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Transactional Matter Files

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**Exhibit A Royalty Calculations**

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## Exhibit A

### Royalty Calculations

#### Bundling:

It is anticipated that the commercialized iCare Software will be sold in both a "stand-alone" version and a "bundled" version, that each version will have a separate price, and that the "bundled" price will be lower than the "stand-alone" price. In most "bundles" offered by purchaser, either (i) the print components are priced the same as the "stand-alone" versions and the "add-on" components are discounted, or (ii) all components are discounted, but the "add-on" components are discounted more heavily than the print components.

In this regard, it should be noted that the print components are typically updated once every three or four years and are often sold in the secondary market. If a student purchases a used print component from another student, the purchasing student will be required to purchase a "stand-alone" version of the iCare product because the selling student's right to use the iCare product will generally be limited to the run of course for which he or she bought the print component and will not be transferable. Therefore, the "stand-alone" sales of the iCare product will be an important revenue stream to Purchaser.

Although Purchaser generally retains the right to set both the "stand-alone" and "bundled" prices of each component in its sole discretion, Purchaser agrees that, for purposes of computation of iCare Royalties under this Agreement, the "bundled" price of the iCare product will not be less than 40% of its "stand-alone" price. If, for any reason, the iCare product is sold at a "bundled" price that is less than 40% of its "stand-alone" price, the royalty associated with that sale will be as follows:

The product of (i) the 18% royalty rate, (ii) 40% of its "stand-alone" price, and (iii) a fraction, the numerator of which is the cost of the entire bundle minus the excess of 40% of the iCare product's "stand-alone" price over its "bundled" price, and the denominator of which is the cost of the entire bundle.

#### Example:

Assume (i) a stand alone price of \$50 for the iCare product, (ii) iCare product gets bundled at a 75% discount with other content, (iii) the other content has a stand alone price of \$150, and (iv) the other content is discounted at 10% for a total bundled price of \$147.50; the royalty will be  $18\% * (40\% * \$50) * (\$147.50 - \$7.50) / (\$147.50)$  which simplifies to  $0.18 * \$20 * 0.95 = \$3.42$