group Specifications, the Licensor Compliance Committee shall have the right, after explaining the reasons for failure, to request that Licensee modify the non-compliant product so as to comply, and submit one (1) sample of such modified product to a Designated Laboratory within a reasonable period of time. Upon request by the Licensor Compliance Committee, Licensee shall promptly provide information for the Designated Laboratory to trace the cause of such non-compliance with the applicable SD Specifications.

4.3 If, (a) as the result of the second verification in the sole reasonable judgment of the Licensor Compliance Committee the sample product still fails to comply with the applicable SD Group Specifications, or (b) Licensee fails to submit a modified product within such period set forth in Section 4.2 of this Schedule D, the Licensor Compliance Committee, in its sole reasonable discretion, shall have the right, after explaining the reasons for failure, either to request that Licensee further modify the product and submit such further modified product to a Designated Laboratory, or to declare and inform Licensee of a final failure to conform to the applicable SD Specifications ("Final Failure").

4.4 Licensee or Licensor, as applicable as described below, shall pay to the Designated Laboratory a verification fee as charged by the Designated Laboratory, according to the following conditions:

(a) In all cases, Licensee shall pay the verification fee for the first submission of a particular sample product to the Designated Laboratory pursuant to Section 4.1 of this Schedule D.

(b) If Licensee's sample product has previously passed the Designated Laboratory's verification procedure, and Licensor subsequently requires the same sample product to be submitted a second time pursuant to Section 4.1, and the same sample product:

- (i) fails the verification procedure, then Licensee shall pay the verification fee.
- (ii) passes the verification procedure, then Licensor shall pay the verification fee.

(c) In all cases, Licensee shall pay the verification fee for any submission of a particular sample product to the Designated Laboratory pursuant to Sections 4.2 or 4.3 of this Schedule D.

The transportation fees for any submission and return of Licensee's SD Product sample or test results shall in all cases be borne by Licensee.

5. All test results, product samples and other information submitted by Licensee to the Licensor and Designated Laboratory in compliance with the verification procedure shall be treated as confidential information of Licensee and shall not be disclosed by Licensor and Designated Laboratory to any third party except the SD Card Association or used for any other purpose other than for verification purposes as defined in this Schedule D.