

STATE OF NORTH CAROLINA

COUNTY OF WAKE

INVENTION DEVELOPER BOND

No. \_\_\_\_\_

Bond Effective \_\_\_\_\_

We \_\_\_\_\_ of  
\_\_\_\_\_ (address),

(enter "individual" or type of entity and, if applicable, state of incorporation or organization)

and authorized by the Secretary of State of North Carolina to transact business in this State, as

PRINCIPAL, and \_\_\_\_\_, of \_\_\_\_\_  
\_\_\_\_\_ (address),

a corporation incorporated under the laws of the State of \_\_\_\_\_ and duly  
licensed to transact a surety business in the State of North Carolina, as SURETY, are indebted  
and bound to the State of North Carolina for the benefit of any person who, after entering into a  
contract for invention development services with the principal, is damaged by the principal's  
fraud, dishonesty, or failure to provide services in performance of the contract, in the sum of  
\$ \_\_\_\_\_, for which payment we bind ourselves and our legal  
representatives and successors jointly and severally.

The condition of this obligation is that the principal is desirous of doing business in the  
State of North Carolina as an "invention developer" as defined in North Carolina General  
Statutes § 66-209(5), and a bond is required by the provisions of the statute on the terms and  
conditions set forth therein.

The surety bond is intended to comply with the requirements of Chapter 66, Article 29,  
and in accordance with the provisions and requirements of those Acts, it is expressly provided  
that:

(1) Any customer or person who has been injured by a violation of Article 29 of Chapter  
66 of the North Carolina General Statutes by an invention developer, or by a false or fraudulent  
statement, representation, or omission of material fact by an invention developer, or by failure of  
an invention developer to make all disclosures required by the aforesaid Article may recover in a  
civil action against the invention developer court costs, attorney's fees, and the amount of actual  
damages sustained by the customer, which damages may be increased to an amount not to  
exceed three times the damages sustained.

(2) The aggregate liability of the surety hereon shall be limited to the amount of this  
bond.

(3) This bond shall be deemed continuous in form and shall remain in full force and effect unless terminated or cancelled in the manner hereinafter provided.

(4) The State of North Carolina, acting through the Secretary of State, reserves the right at any time to terminate this bond, except as to any liability already incurred or accrued hereunder, by written notice of such termination to the surety delivered or mailed by certified or registered mail. On expiration of the period designated in such notice, which period shall be not less than 30 days from the time the notice was delivered or mailed, this bond shall terminate and be of no further force or effect, except as to any liability incurred or accrued prior to such termination.

(5) Surety may cancel this bond and be relieved of further liability hereon by giving 60 days written notice delivered to the Secretary of State of North Carolina of the State of North Carolina at Post Office Box 29622, Raleigh, North Carolina 27626-0622, but such cancellation shall not affect any liability incurred or accrued hereunder prior to the termination of the notice period.

(6) In the event principal and surety or either of them is served with notice of any action brought against the principal or surety under this bond, written notice of the filing of such action shall be immediately given by the principal or surety as each is served or notified, to the Secretary of State of the State of North Carolina, Raleigh, North Carolina.

IN WITNESS WHEREOF, the above-referenced parties have executed this instrument under their several seals, this the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

\_\_\_\_\_  
PRINCIPAL

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_

\_\_\_\_\_  
SURETY

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_