

UCGo! License Summary

This page is a summary of (and not a substitute for) the UCGo! license.

Disclaimer

This summary highlights only some of the key features and terms of the actual UCGo! License and does not constitute legal advice. It is not a license and has no legal value. You are encouraged to consult with your attorney and should carefully review all of the terms and conditions of the actual license before entering into the license agreement.

Your company is permitted to:

Make, use and sell products covered by the listed patents and/or copy, adapt and redistribute the listed software or other copyrightable material

Allow other companies (“sublicensees”) to do the same

Enforce the intellectual property against competitors

The University of Chicago cannot revoke these permissions as long as you follow the license terms. As long as the license is in effect, the University of Chicago will not grant the same permissions to other commercial parties.

Under the following terms:

Payments

When your company (or a sublicensee) sells a product covered by the University of Chicago’s intellectual property, it will pay a percentage of sales (“royalties”) to the University. The University will share a percentage of the royalties it receives with the inventors of the licensed intellectual property.

Three years after the license term starts, your company will owe the University of Chicago \$10K/year to maintain the license. Royalty payments described above are creditable against this

\$10K/year payment. The University will share a percentage of these licensed maintenance fees it receives with the inventors of the licensed intellectual property.

If your company is acquired or becomes public (IPOs), the company will pay the University of Chicago a percentage of the proceeds from the acquisition or IPO. The University will share a percentage of these proceeds with the inventors of the licensed intellectual property.

If the intellectual property being licensed is covered by a patent, your company will reimburse the University for its third-party patent expenses. Your company can delay payment of the first \$20,000 of those patent expenses.

Exceptions for non-commercial research

Your company cannot use the license to prevent the University of Chicago itself from continuing to use what has been licensed, and the University may extend this exception to other institutions carrying out noncommercial research.

Reporting

Your company must provide regular updates on its progress towards commercialization.

Due Diligence

Your company must meet mutually agreed upon milestones.

Risk

Your company will assume a substantial portion of the risk associated with its development, manufacturing and selling a product, and will take steps to protect the University of Chicago in the result of litigation related to any of those activities. The University of Chicago gives no warranties. The license may not give you all of the permissions necessary for your intended use.

No endorsement

In compliance with University of Chicago statutes, your company cannot use the University’s name in a way that suggests the University’s endorsement of a product.



The UCGo! Startup License is an optional, standardized, **non-negotiable** license agreement between the University and a startup founded by a UChicago researcher.

**EXCLUSIVE LICENSE AGREEMENT
BETWEEN THE UNIVERSITY OF CHICAGO AND _____
FOR _____ TECHNOLOGY**

This License Agreement (“Agreement”), dated _____ (the “Effective Date”), is between The University of Chicago, an Illinois not-for-profit corporation (“University”), and _____, a _____ company, having an address at _____ (“Company”). Each hereunder may be referred to separately as the “Party”, or together as the “Parties”.

WHEREAS, University has certain Licensed IP and Technical Information arising from the disclosure entitled, “[insert disclosure name]” regarding the work of [insert innovators’ names] [funded in part by the U.S. government] (Amend Section 2.H accordingly if not funded by U.S. government);

WHEREAS, Company wishes to obtain an exclusive license under such Licensed IP and access such Technical Information to diligently develop and commercialize Licensed Products; and

WHEREAS, University is willing to grant such rights in accordance with the terms and conditions of this Agreement to afford the public access to Licensed Products.

NOW, THEREFORE, for good and valuable consideration, the Parties agree as follows:

1. Definitions

The capitalized terms listed below and used in this Agreement will have the following meanings:

- A. “Affiliate” means: (i) with respect to University, any corporation or other entity that directly or indirectly controls, is controlled by, or is under common control with, University where “control” means direct or indirect ownership of, or other beneficial interest in, fifty percent (50%) or more of the voting stock, other voting interest, or income of a corporation or other entity or the ability to direct the affairs of such other entity through contract rights or otherwise; and (ii) with respect to any entity other than University, any corporation or other entity that directly or indirectly controls, is controlled by, or is under common control with, another corporation or entity. Control means direct or indirect ownership of, or other beneficial interest in, fifty percent (50%) or more of the voting stock, other voting interest, or income of a corporation or other entity.
- B. “Calendar Quarter” means each of the four, three-month periods ending on March 31st, June 30th, September 30th, and December 31st.
- C. “Copyright Product” means: (a) any product or service that cannot be sold, provided, executed, reproduced, or modified, in whole or in part, without infringing the Licensed Copyrights; or (b) any Derivative.
- D. “Derivative(s)” shall mean Company-created derivative works of the Work, including, but not limited

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to, translations of the Work, in whole or in part, to other foreign or computer languages, adaptations of the Work to other hardware platforms, abridgments, condensations, revisions, and works of authorship incorporating all or any part of the Work.

- E. “End-User” means a person or entity that purchases or receives any right to make, copy, access, receive, or use any Licensed Product for its own use and which does not have the right to resell, distribute, or publish any Licensed Product or use Licensed Product, Licensed IP or Technical Information for the benefit of any other person or entity.
- F. “End-User License” means any license, service, or other agreement, whether written or oral, pursuant to which an End-User receives any right to make, copy, access, receive, or use any Licensed Product for its own use and without the right to resell, distribute, or publish any Licensed Product.
- G. “First Commercial Sale” means the first sale, lease, provision of service, use, or transfer of a Licensed Product by a Licensed Entity to a third party for consideration.
- H. “Licensed Copyrights” shall mean University’s copyrights in the Work.
- I. “Licensed Entity” means Company or a Sublicensee.
- J. “Licensed Patents” means, to the extent owned and/or controlled by University the patents and patent applications listed on Schedule A attached hereto, including all divisions, continuations, continuations-in-part, foreign counterparts, and any patents which may issue from such patent applications and any reexamination, reissues, substitutions, extensions of or to or supplementary protection certificates referencing any such patents or patent applications; provided, however, that Licensed Patents will not include any claims in continuations-in-part of any of the foregoing that are not fully supported under 35 U.S.C. §112 by the patents and patent applications listed on Schedule A.
- K. “Licensed IP” means, to the extent applicable, Licensed Patents and Licensed Copyrights.
- L. “Licensed Product” means a Patent Product, a Technical Information Product, or a Copyright Product.
- M. “Net Sales” means the gross amount invoiced for sales, leases, End-User Licenses or other sales to End-Users, or other transfers, provision of service, or use of Licensed Products after deduction of all the following in accordance with generally recognized principles of accounting, in each case, solely to the extent documented to University as directly attributable to Licensed Products and included in such invoiced amount:
 - i. customary trade, quantity, or cash discounts and rebates actually allowed and taken;
 - ii. amounts repaid or credited to customers on account of rejections or returns;
 - iii. sales tax or other governmental customs charges paid by or on behalf of a Licensed Entity; and
 - iv. reasonable charges for delivery or transportation and insurance relating to such delivery or transportation provided by and paid by a Licensed Entity to a third party (excluding amounts reimbursed).

Net Sales also includes the fair market value of any non-cash consideration received by a Licensed Entity for the sales, leases, or other transfers or use of Licensed Products, or any right, title, or interest in Licensed Products. Fair market value will be calculated as of the time of transfer of such non-cash consideration to Licensed Entity. Transfer of a Licensed Product within or between Licensed Entities for

sale by the transferee will not be considered a Net Sale for purposes of calculating Royalties. In such circumstances, the gross sales price and resulting Net Sales price will be based upon the sale of the Licensed Product by the transferee. For Licensed Products consumed by a Licensed Entity, the price used to calculate Net Sales will be equal to the list price of the same or a substantially similar Licensed Product.

- N. “Non-Commercial Research Purposes” means academic research or other not-for-profit scholarly purposes which are undertaken at a non-profit or government institution and publishing in connection therewith.
- O. “Patent Product” means: (i) any product, device, system, article of manufacture, machine, composition of matter, process, or service (or component thereof); (ii) any method of using any of the foregoing; or (iii) any process for making any of the foregoing, that, in the case of (i), (ii), or (iii) is covered by a Valid Claim of the Licensed Patents.
- P. “Royalty(ies)” means all amounts payable under Section 3.B of this Agreement.
- Q. “Sublicense” means any agreement entered into by Company with any third party, except for End-User Licenses, pursuant to which: (i) any right, title, or interest to the Licensed IP or Technical Information is granted, including any rights to make, offer for sale, use, sell, or import Licensed Products; (ii) Company covenants not to sue for the practice or use of any part of the Licensed IP or Technical Information; and/or (iii) under which such third party agrees not to practice or use any part of the Licensed IP or Technical Information.
- R. “Sublicensee” means any person, company, or other entity granted a Sublicense by Company.
- S. “Technical Information” means, to the extent owned and/or controlled by University, any technology existing as of the Effective Date, including but not limited to information, know-how, procedures, methods, prototypes, designs, data, reports, and materials, biological or otherwise, and any progeny or modifications of such materials, that is: (i) specifically listed in Schedule B; or (ii) disclosed in the Licensed Patents or Work, but not covered by a Valid Claim or Licensed Copyright.
- T. “Technical Information Product” means (i) any product, device, system, article of manufacture, machine, composition of matter, process, or service (or component thereof); (ii) any method of using any of the foregoing; or (iii) any process for making any of the foregoing, that, in the case of (i), (ii), or (iii), incorporates, utilizes, or is derived from Technical Information.
- U. “Third Party Proposed Product” means an actual or potential Licensed Product that is for an application or market segment for which University reasonably believes a Licensed Product is not being actively developed and commercialized by a Licensed Entity.
- V. “Valid Claim” means an issued claim of any unexpired Licensed Patent or a claim of any pending Licensed Patent that has not been held unenforceable, unpatentable, or invalid by a decision of a court or governmental body of competent jurisdiction in a ruling that is unappealable or unappealed within the time allowed for appeal.
- W. “Work” shall mean any item listed as a “Work” in Schedule A and any University-owned Derivatives.

2. Grant

- A. Grant. Subject to and conditioned on Company’s continuing compliance with the terms and conditions

of this Agreement, University hereby grants to Company and Company accepts:

- i. a worldwide, exclusive, royalty-bearing license under the Licensed Patents to make, have made, use, import, have sold, offer to sell and sell Licensed Products; and
- ii. a worldwide, nonexclusive, royalty-bearing license to use the Technical Information to discover, develop, make, have made, use, import, have sold, offer to sell and sell Licensed Products.
- iii. the following exclusive rights and licenses to Licensed Copyrights:
 - (1) to reproduce and modify the Work;
 - (2) to prepare Derivatives;
 - (3) to distribute the Work and Derivatives;
 - (4) to publicly perform the Work and Derivatives;
 - (5) to display the Work and Derivatives publicly; and
 - (6) to perform the Work and Derivatives publicly by means of digital audio transmission.

B. Possession of Technical Information. Technical Information is provided by University to Company in bailment solely for the use permitted in Section 2.A.ii., and nothing herein will be construed as constituting a sale thereof. Unless otherwise specified in writing by University, Licensed Entities shall maintain Technical Information as University's confidential information during and after the term of this Agreement unless such information is: (a) already known to Licensed Entity at the time of disclosure as evidenced by the Licensed Entity's written records; (b) in the public domain other than through acts or omissions of the Licensed Entity, or anyone that accessed the confidential information from the Licensed Entity; (c) lawfully disclosed to the Licensed Entity by a third party without restriction; (d) independently developed by the Licensed Entity without knowledge of or access to the confidential information as evidenced by the Licensed Entity's written records. Any Technical Information provided under this Agreement that is a material, biological or otherwise, is supplied solely for use in animals and/or *in vitro*. SUCH TECHNICAL INFORMATION WILL NOT BE USED IN HUMANS, IN CLINICAL TRIALS OR FOR DIAGNOSTIC PURPOSES INVOLVING HUMAN SUBJECTS.

C. Sublicense. Subject to the terms and conditions of this Agreement and Company's and Sublicensee's compliance therewith, Company will have the right to grant Sublicenses. Company shall only grant a Sublicense pursuant to a valid and binding written agreement that expressly states that such Sublicense is subject to, and the applicable Sublicensee must comply with, all the terms and conditions of this Agreement applicable to the Company (including the terms providing for termination of such Sublicense in the event this Agreement terminates and providing that University is a third-party beneficiary to such Sublicense); provided, that such Sublicensee may not grant further sublicenses or otherwise transfer such Sublicense. In the event of any inconsistency between the Sublicense and this Agreement, this Agreement will control. Any Sublicense that does not comply with the terms and conditions of this Agreement is null and void ab initio. For the two (2) year period starting from the Effective Date, Company shall provide University with a copy of each Sublicense and amendment thereof for review and approval thirty (30) days before the execution thereof. Company will provide University with a copy of each Sublicense after execution. Upon the termination of this Agreement, University will, upon the request of a Sublicensee in good standing, negotiate in good faith for a period of ninety (90) days for a license directly from University. If no agreement is reached within such ninety (90) day period,

University will have no further obligation to such Sublicensee.

D. Third Party Proposed Products.

- i. If a third party makes a bona fide proposal to University for developing a Third Party Proposed Product and University is interested in having such Third Party Proposed Product developed and commercialized, University may provide written notice to Company of such third party's proposal, and shall include in such notification reasonably detailed information regarding such third party proposal. Within sixty (60) days after the receipt of such notification from University, Company will provide written notification to University that: (i) Company desires to develop such Third Party Proposed Product (an "Interest Notification"); (ii) Company is not interested in developing such Third Party Proposed Product but that it desires to grant a Sublicense to such third party with respect to such Third Party Proposed Product (a "Sublicense Notification"); or (iii) Company is not interested in developing such Third Party Proposed Product and that it is not interested in granting a Sublicense to such third party with respect to such Third Party Proposed Product (a "No-Interest Notification"). In the event Company fails to provide an Interest Notification, Sublicense Notification, or No-Interest Notification within such sixty (60) day period, Company will be deemed to have provided a No-Interest Notification as of the last day of such sixty (60) day period.
- ii. If Company provides an Interest Notification, the Parties will negotiate in good faith for a period of sixty (60) days following delivery of such Interest Notification to agree upon a development plan with respect to such Third Party Proposed Product, which development plan will be similar to the development plan described in Section 4.B with respect to other Licensed Products developed by Company and will include reasonable milestones. If the Parties agree on such development plan and milestones within such sixty (60) day period, Company shall maintain its exclusive license(s) hereunder with respect to such Third Party Proposed Product, and shall be obligated to: (a) use the efforts specified in Section 4 to develop and commercialize the Third Party Proposed Product in accordance with such new development plan; and (b) to meet the milestones with respect to the Third Party Proposed Product. If the Parties do not agree on a development plan and milestones that are acceptable to University in its reasonable judgment or the Parties agree on such a development plan and milestones, but Company thereafter fails to comply in any material respect with such mutually agreed development and commercialization obligations and fails to cure such noncompliance after notice from University within the time periods specified in Section 4.D, then University may, by providing written notice to Company, terminate the licenses hereunder with respect to such Third Party Proposed Product and will be free to grant to third parties licenses under the relevant Licensed IP to make, have made, offer for sale, sell, have sold and import such Third Party Proposed Product, regardless of whether the field of the licenses granted in Section 2.A. reflects such termination.
- iii. If Company provides a Sublicense Notification, Company will have ninety (90) days (or such longer time as may be agreed by Company and University in writing) after delivery of such Sublicense Notification to negotiate and enter into such a Sublicense agreement with such third party; provided, however, that if Company demonstrates that it and such third party have entered into a term sheet with respect to such a Sublicense agreement during such ninety (90) days, Company may, upon written notice to University, extend the period for the execution of a binding Sublicense agreement by an additional sixty (60) days. If Company fails to enter into such a Sublicense agreement within such ninety (90) day period or one hundred fifty (150) day period, as applicable, Company will promptly (but in any event within fifteen (15) days of the end of such period) provide University in writing an explanation for such failure along with the proposed terms offered by Company to the third party. If University determines in its good faith judgment that the terms offered by Company to

such third party were not commercially reasonable, University will notify Company of such determination and provide Company with an additional thirty (30) days to enter into a Sublicense with such third party. If Company fails to enter into an agreement with such third party within such additional thirty (30) day period, then University may, upon written notice to Company, terminate the licenses hereunder with respect to such Third Party Proposed Product and will be free to grant to third parties licenses under the relevant Licensed IP to make, have made, offer for sale, sell, have sold and import such Third Party Proposed Product, regardless of whether the field of the licenses granted in Section 2.A. reflects such termination.

- iv. If Company provides a No-Interest Notification, then University may, upon written notice to Company, terminate the licenses hereunder with respect to such Third Party Proposed Product and will be free to grant to third parties licenses under the relevant Licensed IP to make, have made, offer for sale, sell, have sold and import such Third Party Proposed Product, regardless of whether the field of the licenses granted in Section 2.A. reflects such termination.

- E. Reservation of Rights. University reserves the worldwide right to: (i) practice or have practiced, and to grant to third parties the right to practice or have practiced, the Licensed Patents, including tangible property embodying the same, for Non-Commercial Research Purposes and for the conduct of its operations and the operations of its Affiliates; (ii) use, modify, prepare derivative works of, reproduce, perform, and display the Licensed Copyrights and the Work, and any part thereof, for Non-Commercial Research Purposes and for the conduct of its operations and the operations of its Affiliates; and (iii) the right to permit its Affiliates (including the University of Chicago Medical Center (“UCMC”)), contractors, and consultants to do any of the activities set forth in (i) or (ii) in connection with the operations of University and its Affiliates (including UCMC). For the avoidance of doubt, the rights retained by University include the right of University and its Affiliates to practice the Licensed Patents and Technical Information, and to use, modify, prepare derivative works of, reproduce, perform and display the Licensed Copyrights and the Work, for their respective healthcare operations and patient care. University reserves the worldwide right to practice or have practiced, and to grant to third parties the right to practice or have practiced, Technical Information for any purpose.
- F. At-Cost Purchases. The University and its Affiliates may at any time following First Commercial Sale purchase Licensed Products from Company, and Company shall sell Licensed Products to University and its Affiliates, at a price equal to or below Company’s cost to produce such Licensed Products. No Royalties will accrue on such sales to University or its Affiliates.
- G. Global Access. After First Commercial Sale, within twelve (12) months of University’s request, Company agrees that Licensed Product will be offered for sale in any specified LDC(s) (as defined below in this Section 2.G) at a price that is equal to or below Licensed Entity’s actual cost to manufacture and distribute such Licensed Products.

If Licensed Entities are unable or unwilling to offer for sale Licensed Products in such LDC(s), University hereby reserves the right to license the Licensed IP to any third parties for solely Humanitarian Purposes (as defined below in this Section 2.G.). Such licenses for Humanitarian Purposes will expressly exclude the right of the third party licensee to export or sell the Licensed Product(s) from an LDC into a market outside of the LDC(s) where a Licensed Entity has introduced, or will introduce a Licensed Product, or where a Licensed Patent exists. In any such license, the third party licensee’s commercial use of the Licensed IP to make, use, sell, offer for sale and import Licensed Products into the specified LDC(s) for Humanitarian Purposes, will be Royalty-free and the third party licensee will be required to provide to the LDC(s) the Licensed Products at cost or below cost. For avoidance of doubt, the third party licensee may be permitted to export Licensed Products from the LDC(s) of origin

into other countries mutually agreed to by University and Company.

“LDC” means a country designated as a “Least Developed Country” by the United Nations Conference on Trade and Development as of the date of First Commercial Sale.

“Humanitarian Purposes” means (a) the use of Licensed Products for research and development purposes by any third party anywhere in the world that has the express purpose of developing the products for use in an LDC, and (b) use Licensed Products by any third party for commercial purposes in an LDC.

- H. U.S. Government Rights. *[Include these the terms in yellow if government funding was used to support development of the Licensed IP]* Company understands that this Agreement is subject to any rights of or obligations to the U.S. Government, including under 35 U.S.C. § 200 et seq., 37 C.F.R. § 401 et seq. (“Bayh-Dole Act”), or any other applicable law or regulation, including but not limited to the grant to the U.S. Government of a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced any Subject Invention (as defined in the Bayh-Dole Act) for or on behalf of the U.S. Government throughout the world. Company agrees to comply and permit University to comply with the Bayh-Dole Act, including to provide the reporting required and to substantially manufacture Subject Inventions and products produced through the use of Subject Inventions in the United States, unless waived. Company represents to University that each Licensed Entity is a “small business firm” as defined in 15 U.S.C. §632, and Company shall promptly notify University of any changes thereof.
- I. No Other Rights. No rights in and to the Licensed IP and Technical Information other than those provided in this Section 2, express or implied, are conveyed by University. No rights to any patents except those included in the Licensed Patents are conveyed by University. Nothing contained in this Agreement or a party’s performance hereunder will be construed as conferring, by implication, estoppel or otherwise, upon any Licensed Entity, any party in privity with any Licensed Entity, or any customer of any of the foregoing, any right, title or interest under any intellectual or tangible property right at any time, except for those rights expressly granted in Section 2.A.
- J. Responsibility for Licensed Entities. Any act or omission taken or made by a Licensed Entity will be deemed an act or omission by Company under this Agreement. Any act, error, or omission of a Licensed Entity that would be a breach of this Agreement if done by Company will be deemed to be a breach of this Agreement by Company. In the event that any Licensed Entity does any act, error, or omission that would be a breach of this Agreement if done by Company, Company shall promptly notify University thereof.

3. Payments

- A. Success Fee. In the event that Company becomes subject to a Liquidation Event (as defined in Schedule C) or Initial Public Offering (as defined in Schedule C), Company shall pay University a Success Fee (as defined in Schedule C) calculated in accordance with Schedule C.
- B. Royalties. Company shall pay to University Royalties as follows:
- i. Patent Product Royalty. Company shall pay to University two percent (2%) of Net Sales by Licensed Entities of Licensed Products in countries in which the Licensed Patents include a Valid Claim. Royalties due under this Section 3.B.i will be payable on a country-by-country and Licensed

Product-by-Licensed Product basis until the expiration of the last-to-expire of the Licensed Patents covering such Licensed Product in such country.

- ii. Copyright Product Royalty. Company will pay to University two percent (2%) of Net Sales by Licensed Entities of Copyright Products that are not Patent Products.
- iii. Technical Information Product Royalty. For any country in which the Licensed Patents do not include a Valid Claim and the Licensed Product is not a Copyright Product, Company will pay to University three quarters of one percent (0.75%) of Net Sales of Technical Information Products by Licensed Entities. Company has requested, and University has agreed, to grant certain rights to Technical Information. Company requires these rights in order to develop and commercialize the technology licensed. Because of the importance of Technical Information, Company has agreed to pay certain Royalties to University on Licensed Products, as specified above, even if not covered by a Valid Claim or Licensed Copyright, in order to obtain rights to Technical Information. Company has agreed to these payments because of the commercial value of Technical Information, separate and distinct from the commercial value of the Licensed IP. Company acknowledges that the reduced royalty for Licensed Products that are not covered by a Valid Claim or Licensed Copyright is fair and reasonable in order to compensate University for Company's continuing license of the Technical Information.

C. License Maintenance Fees/Minimum Royalties. Company shall pay to University a minimum royalty of ten thousand dollars (\$10,000) per calendar year or part thereof during which this Agreement is in effect, the first of such minimum royalty payments will be due at the end of the calendar year containing the third anniversary of the Effective Date. Any Royalty paid for the same calendar year will be credited against the minimum royalty. The minimum royalty for a given year will be due at the time payments are due for the last Calendar Quarter of such year; provided, that, upon termination or expiration of this Agreement, any minimum royalties owed will be due within thirty (30) days of such termination or expiration. It is understood that the minimum royalties will apply on a calendar year basis, and that sales of Licensed Products requiring the payment of Royalties made during a prior or subsequent calendar year will have no effect on the annual minimum royalty due University for any other given calendar year. In the event that this Agreement is in effect for only a portion of any calendar year, the minimum royalty payments set forth in this Section 3.C will be prorated for such portion.

D. Payment and Reporting.

- i. Company shall pay Royalties owing to University on a quarterly basis, with such amounts due and received by University on or before the thirtieth (30th) day following the end of the Calendar Quarter in which such amounts were earned.
- ii. Except as otherwise directed, Company shall pay all amounts owing to University under this Agreement in U.S. dollars to University at the address provided in Section 9.D or paid via wire transfer, if agreed upon. Any necessary conversion of currency into United States dollars will be at the applicable rate of exchange of Citibank, N.A. (or its successor), in New York, New York, on the last day of the Calendar Quarter in which such transaction occurred. University is exempt from paying income taxes under U.S. law. Therefore, Company shall make all payments due under this Agreement without deduction for taxes, assessments, or other charges of any kind which may be imposed on University by any government outside of the United States or any political subdivision of such government with respect to any amounts payable to University pursuant to this Agreement. Company or the applicable Licensed Entity shall assume all such taxes, assessments, or other charges that may reduce University's net royalties, such as bank transfer fees.

- iii. Company shall submit to University a full accounting showing how any amounts owing to University under Section 3 have been calculated along with each such payment therefore. For Royalties, such accounting will be on a per country and product line, model or tradename basis and will be summarized on the form shown in Schedule D of this Agreement. Such accounting will include completing a quarterly Royalty forecast section. In the event no payment is owed to University, within thirty (30) days after the end of each Calendar Quarter, Company will provide to University a statement setting forth that fact.
- iv. Regardless of the circumstances, no payment made to University is refundable and only Royalty payments are creditable toward the minimum royalty as set forth in Section 3.C.
- E. Sublicense Revenue. Company shall pay to University fifteen percent (15%) of all remuneration, including compensation or consideration, except Royalties (which are paid to University pursuant to Section 3.B): (i) due to Company under any Sublicense, including any payments made by a third party to Company on behalf of a Sublicensee; and/or (ii) received by Company from an Affiliate in connection with this Agreement. Payments will be made (or assigned, as applicable) to University within thirty (30) days of receipt by Company. For the purpose of this Section 3.E, the term “compensation” includes all fees, minimum royalties, milestone payments, option fees and other payments or consideration of any kind received by Company including without limitation in kind payments, equity amounts taken by Company in lieu of cash, or discounts below fair market value of an equity purchase by Company.
- F. Participation Rights. If the Company proposes to sell any equity securities or securities that are convertible into equity securities of the Company, then University and/or its Assignee (as defined below) will have the right to purchase up to ten percent (10%) of the securities issued in each offering on the same terms and conditions as are offered to the other purchasers in each such financing. Company will provide thirty (30) days advanced written notice of each such financing, including reasonable detail regarding the terms and purchasers in the financing. The term “Assignee” means (i) any person or entity to which University’s participation rights under this Section 3.F have been assigned either by University or another person or entity; or (b) any entity that is controlled by University. This paragraph shall survive the termination of this Agreement.
- G. Overdue Payments. Any payments by Company that are not received by University on or before the date such payments are due under this Agreement will accrue interest at the lesser of: (i) one and one half percent (1.5%) per month; and (ii) the maximum rate allowed by law. Interest will accrue beginning on the first day following the due date for payment and will be compounded monthly. Payment of such interest by Company will not limit, in any way, University's right to exercise any other remedies University may have as a consequence of the lateness of any payment. Company will be responsible for all costs of collection incurred by University including attorney’s fees and court costs.
- H. No Royalty Avoidance. Company shall not structure its Net Sales, or the consideration or compensation that it receives or is entitled to receive, in such a way as to avoid, reduce, or delay any payment that would otherwise be due to University under this Agreement.

4. Diligence

- A. Development Obligations. Company shall diligently develop and bring Licensed Products to market. Company shall meet the development obligations for commercialization of the invention(s) claimed in the Licensed Patents and/or covered by the Licensed Copyright in the form of Licensed Products in accordance with Schedule E attached hereto.

- B. Development Plan. Simultaneously with the execution of this Agreement, Company shall provide University with a detailed development plan for the commercialization of one or more Licensed Products. Such plan will include research and development plans (including proposed expenses for such activities), timetables for achieving milestones and necessary government or regulatory approvals, market research information on competitors and market size, and sales and marketing plans for the twelve (12) months following the Effective Date as well as a timetable for achieving milestones and Company's strategic development plans for the following two years. Company shall revise the development plan on an annual basis and provide University with such revised plan within thirty (30) days of June 30th, concurrent with the progress report due under Section 5.B. Upon request, Company shall meet with University in a timely manner to review any such development plan. Company shall perform in substantial compliance with the then-current development plan.
- C. Promotion and Marketing. Company shall use best efforts (and in no event less effort or relative expense than the level of resources and talent as is customary for other products with similar market potential) to promote, advertise, and sell the Licensed Products.
- D. Failure to Commercialize. In the event Company fails to meet any of the development milestones set forth on Schedule E or University reasonably believes that Company has not fulfilled one or more of its other obligations under this Section 4 with respect to any country, University may provide written notice thereof to Company, specifying such failure. Within thirty (30) days after the date of such notice, Company shall deliver to University a written report either confirming such failure or specifying Company's compliance with the Agreement. Such report will include reasonable detail regarding the efforts undertaken by Company in compliance with the Agreement. If Company either confirms such failure or University continues to reasonably believe that Company is not in compliance with the obligations under this Section 4, for a period of thirty (30) days after delivery of the report the Parties will negotiate in good faith to establish additional efforts Company will take to commercialize Licensed Products. In the event the Parties do not reach agreement on such additional efforts within such thirty (30) day period, University may terminate this Agreement to the extent permitted by Section 7.B.ii. For the avoidance of doubt, Company's failure to comply with the terms of this Section 4.D will be deemed a material breach of this Agreement.

5. Records and Review

- A. Full and Accurate Records. University may from time to time and at any reasonable time, not exceeding once every twelve (12) months, through auditors as University may designate, inspect and copy the books and records of any Licensed Entity in order to verify the payments due hereunder, the accuracy of any reported statement by Company, or of any other obligation under this Agreement. Company shall keep, and shall cause each other Licensed Entity to keep, continuous, full and accurate books and records in sufficient detail so that Company's compliance with its obligations under this Agreement can be properly determined without undue delay or difficulty. Such books and records will be maintained for at least five (5) years after the activity or Royalty reporting period(s) to which they relate. Books and records will include but not be limited to: accounting general ledgers; invoice/sales registers; original invoice and shipping documents; federal and state business tax returns; company financial statements; sales analysis reports; inventory and/or manufacturing records; sublicense and distributor agreements; price lists, product catalogs and other marketing materials; and laboratory notebooks. Company shall, and shall cause all other Licensed Entities to, comply with this Section 5.A.

Such inspection will be made at the expense of University, unless such examination discloses a discrepancy of five percent (5%) or more in the amount of payments due University. In such case Company shall be responsible for reimbursing University for the examination fee and expenses charged

by the auditor along with the underpayment. Any underpayment will bear interest as described in Section 3.G. Company shall pay past due payments for any error, including any payment deficiency for periods prior to the period under inspection, within thirty (30) days of written notice thereof. University and the auditor will maintain in confidence such inspection and the resulting report. The auditor may from time to time consult University and any of its employees or third party counsel on questions as they relate to this Agreement. The auditor may not disclose financial or proprietary information except as required to conduct the inspection, to report and substantiate the results, as otherwise permitted by this Agreement, or if the information is already publicly known. Neither Party is required to enter into any separate confidentiality, non-disclosure, or similar agreement in connection with any such inspection.

- B. Progress Reports. Within thirty (30) days of each June 30 and December 31 during the term of this Agreement, Company shall deliver a written report to University, in substantially the form of Schedule F attached hereto. The report will describe the progress of Company toward achieving the goals of the development plan and bringing Licensed Products to market (and any proposed revisions to the plan developed during the preceding six months). Company shall promptly notify University in writing upon the First Commercial Sale of each Licensed Product and when Company's obligation to begin making Royalty payments begins. Upon the First Commercial Sale of each Licensed Product, Company shall provide in writing to University the following information: the date of First Commercial Sale, the generic name, and the tradename of each commercial product. Notwithstanding anything to the contrary in this Section 5.B, if Company has made at least one Royalty payment to University, Company will only be required to deliver a written report once annually within thirty (30) days after December 31 of each calendar year during the term of this Agreement.

Notwithstanding the foregoing, Company shall notify and provide reasonable information to University within thirty (30) days of any event that materially changes Company's capital structure or ability to operate, including but not limited to: (i) the closing of any sale of equity interests in Company or any instruments that may be converted into equity interests (e.g. convertible notes) representing at least ten percent (10%) of the total capitalization of Company; (ii) the initiation of a stock option plan; (iii) the filing of an initial public offering of Company's stock; (iv) any agreement to exclusively negotiate a sale or change of control of Company; (v) the filing of any material litigation or any judgement against Company in court or legally binding arbitration; (vi) any governmental or regulatory action against Company; or (vii) resignation or termination of employment of any officer of the Company.

6. Patents and Copyrights

- A. Prosecution, Defense and Maintenance. University will control: 1) the preparation, filing, prosecution, defense (including oppositions, post-grant proceedings and declaratory judgment actions), maintenance and abandonment of the Licensed Patents; and 2) the registration of Licensed Copyrights. Company shall cooperate, and cause each other Licensed Entity to cooperate, with University in a timely manner in the preparation, filing, prosecution and maintenance of the Licensed Patents by disclosing such information as may be requested by University and by promptly executing such documents as University may reasonably request in connection therewith. Company shall, and shall cause each other Licensed Entity to, bear its own costs in connection with their cooperation with University under this Section 6.A. Upon request, University will provide, or will have its legal counsel provide, Company copies of material documents received or prepared by University in the filing, prosecution and maintenance of the Licensed Patents and the registration of Licensed Copyrights.
- B. Patent and Copyright Costs. Company shall pay all necessary and reasonable fees and expenses incurred by University relating to the Licensed IP and Licensed Products, including for the: 1) preparation, filing, prosecution, defense and maintenance of the Licensed Patents; and 2) the registration of the

Licensed Copyrights ("IP Costs").

- i. Company will pay all amounts up to and including the first twenty thousand dollars (\$20,000) of IP Costs that are incurred by University, whether incurred before or after the Effective Date, at the earlier of: (a) a Liquidation Event, as defined in Schedule C; or (b) the consummation by Company of a bona fide equity financing with one or more unaffiliated third party investors in one or more related transactions resulting in net aggregate cash proceeds to Company after deduction of fees and expenses of an amount equal to or greater than two million dollars (\$2,000,000); or (c) the receipt of five hundred thousand dollars (\$500,000) in cumulative Net Sales.
- ii. If University has incurred more than twenty thousand dollars (\$20,000) of IP Costs before the Effective Date, Company will pay the difference between such amount and twenty thousand dollars (\$20,000), in eight (8) equal quarterly installments over the two (2) years starting from the Effective Date.
- iii. After the Effective Date, once University has incurred a cumulative total of twenty thousand dollars (\$20,000) in IP Costs (whether incurred before or after the Effective Date), Company shall pay any additional ongoing IP Costs incurred by the University on an ongoing basis as invoiced regularly by University. Company will pay such invoices within twenty (20) days of the date on the invoice.
- iv. After the Effective Date, once University has incurred a cumulative total of twenty thousand dollars (\$20,000), upon request by University, Company will make timely estimated advanced payments for the filing of applications. University will specify the amount of any such advanced payments on an invoice provided to Company. Company will pay all advance payments of IP Costs to University on or before the date specified by University on the invoice. Invoices for advanced payments will be reconciled with the advance payments made by Company every six (6) months. Any excess payment by Company will be credited to future IP Costs specified in this Section 6.B.
- v. Notwithstanding any provisions to the contrary in this Agreement, if University does not receive, by the date specified, full payment for any IP Costs, University may, at its sole discretion at any time, do any one or more of the following: (a) without further notice to Company, abandon any Licensed Patent to which such payment applies and any related Licensed Patents, including any Licensed Patent that claims priority to such Licensed Patent; (b) by written notice to Company, revoke Company's license under any applicable Licensed Patent and any related Licensed Patent, including any Licensed Patent that claims priority to such Licensed Patent; or (c) by written notice to Company, convert any license Company receives under any Licensed Patent and any related Licensed Patent, including any Licensed Patent that claims priority to such Licensed Patent from an exclusive license to a non-exclusive license.
- vi. If Company decides to discontinue its support of IP Costs for a specific Licensed Patent(s), Company shall notify University in writing one-hundred and eighty (180) days prior to any such discontinuation. Company will be responsible for reimbursing University for any IP Costs associated with such Licensed Patent(s) that University incurs up to one-hundred and eighty (180) days after the date of the receipt of notice, whether or not such costs were invoiced to University during such period.
- vii. Upon Company's failure to pay any IP Costs by the date specified or its discontinuation of support pursuant to Section 6.B.vi, all of Company's rights in or to such Licensed Patents and related Licensed Patents and Technical Information in connection therewith will automatically terminate regardless of whether Schedule A reflects such termination and all rights immediately revert to University. Without limiting any other rights of University, University may in its sole discretion,

abandon the applicable patent or patent application or license such patent or patent application to a third party at any time after such termination.

- C. Challenges. If any Licensed Entity brings an action or proceeding, or assists any third party in bringing an action or proceeding seeking a declaration or ruling that any claim in any of the Licensed Patents or any Licensed Copyright is invalid or unenforceable, or asserts that any product or process does not infringe the Licensed IP, then to the extent not prohibited by applicable law and in addition to, not in lieu of, other rights and remedies of University:
- i. during the pendency of such action or proceeding, the Royalty rates applicable to payments made pursuant to Sections 3.B.i and 3.B.ii will each automatically increase to four percent (4%);
 - ii. should the outcome of such action or proceeding determine that any challenged claim of a Licensed Patent or any challenged Licensed Copyright is valid and enforceable, and/or a product or process is a Licensed Product or infringes any Licensed IP, the Royalty rates applicable to payments made pursuant to Sections 3.B.i and 3.B.ii will each automatically increase to six percent (6%) and for clarity Company shall pay, if it had not already, University's attorneys' fees, expert witness fees, court costs, third party costs, and other litigation expenses incurred in connection with such action or proceeding;
 - iii. For clarity, Company will have no right to recoup any Royalties or other amounts paid before such action or proceeding or during the period in which such action or proceeding is pending (including on appeal);
 - iv. Company shall continue to make all payments directly to University and shall not, and shall not seek to, pay into any escrow or other similar account;
 - v. For clarity, University will have full control and authority to defend the Licensed IP in the action or proceeding; and
 - vi. Company shall provide written notice to University at least ninety (90) days before any Licensed Entity initiates any action or proceeding seeking a declaration or ruling that any claim of any Licensed Patent or any Licensed Copyright is invalid or unenforceable or of its intention to assert that any product or process does not infringe any claim in the Licensed Patent or any Licensed Copyright. Company shall include with such written notice an identification of all prior art it believes is material.

D. Infringement.

- i. Notice. In the event either Party becomes aware of any possible or actual infringement, misappropriation, or other violation of any Licensed IP ("Infringement"), that Party will promptly notify the other Party and provide it with details regarding such Infringement.
- ii. Company's Right to Bring Infringement Action. Company will have the first right, but not the obligation, to take action in the prosecution, prevention, or termination of any Infringement. Before Company commences an action with respect to any Infringement, Company shall consider in good faith the views of University and potential effects on the public interest in making its decision whether to sue. Company shall keep University reasonably informed of the progress of the prosecution, prevention and/or termination of actions and will give University a reasonable opportunity in advance to consult with Company and offer its views about major decisions. Company shall give careful consideration to those views, but will have the right to control the action

regarding Infringement; provided, however, that if Company fails to defend in good faith the validity and/or enforceability of the Licensed IP in the action, or if Company's license to a Valid Claim or Licensed Copyright in the suit terminates, then University may elect, but will not be obligated, to take control of the action and any recovery will be apportioned in the same manner as an action initiated by University pursuant to Section 6.D.iii. Any and all expenses, including reasonable attorneys' fees for counsel selected by University, incurred by University with respect to the prosecution, prevention, termination, adjudication and/or settlement regarding a Licensed Patent or Licensed Copyright initiated by Company (whether controlled by Company or the University pursuant to the preceding sentence), including any related appeals, will be paid for entirely by Company and Company shall hold University free, clear and harmless from and against any and all such expenses. Company shall not compromise or settle any action without the prior written consent of University, which consent will not be unreasonably withheld or delayed. In the event Company controls the action pursuant to this Section 6.D.ii, it will first reimburse itself from any sums recovered in such suit or in settlement thereof for all out-of-pocket and documented costs and expenses, including reasonable attorneys' fees, necessarily incurred in the prosecution of any such suit. If, after such reimbursement, any funds remain, then University will receive an amount equal to fifteen percent (15%) of such funds and the remaining eighty-five percent (85%) of such funds will be retained by Company.

- iii. University's Right to Bring Infringement Action. If Company does not take action in the prosecution, prevention, or termination of any Infringement pursuant to Section 6.D.ii above, and has not commenced negotiations with the infringer for the discontinuance of said Infringement within ninety (90) days after it becomes aware of such Infringement or, at any time thereafter, ceases to diligently continue such prosecution, prevention, or termination, University may elect, but is not obligated, to do so. Should University elect to bring suit against an infringer, Company shall cooperate fully with University, including joining as party plaintiff in any such suit if requested by University. In the event University exercises its right pursuant to this Section 6.D.iii, it will recover for its own account any damages, awards or settlements.
- iv. Own Counsel. Each Party will always have the right to be represented by counsel of its own selection and at its own expense in any suit instituted by the other Party under this Section 6.D.
- v. Cooperation. Each Party will cooperate fully in any action under this Section 6.D that is controlled by the other Party, provided that the controlling Party reimburses the cooperating Party promptly for any costs and expenses incurred by the cooperating Party in connection with providing such assistance.
- vi. Declaratory Judgement. If a declaratory judgment action is brought naming any Licensed Entity as a defendant and alleging invalidity or unenforceability of any claims within the Licensed Patents, Company shall promptly notify University in writing and University will have the right to control such action pursuant to Section 6.A.
- vii. Technical Information. University will have the exclusive right (but not the obligation), to the extent applicable, to institute legal action against any third party arising out of such third party's actual or threatened infringement or misappropriation of any Technical Information, and University will retain any and all proceeds from any such actions and settlements in connection therewith. Company shall have no right to make any demands or claims, bring suit, effect any settlements or take any other action with respect to any such infringement or misappropriation without the prior written consent of University.

7. Term and Termination

- A. Term. This Agreement and the rights and licenses hereunder will take effect on the Effective Date and will expire on the later of: (i) the expiration date of the last to expire of the Licensed Patents; and (ii) fifteen (15) years from the First Commercial Sale, unless earlier terminated pursuant to the terms of this Agreement.
- B. University's Right to Terminate. Without limiting other rights, University will have the right to terminate this Agreement as follows, in addition to all other available remedies:
- i. If Company fails to make any payment when due, this Agreement will terminate effective ten (10) days after University's written notice to Company describing such failure, unless Company makes such payment within such ten (10) days.
 - ii. If Company has not fulfilled one or more of its obligations under Section 4, including having failed to meet any of the development milestones set forth on Schedule E and provided University has complied with its obligations pursuant to Section 4.D, this Agreement will terminate immediately upon written notice from University to Company.
 - iii. If Company or any other Licensed Entity breaches any obligation of this Agreement other than an obligation to make a payment when due or a failure to perform the obligations in Section 4, this Agreement will terminate in its entirety, or with respect to such Licensed Entity, as specified by University, effective thirty (30) days after University's written notice to Company describing such failure, unless Company or such Licensed Entity cures such failure to the satisfaction of University within such thirty (30) days.
 - iv. If Company or any other Licensed Entity files, or has filed against it, a petition under any bankruptcy or insolvency law, Company shall immediately notify University. If such petition is not dismissed within sixty (60) days of Company's or such Licensed Entity's filing, or if Company or such Licensed Entity makes an assignment of all or substantially all of its assets for the benefit of its creditors, then, unless prohibited by applicable law, this Agreement will automatically terminate at the end of such sixty (60) day period with respect to Company or such Licensed Entity unless University provides written notice to Company within such sixty (60) day period.
 - v. If Company or any other Licensed Entity will be dissolved, liquidated or otherwise ceases to exist, other than for reasons specified in Section 7.B.iv, unless prohibited by applicable law, this Agreement will automatically terminate with respect to Company or such Licensed Entity as of: (a) the date articles of dissolution or a similar document is filed on behalf of Company or such Licensed Entity with the appropriate governmental authority; or (b) the date of establishment of a liquidating trust or other arrangement for the winding up of the affairs of Company or such Licensed Entity.
- C. Company's Right to Terminate. In the event Company desires to terminate this Agreement, Company shall provide written notice to University thereof and this Agreement will terminate at the end of the Calendar Quarter following the Calendar Quarter during which Company provides such notice.
- D. Survival. The rights and obligations accruing prior to any termination or expiration of this Agreement for any reason will survive, including: (i) all causes of action accruing to either Party under this Agreement; (ii) Company's obligation to pay amounts payable under this Agreement accrued prior to the date of termination or expiration, including Royalties and IP Costs; (iii) Company's obligation to report Net Sales and keep records, as required by Sections 3.D and 5; (iv) University's right to audit under Section 5.A; (v) any obligation to abate an Infringement that arose prior to the date of termination or

expiration under Section 6; and (vi) Sections 3.A (Success Fee), 3.F (participation rights), 5 (records and review), 7.D (survival), 7.E (post-termination obligations of Company), 8 (representations and warranties), and 9 (miscellaneous) of this Agreement and Schedule C until their purposes are fulfilled.

In the event that Company terminates this Agreement and any sales occur that would be Net Sales for which Royalties under Section 3.B.iii would be due to University if the Agreement had not been terminated, the Company's obligation to pay such Royalties under Section 3.B.iii for the term described in Section 7.A will survive such termination of this Agreement.

- E. Post Termination, Post Expiration Obligations of Company. Upon the termination of this Agreement for any reason, all rights of Company to use the Licensed IP and Technical Information will immediately thereafter cease and revert to University and Company shall not practice the Licensed IP or Technical Information. Except to the extent set forth in Section 7.D, any other rights conferred to Company by this Agreement will also immediately thereafter cease. Except as necessary to comply with applicable laws, regulations, or the terms and conditions of this Agreement, promptly following the termination of this Agreement, Company shall, and shall cause all other Licensed Entities to, deliver to University, or at University's request irretrievably destroy, all tangible materials embodying or relating to any unexpired Licensed IP or any Technical Information. Company shall provide to University a certification that such delivery or destruction has been completed. Company shall not thereafter operate or conduct business in any manner that might tend to create the impression that this Agreement is still in force, or that Company has any right to use any Licensed IP or Technical Information. Upon termination or expiration, all payments including fees and costs due under this Agreement and not yet paid will become immediately due and payable. Effective upon termination, but not expiration, of this Agreement, Company hereby assigns to University its entire right, title, and interest in and to any copyright or other intellectual property or proprietary rights in any Derivatives. Upon the request of University, Company will promptly execute and deliver to University any documents reasonable or necessary to evidence the foregoing.

8. Representations, Warranties, Disclaimers; Indemnification; Insurance; Primary Responsibility

- A. Representations, Warranties and Covenants of Company. Company hereby represents, warrants and covenants that:
- i. Company is a company duly organized, validly existing and in good standing under the laws of _____, has the power and authority to execute and deliver this Agreement and perform all obligations under this Agreement.
 - ii. The execution, delivery and performance have been duly and validly authorized by Company, and upon execution and delivery by Company, this Agreement will constitute a valid, enforceable and binding agreement of Company.
 - iii. Company has no other agreements that conflict with the obligations undertaken and rights and licenses granted in this Agreement.
 - iv. Company shall comply and require all other Licensed Entities to comply with applicable laws, including to ensure that any manufacture of Licensed Product(s) by a Licensed Entity, and/or its respective vendor(s), suppliers agents or contractors, will comply with and conform with applicable law and to all applicable specifications required by any regulatory body and/or market approval granted.
 - v. No Licensed Entity will take any action or engage in any activity that substantially increases the risk

that any Licensed IP is likely to be found invalid or unenforceable.

vi. Company shall make all payments to University as and when required by this Agreement.

vii. All Licensed Entities will use, handle, store, transport, dispose of and contain any Technical Information in compliance with all applicable laws and regulations.

- B. Disclaimer of Warranties. THE LICENSED IP, THE WORK, AND TECHNICAL INFORMATION ARE PROVIDED AS IS AND WHERE IS. UNIVERSITY MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, WHETHER EXPRESS, STATUTORY, IMPLIED OR OTHERWISE. IN PARTICULAR, UNIVERSITY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, INCLUDING ABOUT: (I) THE VALIDITY, SCOPE OR ENFORCEABILITY OF ANY OF THE LICENSED IP; (II) THE ACCURACY, SAFETY OR USEFULNESS FOR ANY PURPOSE OF ANY INFORMATION PROVIDED BY UNIVERSITY TO ANY LICENSED ENTITY; (III) FURNISHING ANY TECHNICAL INFORMATION; (IV) WHETHER THE PRACTICE OF ANY CLAIM CONTAINED IN ANY OF THE LICENSED PATENTS, THE LICENSED COPYRIGHTS, THE WORK OR ANY PART THEREOF, OR ANY TECHNICAL INFORMATION WILL OR MIGHT INFRINGE INTELLECTUAL PROPERTY RIGHTS; (V) THE PATENTABILITY OF ANY INVENTION CLAIMED IN THE LICENSED PATENTS; (VI) THE ACCURACY, SAFETY, OR USEFULNESS FOR ANY PURPOSE OF ANY PRODUCT OR PROCESS MADE OR CARRIED OUT IN ACCORDANCE WITH OR THROUGH THE USE OF THE LICENSED IP; AND (VII) ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- C. Indemnification. Company shall, and shall cause each other Licensed Entity, to indemnify, defend and hold harmless University, its Affiliates and the trustees, directors, officers, students, employees, fellows and agents of any of the foregoing (collectively the "Indemnified Persons") from and against any and all claims, demands, liabilities, losses, damages, penalties, costs and/or expense (including attorneys' and witnesses' fees and court costs) of any kind or nature, based upon, arising out of, or otherwise relating to this Agreement and/or a Sublicense, including without limitation (i) any claim arising from the development, production, use, sale, export, import or other disposition of any Licensed Product and all activities associated therewith, or (ii) any use of information provided by University to any Licensed Entity. Company agrees, and will cause each other Licensed Entity to agree, not to sue any Indemnified Person in connection with the development, production, use, sale or other disposition of Licensed Products and all activities associated therewith. University will be entitled to participate at its option and expense through counsel of its own selection, and may join in any legal actions related to any such claims, demands, losses, damages, costs, expenses and penalties. No Licensed Entity will enter into any settlement affecting any rights or obligations of any Indemnified Person or which includes an express or implied admission of liability, negligence or wrongdoing by any Indemnified Person, without the prior written consent of such Indemnified Person. *[Include for licenses to Chinese startups]* In the event Company incurs costs that are attributable to Licensed Products infringing upon the intellectual property rights of a third party, then, if it is required to comply with governmental regulations, such costs may be deducted from future Royalties owed to University.
- D. Assumption of Risk. The entire risk as to the performance, safety and efficacy of any subject matter claimed in or covered by any Licensed IP, the Technical Information and of any Licensed Product is assumed by the Company on behalf of the Licensed Entities. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, UNIVERSITY WILL NOT BE LIABLE TO ANY LICENSED ENTITY OR ANY OTHER PERSON OR ENTITY FOR INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR ANY OTHER DAMAGES OR

LOSSES OF ANY KIND OR NATURE, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCTS OR STRICT LIABILITY OR ANY OTHER FORM OF ACTION; AND IN NO EVENT WILL UNIVERSITY'S TOTAL AGGREGATE LIABILITY UNDER OR IN CONNECTION WITH THIS AGREEMENT TO ALL LICENSED ENTITIES AND OTHER PERSONS AND ENTITIES EXCEED THE TOTAL AMOUNTS PAID BY COMPANY TO UNIVERSITY HEREUNDER. The above limitations on liability apply even though the Indemnified Person may have been advised of the possibility of such injury, loss or damage. Company shall not, and shall cause all other Licensed Entities not to, make any agreements, statements, representations or warranties or accept any liabilities or responsibilities whatsoever with regard to any person or entity which are inconsistent with this Section 8.D.

- E. Insurance. Company shall, and shall cause each other Licensed Entity to agree to, continuously maintain during the term of this Agreement and beyond liability insurance that will cover its obligations hereunder, including any claims for bodily injury, property, or other damage alleged to relate to Licensed Products or activities undertaken in connection with this Agreement, Licensed IP, or Licensed Products, including the development, manufacture, use, sale or other disposition of Licensed Products and all activities associated therewith. Each Licensed Entity shall list University and its Affiliates, at such Licensed Entity's expense, as additional named insureds under each liability insurance policy (including excess or umbrella liability policies) that such Licensed Entity has or will obtain, that includes any coverage of claims relating to Licensed Products. Such insurance will be primary and noncontributory to any insurance University and its Affiliates may have. At University's request, Company shall supply University from time to time with copies of each such policy, and shall notify University in writing at least thirty (30) days prior to any termination of or change in coverage under any such policies.

9. Miscellaneous

[Include for Licenses to Chinese Startups] License Registration. Company shall, at its own cost, promptly register this Agreement with the competent commercial authorities, including the Chinese Ministry of Commerce and/or any other relevant authorities in China and shall send University proof of such registration. In the event of any conflict between this governing English language version of this Agreement and any translation, such as any Chinese translation of all or part that may be required for registration of the Agreement with the Chinese Ministry of Commerce and/or any other relevant authorities in China, this English language version will prevail.

- A. Marking. Company shall mark all Licensed Products (or their packaging, as appropriate) sold, offered for sale, imported, or otherwise disposed of in such a manner not inconsistent with the requirements of the patent laws and practices of the country to which such products are shipped or in which such products are manufactured or sold, including, if in the U.S., 35 U.S.C. § 287.
- B. Export Regulations. Without limiting Section 8.A, Company shall comply with United States export control and asset control laws, regulations, and orders, as they may be amended from time to time, applicable to the export, re-export, or import of goods or services, including software, processes, or technical data to foreign countries. Such regulations include but are not limited to the International Traffic in Arms Regulations (22 C.F.R. § 120 et seq.), the Export Administration Regulations (15 C.F.R. § 730 et seq.), the regulations administered by the Treasury Department's Office of Foreign Assets Control (31 C.F.R. § 500 et seq.), and the Anti-Boycott Regulations (15 C.F.R. § 760).
- C. Entire Agreement, Amendment. This Agreement together with the schedules attached hereto constitutes the entire agreement between the Parties regarding the subject matter hereof, and supersedes all prior

written or oral agreements or understandings (express or implied) between them concerning the same subject matter. In entering into this Agreement, no Party has relied upon another person's statement, representation, warranty or agreement except for those expressly contained in this Agreement. The only conditions precedent to this Agreement's effectiveness are those expressly stated in it. This Agreement cannot be amended or modified except in a document signed by duly authorized representatives of each Party.

- D. Notice. Any notice required or otherwise made under this Agreement will be in writing, sent by registered or certified mail properly addressed, or by facsimile with confirmed answer-back, to the other Party at the address set forth below or at such other address as may be designated by written notice to the other Party. Notice will be deemed effective three (3) business days following the date of sending such notice if by mail, on the day following deposit with an overnight courier, if sent by overnight courier, or upon confirmed answer-back if by facsimile.

If to University: Technology Commercialization and Licensing
 Polsky Center for Entrepreneurship and Innovation
 The University of Chicago
 6054 S. Drexel Ave., Suite 405
 Chicago IL 60637

Email: polskylicensing@uchicago.edu
Attention: Director

If to Company:

- E. Assignment. This Agreement will be binding on the Parties and upon their respective successors and assigns and inure to the benefit of the Parties and their respective permitted successors and assigns. For the two (2) year period starting from the Effective Date, Company may not assign or transfer this Agreement without the prior written consent of University and Company must give University thirty (30) days prior written notice of any prospective assignment, including the prospective assignee's contact information. After the two (2) year anniversary of the Effective Date, Company may, upon written notice to University, assign or transfer this Agreement to a successor to all or substantially all of its business pertaining to this Agreement. Any assignment will be conditioned on and will not be effective until the assignee or transferee has executed and delivered a written agreement assuming and undertaking all of the duties and obligations of Company under this Agreement. Except as provided above, Company shall not assign, transfer or delegate any right or obligation hereunder without the prior written consent of University and any attempted conveyance in violation of any term of this Agreement will be null and void. University may assign or transfer this Agreement or its rights and obligations hereunder at any time to any third party on written notice to Company. In the event of an assignment by University, the assignee will be substituted for University as a party hereto, and University will no longer be bound hereby.
- F. Governing Law. Illinois law (without regard to any jurisdiction's conflict-of-laws principles) exclusively governs all matters based upon, arising out of, or relating in any way to this Agreement, including, without limitation, all disputes, claims or causes of action arising out of or relating to this Agreement as well as the interpretation, construction, performance and enforcement of this Agreement. The Parties shall bring and litigate all actions or proceedings arising out of or relating to this Agreement in courts located within Chicago, Cook County, Illinois, and the Parties hereby consent to the jurisdiction of such courts. Without limiting the foregoing, any dispute regarding the validity or enforceability of any of the

Licensed IP, or whether any product would infringe (but for this Agreement) any Licensed IP, will be litigated exclusively in the U.S. District Court for the Northern District of Illinois situated in Cook County, Illinois, and each Party shall submit to the exclusive jurisdiction of such court, and waives any objection to venue, for such purposes.

- G. Independent Contractors. The Company is an independent contractor under this Agreement. This Agreement does not, is not intended to, and will not be construed to, establish a partnership or joint venture, nor does this Agreement create or establish an employment, agency or any other relationship. Company has no right, power or authority, nor shall it represent itself or allow another Licensed Entity to represent itself as having any authority to assume, create or incur any expense, liability or obligation, express or implied, on behalf of the University, or otherwise act as an agent for the University for any purpose.
- H. No Use of Name. Company shall not to use, and shall prohibit each other Licensed Entity from using, the name, insignia, or symbols of University in any commercial activity, marketing, advertising or sales brochures except with the prior written consent of University, which consent may be granted or withheld at University's sole discretion. Company agrees not to use, and shall prohibit each other Licensed Entity from using, the name of any University employee(s) in any commercial activity, marketing, advertising or sales brochures.
- I. Waiver. No term or provision of this Agreement will be waived and no breach excused unless such waiver or consent is in writing and signed by the Party claimed to have waived or consented. No waiver of a breach will be deemed to be a waiver of a different or subsequent breach. No delay in enforcing a term or provision will be deemed a waiver thereof.
- J. Construction. Each Party has consulted counsel of their choice regarding this Agreement, and each acknowledges and agrees that this Agreement will be construed without regard to the Party or Parties responsible for the preparation of the same and will be deemed as prepared jointly by the Parties. Any ambiguity or uncertainty existing herein will not be interpreted or construed against any Party. No course of dealing, course of performance, or usage of trade may be considered in the interpretation or enforcement of this Agreement. Both Parties waive any right they may have to introduce any such evidence.
- K. Execution. This Agreement may be executed by the Parties in any number of identical counterparts, each of which, for all purposes will be deemed to be an original, and all of which will constitute, collectively, one instrument.
- L. Severability. If any provision of this Agreement is held to be invalid, illegal, unenforceable, or in conflict with any laws of any federal, provincial, state, or local government that may exercise jurisdiction over this Agreement, the validity and enforceability of the remaining portions or provisions will not be affected thereby nor the validity and enforceability of such provision where valid, legal, enforceable and not in such a conflict. Any invalid or unenforceable provision will be promptly reformed by the Parties to effectuate their intent as evidenced on the Effective Date.
- M. Third Party Beneficiaries. Except with respect to Section 8.C and as otherwise expressly set forth in this Agreement, all rights, benefits and remedies under this Agreement are solely intended for the benefit of University and Company, and no other person or entity will have any rights whatsoever to (i) enforce any obligation contained in this Agreement; (ii) seek a benefit or remedy for any breach of this Agreement; or (iii) take any other action relating to this Agreement under any legal theory, including but not limited to, actions in contract, tort (including but not limited to negligence, gross negligence and strict liability), or as a defense, setoff or counterclaim to any action or claim brought or made by the

Parties.

IN WITNESS WHEREOF, the Parties hereto have caused this agreement to be executed by their respective duly authorized officers or representatives on the Effective Date.

University

Company

By: _____

By: _____

Bill Payne

Executive Director

Science and Technology

The Polsky Center for

Entrepreneurship & Innovation

Print name and title of signatory

Date of signature: _____

Date of signature: _____

Schedule A

Licensed Patents

University of Chicago Reference Number	Country	Application or Patent Number	Filing or Issue Date	Title

Works

University of Chicago Reference Number	Title	Version Number	Version Date

Schedule B

Technical Information

Schedule C

Success Fee

1. Definitions.

The capitalized terms listed below and used in this Schedule C will have the following meanings:

“Aggregate Consideration” means the amount equal to: (a) in the case of an Asset Sale, the sum of all cash and the fair market value of all securities or other property transferred to Company at the time of the transaction, less all current and long-term liabilities (but not contingent liabilities) of Company that are not discharged or assumed by the buyer (or its affiliates) in connection with the Asset Sale, and all cash and the fair market value of all securities and other property for Trailing Consideration payable to Company, when and if actually paid; or (b) in the case of a Merger or Stock Sale, the sum of: (i) all cash and the fair market value of all securities and other property transferred to the stockholders of the Company (and any option holders or warrant holders) in return for their stock (or options or warrants) in the Company at the time of the transaction; and (ii) all cash and the fair market value of all securities and other property transferred to the stockholders of the Company (and any option holders or warrant holders) for Trailing Consideration payable to the holders of Company’s securities, when and if actually paid.

“Asset Sale” means, through a single transaction or series of related transactions, a sale of all or substantially all of the assets of Company (or that portion of its assets related to the subject matter of this Agreement).

“Initial Public Offering” means: (a) the effectiveness of a registration statement for the first sale of Company’s common stock in a public offering registered under the Securities Act of 1933, as amended, or any subsequent regulation; or (b) any similar registration or transaction or series of transactions undertaken in a jurisdiction other than the United States.

“Liquidation Event” means: (a) a Merger; (b) a Stock Sale; (c) an Asset Sale; or (d) a combination of one or more of the foregoing transactions, in which the stockholders of the Company prior to such transaction or series of transactions do not own a majority of the voting power of the acquiring, surviving or successor entity or entities, as the case may be. Notwithstanding the foregoing, a Liquidation Event will not include a *bona fide* financing transaction in which voting control of the Company transfers to one or more persons or entities who acquire shares of Company capital stock from Company in exchange solely for either an investment in Company or the cancellation of indebtedness owed by Company, or a combination thereof.

“Merger” means, through a single transaction or series of related transactions, a merger, share exchange or other reorganization.

“Pre-Money Valuation” means the amount equal to the product of: (a) the price per share of common stock sold in an Initial Public Offering; and (b) the total number of outstanding shares of common stock of Company immediately prior to the closing of the Initial Public Offering, determined on a fully diluted, as converted into common stock basis, giving effect to any stock split, stock dividend, stock

combination, recapitalization or similar action impacting Company's capitalization that occurs, or is deemed to occur, upon consummation of the Initial Public Offering.

"Stock Sale" means, through a single transaction or series of related transactions, the sale by one or more stockholders of a majority of the voting power of the Company.

"Trailing Consideration" means any payments due for any deferred or contingent consideration payable to Company or its security holders including, without limitation, any post-closing milestone payment, escrow or holdback of consideration.

2. Success Fee Calculation.

- A. Company shall pay University an amount equal to one and one quarter percent (1.25%) of: (a) the Aggregate Consideration (and Trailing Consideration, if any) of any Liquidation Event; or (b) the Pre-Money Valuation of an Initial Public Offering (the "Success Fee"). The Success Fee will be paid after only the first to occur of either a Liquidation Event or Initial Public Offering. The Success Fee, when and if payable, will be paid upon closing of the Liquidation Event or Initial Public Offering, provided, however, that any amount of the Success Fee attributable to Trailing Consideration will be payable within thirty (30) days after the actual receipt of such Trailing Consideration by Company or its security holders.
- B. For a Liquidation Event, the Success Fee will be payable in the form of the proceeds payable to either Company or its security holders, whether in cash, securities or other property, and in the same proportion such form of consideration is payable to the Company or its security holders. Notwithstanding the foregoing, in the event the form of consideration includes securities for which there is not an active public market, in lieu of paying that portion of the fee with such securities, Company shall make a cash payment to University equal to the fair market value of such securities. The valuation of such securities will be determined in accordance with paragraph D below.
- C. For an Initial Public Offering, the Success Fee will be payable in the form of cash.
- D. The valuation of any securities or other property will be determined by reference to the operative transaction agreement for the applicable Merger, Stock Sale or Asset Sale, provided that, if no such valuation is readily determinable from such operative transaction agreement, then for securities for which there is an active public market: (a) if traded on a securities exchange or market, the value will be deemed to be the average of the closing prices of the securities on such exchange or market over the 30-day period ending three days prior to the closing of such transaction; or (b) if actively traded over-the-counter, the value will be deemed to be the average of the closing bid prices over the 30-day period ending three days prior to the closing of such transaction. For securities for which there is no active public market, at University's option, the value will be the fair market value thereof as either: (i) determined in good faith by the board of directors of Company and approved by University, such approval not to be unreasonably withheld; or (ii) determined by a third party appraiser appointed and paid for by Company.
- E. The Parties understand and agree that the payment of the Success Fee is a bargained-for term of this Agreement and Company's obligation to pay such Success Fee is in lieu of the issuance of securities or other equity interest to University. The Parties further understand and agree that, in the absence of such obligation, the Company would have issued to University a number of securities or other equity interest equivalent in value to the value of the Success Fee.

Schedule D

UNIVERSITY OF CHICAGO ROYALTY REPORT

Company: _____ Agreement No: _____

Period Covered: From: _____ Through: _____

Prepared By: _____ Date: _____

Approved By: _____ Date: _____

Following First Commercial Sale of a second Licensed Product, please prepare a separate report for each. Then combine all Licensed Products into a summary report.

Report Type: ☐ **Single Product Line Report:** _____

☐ **Multiproduct Summary Report.** Page 1 of _____ Pages

☐ **Product Line Detail.** Line: _____ Tradename: _____ Page: _____

Report

Currency: ☐ **U.S. Dollars** ☐ **Other:** _____

Country	Gross Invoiced Amount	* Less Allowances	Net Sales	Royalty Rate	Period Royalty Amount	
					This Year	Last Year
TOTAL:						

Total Royalty: _____ Conversion Rate: _____ Royalty in U.S. Dollars: \$ _____

The following Royalty forecast is non-binding and for University's internal planning purposes only:

Royalty Forecast Under This Agreement: Next Quarter: _____ Q2: _____ Q3: _____ Q4: _____

* On a separate page, please indicate the reasons for returns or other adjustments if significant. Also, note any unusual occurrences that affected royalty amounts during this period. To assist University's forecasting, please comment on any significant expected trends in sales volume.

Schedule E

Product Development Plan

[Development milestones that have been approved by the UCGo! Review Committee may serve as a Product Development Plan]

Schedule F
Progress Report Form

For the time period _____ to _____ regarding the Agreement, effective [Date] between

The University of Chicago and _____ (University of Chicago reference number. AGR [Fill in

Agreement Number] UCHI No. [Fill in UCHI Number])

Please fill out the fields below to the extent that they are relevant. Any additional documents that may be helpful for illustration may be sent along as attachments. In some cases a conversation with University's Center for Technology Development & Ventures (773-702-1692) may be useful as a follow-up.

Company Contact Name: _____

Company Contact Address & Phone: _____

Summary

Accomplishments during this time period regarding Licensed Products:

Objectives for the next time period regarding Licensed Products:

Research & Development

Current status of Licensed Products in development:

Plans for future research and development regarding Licensed Products:

Products & Marketing

Licensed Products launched (include tradenames) and estimate for time to the market for future Licensed Products:

Sales:

Projected sales:

Market development:

Sublicenses (If appropriate, have there been any new Sublicenses or progress in previous Sublicenses?):

Industry News (mergers & acquisitions, development partnerships, company expansion, etc.)

Financing & Corporate Development (non-dilutive capital, fundraising, diligence materials)