

SAMPLE ISURF EXCLUSIVE LICENSE AGREEMENT

This Agreement is made and entered into by and between Iowa State University Research Foundation, Inc. (hereinafter called "ISURF"), a nonprofit Iowa corporation, and _____ (hereinafter called "Licensee"), a corporation organized and existing under the laws of _____;

WHEREAS, ISURF has Licensed Patents (defined below), that it desires to have utilized in the public interest;

WHEREAS, Licensee is experienced in the development, production, manufacture, marketing and/or sale of products similar to those licensed hereunder, and is willing to commit itself to a thorough, vigorous and diligent program of exploiting the rights licensed hereunder so that public utilization may result therefrom; and

WHEREAS, ISURF is willing to grant a license to Licensee under the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, the Parties covenant and agree as follows:

Section 1. Definitions.

For the purpose of this Agreement, the Appendix A definitions shall apply.

Section 2. Grant.

A. License.

Subject to the terms of this Agreement, ISURF hereby grants to Licensee an exclusive, non-transferable, royalty-bearing license, with the right to sublicense in accordance with Section 2B, limited to the Licensed Field and the Licensed Territory, under the subject matter claimed in the Licensed Patents to make, have made in accordance with Section 2C, use, import, offer for sale and sell Products.

B. Sublicenses.

(i) Licensee may grant written, nonexclusive, non-transferable, royalty-bearing sublicenses to third parties. All sublicenses shall be materially consistent with the terms and conditions of this Agreement or shall be deemed null and void. Any agreement granting a sublicense shall name ISURF as a third party beneficiary thereunder and state that the sublicense shall be terminated or assigned to ISURF, at the sole option of ISURF, upon the termination of this Agreement. Licensee shall have the same responsibility for the activities of any sublicensee as if the activities were directly those of Licensee. Licensee shall provide ISURF with the name, contact information and address of any sublicensee as well as information regarding the number of full-time employees of any such sublicensee, including any Affiliate of sublicensee, to allow ISURF to determine whether it can maintain its small entity filing status for patent prosecution and maintenance purposes.

(ii) Licensee agrees that sublicenses granted hereunder shall not be transferable to a third party including by further sublicensing unless agreed upon in writing by both Parties.

C. Subcontracting.

Licensee may elect to have its Products made on its behalf by a third party provided that Licensee enters into a written non-transferable agreement with such third party containing terms and conditions consistent with those herein, including all limitations and restrictions and no additional terms or conditions in contravention thereof. Licensee shall remain liable for, and ISURF shall have the right to audit the third party's compliance with the applicable terms and conditions of this Agreement.

D. Reservation of Rights.

It is hereby agreed that ISURF shall retain the right for itself and for Iowa State University to practice and have practiced the inventions of the Licensed Patents for research and/or educational purposes, including the ability to license the Licensed Patents to non-profit institutions for research and/or educational purposes, and to publish for those purposes and include in such publications, without consulting with or otherwise informing Licensee of any results achieved through said research or educational activities. ISURF also retains all rights not expressly granted herein, including all rights under the Licensed Patents outside the Licensed Field and Licensed Territory.

Section 3. Development.

A. Reports. Within thirty (30) days following the end of each semi-annual period ending on June 30 and December 31 until the Date of First Commercial Sale of Products, Licensee will provide ISURF with a written Development Report. All development activities and strategies and all aspects of Product design and decisions to market and the like are entirely at the discretion of Licensee, and Licensee shall rely entirely on its own expertise with respect thereto. ISURF's review of Licensee's Development Plan and each Development Report is to verify the existence of Licensee's commitment to development activity and to assure compliance with Licensee's obligations hereunder, the failure of which by Licensee shall constitute a material breach of this Agreement.

B. Audit. ISURF reserves the right to audit Licensee's records relating to the development of Products in order to ensure compliance with Licensee's rights and obligations hereunder and to determine whether Licensee is performing in accordance with the then-current Development Plan as maybe modified by the then-current Development Report. Such record-keeping and audit procedures shall be subject to the procedures and restrictions set forth for an audit of the records of Licensee in Section 5.

C. Milestones.

Licensee agrees to the following milestones:

To be determined based on development plan provided by licensee

Section 4. Consideration.

A. License Fee.

Licensee agrees to pay to ISURF a non-refundable, non-creditable license fee of _____ , within thirty (30) days of the Effective Date of this Agreement.

B. Royalty.

(i) Licensee agrees to pay to ISURF an amount calculated as a percentage of the Selling Price of Products in accordance with the terms and conditions of this Agreement. The royalty is deemed earned as of the earlier of the date the Product is actually sold, leased, invoiced, delivered or otherwise transferred or provided. The royalty shall remain fixed while this Agreement is in effect at a rate of _____ percent (___ %) of the Selling Price.

(ii) With respect to sublicenses granted by Licensee, Licensee shall pay to ISURF an amount equal to what Licensee would have been required to pay to ISURF under 4B(i) had Licensee sold the amount of Products sold by such sublicensee. In addition, if Licensee receives any non-royalty remuneration such as license fees, milestones, or other cash or non-cash consideration, such as equity under a sublicense, then Licensee shall pay ISURF _____ percent (___%) of such payments in the manner specified in Section 4E. Notwithstanding the foregoing, Licensee shall not receive from sublicensees anything except for cash payments in consideration for any sublicense under this Agreement without the express prior written permission of ISURF.

C. Minimum Royalty.

Licensee further agrees to pay to ISURF a minimum royalty of _____ per calendar year or part thereof during which this Agreement is in effect starting in calendar year _____, against which any earned royalty paid for the same calendar year will be credited. The minimum royalty for a given year shall be due at the time payments are due for the period ending on December 31 of the given year. It is understood that the minimum royalties will apply on a calendar-year basis, and that sales of Products requiring the payment of earned royalties made during a prior or subsequent calendar year shall have no effect on the annual minimum royalty due ISURF for any given calendar year.

D. Patent Fees and Costs

(i) Licensee agrees to reimburse ISURF for all costs and out-of-pocket expenses incurred by ISURF in preparing, filing, prosecuting and maintaining and defending the Licensed Patents, whether already incurred or incurred during the term of this Agreement. Such payments shall be made by Licensee within thirty (30) days of receiving an invoice from ISURF evidencing such costs and out-of-pocket expenses. ISURF will file patent applications in those countries in which Licensee notifies ISURF in a timely manner (as determined by ISURF to meet its obligations) that it desires to pursue patent protection. ISURF reserves the right to file and maintain, at its own expense, patents and patent applications in those countries in which patent protection was not requested by Licensee or, if requested, Licensee no longer agrees to reimburse ISURF for such costs; thereafter, the license granted to Licensee in that country under this Agreement shall terminate and all rights shall immediately revert to ISURF, regardless of whether such country was at one time included in the Licensed Territory.

(ii) For those applications that Licensee continues to support in Section D.(i) above, ISURF will prosecute such application as agreed to by the Parties. ISURF will or will instruct patent counsel to timely provide copies of all patent communications with the U.S. Patent and Trademark Office or its foreign counterparts regarding Licensed Patents to Licensee and allow Licensee the opportunity to comment on such prosecution.

(iii) Licensee agrees to register and give required notice concerning this Agreement in each country where a Valid Claim and an obligation under law exists to so register or give notice. Licensee shall incur all costs and legal fees connected therewith. ISURF agrees to fully cooperate with Licensee to comply at Licensee's expense with the obligations under this Section 4, including promptly executing any documents and taking additional actions as Licensee may reasonably request in connection therewith.

(iv) ISURF will defend the Licensed Patents, as well as any challenges brought against the Licensed Patents including interferences, oppositions, post-grant procedures and declaratory judgment actions, when, in ISURF's sole judgment, such action may be reasonably necessary, proper, and justified.

E. Accounting; Payments.

(i) Amounts owing to ISURF under Sections 2B and 4B shall be paid on a quarterly basis, with such amounts due and received by ISURF on or before the thirtieth day following the end of the quarterly period ending on March 31, June 30, September 30 or December 31 in which such amounts were earned. Any amounts which remain unpaid after they are due to ISURF shall accrue interest until paid at the rate of the lesser of one and one-half percent (1.5%) per month or the maximum amount allowed under applicable law. However, in no event shall this interest provision be construed as a grant of permission for any payment delays.

(ii) Except as otherwise directed, all amounts owing to ISURF under this Agreement shall be paid in U.S. dollars to ISURF at the address provided in Section 16(a). All royalties owing with respect to Selling Prices stated in currencies other than U.S. dollars shall be converted at the rate shown in the on-line Oanda Currency Trading at www.oanda.com on the last day of the quarterly payment period referred to above.

(iii) A full accounting showing how all amounts owing to ISURF under Section 4 have been calculated shall be submitted to ISURF on the date of each such payment. Such accounting shall be on a per-country and Product line, model or tradename basis. Additionally, it will show the Selling Price in the currency of the country sold in and the currency conversion factor used to convert the sales amounts to U.S. dollars. The Selling Price detail shall be reflected on the form shown in Appendix C of this Agreement. In the event no payment is owed to ISURF in any given reporting period, a statement setting forth that fact shall be supplied to ISURF.

Section 5. Recordkeeping.

A. Licensee and all its sublicensee(s) shall keep books and records sufficient to verify the accuracy and completeness of Licensee's and its sublicensee(s)' accounting referred to above, including, without limitation, inventory, manufacturing and or third party purchase invoices of Products as well as sales invoices and shipping records relating to the Products sold or transferred at no cost. In addition, Licensee shall maintain documentation evidencing that Licensee or its sublicensee(s) are in fact pursuing the development of Products including the documents referred to in Section 3, invoices for studies advancing the development of Products, laboratory notebooks, internal job cost records, and filings made to the Internal Revenue Service to obtain tax credit, if available, for research and development of Products. Such books and records shall be preserved for a period not less than six (6) years after they are created during and after the term of this Agreement.

B. Licensee and its sublicensee(s) shall take all steps necessary so that ISURF may within thirty (30) days of its request review and copy all the books and records of Licensee and its subcontractors to allow ISURF to verify the accuracy of Licensee's and its sublicensee(s)' payments and Development Reports and compliance herewith. Such review may be performed by any employee of ISURF as well as by any attorney or registered CPA designated by ISURF, upon reasonable notice and during regular business hours at licensee's or sublicensee's place of business where such books and records are maintained.

C. If a deficiency is determined, Licensee shall pay or perform the deficiency outstanding within thirty (30) days of receiving written notice thereof. Any deficiency will include interest accrued from the date the payment was due as described in Section 4E(i).

D. If a payment deficiency for a calendar year within the years under review, exceeds the lesser of five percent (5%) of the amount paid for that year or [\$insert amount], then Licensee or its sublicensee(s) shall be responsible for paying ISURF's out-of-pocket expenses incurred with respect to such review, including, but not be limited to payment of independent auditors costs and out-of-pocket travel costs.

Section 6. Term and Termination.

A. The term of this license shall begin on the Effective Date of this Agreement and continue until this Agreement is terminated as provided herein or until the date that the last patent of the Licensed Patents expires. Upon the expiration or termination of this Agreement, all rights granted herein shall immediately revert to ISURF.

B. Licensee may terminate this Agreement at any time by giving at least ninety (90) days written and unambiguous notice of such termination to ISURF. Such a notice shall be accompanied by a statement of the reasons for termination.

C. ISURF may terminate this Agreement at any time upon notice after giving Licensee at least ninety (90) days written notice if: (i) the Date of First Commercial Sale does not occur on or before _____, 20__; or (ii) payment of earned royalties under Sections 2 and 4 cease for more than two (2) years after the Date of First Commercial Sale.

D. ISURF may terminate this Agreement at any time upon notice after giving Licensee thirty (30) days written notice if Licensee:

(i) fails to make any payments to ISURF when due and thereafter fails to make all such payments to ISURF, plus interest as provided herein, within said thirty (30) day notice period; or

(ii) or its sublicensee(s) directly or indirectly bring any action or proceeding against ISURF or Iowa State University, pertaining to Licensed Patents. In the event ISURF is one of the prevailing parties in such action, Licensee agrees, whether or not this Agreement remains in full force and effect, to promptly reimburse ISURF for all costs and expenses, including reasonable attorneys' fees and court costs associated therewith at the conclusion of such action.

E. ISURF may terminate this Agreement, at any time upon notice after giving Licensee ninety (90) days written notice if Licensee defaults in the performance of any material obligations or otherwise breaches any term under this Agreement (other than as provided in Section 7D above, which time frame for notice and cure shall take precedence over any other default), and fails to cure such default and/or breach before the expiration of said ninety (90) day notice period.

F. This Agreement will automatically terminate immediately and without notice if Licensee is declared insolvent or bankrupt by a court of competent jurisdiction, or a voluntary petition of bankruptcy is filed in any court of competent jurisdiction by Licensee, or Licensee makes or executes an assignment of its rights for the benefit of creditors.

G. Upon the expiration or termination of this Agreement, Licensee and its sublicensee(s) shall remain obligated to provide an accounting for and to pay all amounts due, including royalties earned up to the date of the expiration or termination and any minimum royalties accrued prior thereto within thirty (30) days from such expiration or termination. As of the date of termination for this Agreement, Licensee will provide to ISURF a certificate of Product inventory on hand at both Licensees' and its sublicensees' facilities. This certificate will be signed by an officer of the Licensee and delivered to ISURF within thirty (30) days of expiration or termination. In addition the quantities on hand as of the termination date will be valued at the average gross sales price per unit for the month ending prior to the termination and the applicable royalty will be paid to ISURF within thirty (30) days of expiration or termination.

H. The delay or failure to assert a right or to insist upon compliance with any term or condition of this Agreement, or the waiver by either Party of a single breach or default, or a succession of breaches or defaults, shall not deprive such Party of any right or ability to insist on compliance with any other term or condition of this Agreement, to terminate this Agreement in the event of any subsequent breach or default, or excuse the performance of the other Party. A valid waiver must be executed in writing and signed by the Party granting the waiver.

I. The expiration or termination of this Agreement, for any reason whatsoever, shall not affect the rights of ISURF or liability or obligation of Licensee which shall have accrued prior to expiration or termination (including without limitation any liability for loss or damage on account of default or breach), nor shall it affect any provisions hereof which contemplate performance by or continuing obligations of a Party following the expiration or termination hereof, including, but not limited to, Sections 12 and 18 of this Agreement. Terms which contemplate performance by or continuing obligations of a Party shall survive the expiration or termination of this Agreement until their purposes are fulfilled.

Section 7. Transferability.

This Agreement may not be delegated, transferred or assigned by Licensee except with the prior written consent of ISURF, which consent shall not be unreasonably withheld. Any conveyance, including an assignment or transfer in contravention of this Section 7 shall be deemed null and void. ISURF may assign or transfer this Agreement, its obligations and/or benefits under this Agreement and/or the Licensed Patents without the consent of Licensee. This Agreement shall be binding on the Parties, and their successors and assigns and inure to the benefit of the Parties and their permitted successors and assigns. The representations, warranties, covenants, and undertakings contained in this Agreement are for the sole benefit of the Parties and their permitted successors and assigns and shall not be construed as conferring any rights on any third party.

Section 8. Enforcement and Defense.

A. Licensee shall promptly inform ISURF in writing of any alleged infringement of any Licensed Patents, along with providing any available evidence of such infringement lawfully in the possession of Licensee.

B. If any infringement of the Licensed Patents is to the substantial detriment of Licensee and Licensee's rights are exclusive hereunder without any limitations that prevent Licensee from having standing to enforce the Licensed Patents without joining ISURF, and Licensee provides ISURF with a clear opinion of an outside patent counsel that the complained of activity is an infringement and that enforcement of the Licensed Patents will not constitute patent misuse or abuse, then Licensee shall have the right, but not the obligation, for six months following ISURF's receipt of the notice in Section 8(A) to seek to abate such infringement including to file a lawsuit to seek to stop such activity at

its own expense and ISURF shall not be obligated to take action, but may join in such proceedings if it so chooses, and will otherwise provide Licensee with such assistance and information as may be useful to Licensee in connection with Licensee taking such action if Licensee reimburses ISURF for ISURF's reasonable and documented out-of-pocket costs and expenses. The remaining amounts received by Licensee, if any, or any future receipts from sublicensing settlement shall be subject to payment to ISURF in accordance with Section 4.B. Licensee shall act in good faith to preserve ISURF's right, title and interest in and to the Licensed Patents, shall keep ISURF advised as to the status of the litigation and shall not enter into a settlement of such litigation without first allowing ISURF the option of either approving the settlement or of continuing the litigation at ISURF's expense for ISURF's benefit (upon payment to Licensee of the lesser of any amount to be paid to Licensee under the proposed settlement or Licensee's reasonable and documented out-of-pocket costs and expenses of the litigation, after which any award or settlement shall be paid as follows: (1) first to pay any unreimbursed out-of-pocket costs and expenses of ISURF and remaining unreimbursed out-of-pocket costs and expenses of Licensee after receipt of the initial payment from ISURF to continue the litigation; (2) ISURF shall retain the remainder and may permit such infringer of the Licensed Patents to practice under the Licensed Patents if such practice is allowed under a settlement arrangement entered into by ISURF in good faith with a third party infringer.

C. If Licensee does not exercise its right to abate the infringement or fails to do so within one year of commencing such efforts, then ISURF may, but is not obligated to abate such infringement, including to enforce the Licensed Patents against infringers or otherwise act to eliminate infringement at ISURF's cost and for ISURF's sole benefit. Upon request by ISURF, Licensee shall take action, join in such proceeding, and otherwise provide ISURF with such assistance and information as may be useful to ISURF in connection with ISURF's taking such action (if the cause of action arose during the term of this Agreement and ISURF reimburses Licensee for Licensee's reasonable out-of-pocket expenses.)

Nothing in the foregoing shall permit Licensee to settle any action that would admit any fault or create any obligation on behalf of ISURF, Iowa State University or the inventors of the Licensed Patents including compromising the Licensed Patents without ISURF's express written consent, which it may withhold.

Section 9. Contest of Validity.

In the event Licensee intends to contest the validity or enforceability of any Licensed Patent, Licensee shall give ISURF ninety (90) days prior written notice. Licensee shall continue to make all payments to ISURF, without the right to pay in escrow, with respect to that Licensed Patent as if such contest or any third party contest, opposition, interference or post-grant proceeding regarding any Licensed Patent were not underway until the Licensed Patent is finally adjudicated invalid or unenforceable by a court of last resort. For purposes of clarity, no payment made to ISURF is refundable or may be offset.

Section 10. Patent Marking.

Licensee shall mark and require its sublicensee(s) to mark all Products and/or Product packaging with the appropriate reference to the Licensed Patents to preserve the maximum rights and remedies that may be available to ISURF when Products are properly marked to provide notice of the Licensed Patents, including as described in relevant sections of 35 U.S.C. §287 et seq.

Section 11. Certain Warranties and Disclaimers.

A. ISURF warrants that except as otherwise provided under Section 14 of this Agreement with respect to U.S. Government interests, it has the right to enter into and grant the license provided to Licensee in Section 2 of this Agreement. However, nothing in this Agreement shall be construed as:

(i) a warranty or representation as to the validity, enforceability or scope of any of the Licensed Patents;

(ii) a warranty or representation that anything made, used, sold, imported, performed, offered for sale, or otherwise disposed of and relating to this Agreement will or will not infringe patents or other intellectual property rights;

(iii) an obligation to furnish any know-how or any services; or

(iv) that a Valid Claim will issue from the patent applications of the Licensed Patents or remain a Valid Claim in an issued patent of the Licensed Patents.

B. THE LICENSED PATENTS ARE LICENSED “AS IS; WHERE IS” WITHOUT ANY EXPRESS OR IMPLIED WARRANTIES WHATSOEVER OTHER THAN AS EXPRESSLY STATED IN SECTION 11A. ISURF MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, WHETHER EXPRESS, STATUTORY, IMPLIED OR OTHERWISE, AND EXPRESSLY DISCLAIMS ALL OTHER REPRESENTATIONS AND WARRANTIES, INCLUDING MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ARISING FROM ANY COURSE OF DEALING, USAGE, OR TRADE PRACTICE. ISURF ASSUMES NO RESPONSIBILITIES WHATSOEVER WITH RESPECT TO MANUFACTURE, PERFORMANCE, IMPORTATION, OFFER FOR SALE, USE, SALE, EXPORT OR OTHER DISPOSITION OF PRODUCTS, INCLUDING BY LICENSEE, MANUFACTURERS, CUSTOMERS, ITS SUBLICENSEES OR THEIR VENDEES OR OTHER TRANSFEREES OF PRODUCTS INCLUDING INCORPORATING OR MADE BY USE OF INVENTIONS LICENSED UNDER THIS AGREEMENT. IN NO EVENT SHALL ISURF OR IOWA STATE UNIVERSITY BE LIABLE FOR LOSS OF PROFITS, LOSS OF USE, OR ANY OTHER CONSEQUENTIAL, INCIDENTAL, OR PUNITIVE DAMAGES.

C. Licensee will not make any statements, representations or warranties, or accept any liabilities or responsibilities whatsoever which are inconsistent with any disclaimer or limitation included in this Section 11 or any other provision of this Agreement.

D. Licensee represents and warrants that: (i) it is a valid corporation existing under the laws of its state of incorporation; (ii) it has the right to enter into and perform this Agreement including without further authorization corporate or otherwise; (iii) its rights and obligations under this Agreement do not conflict with any contractual obligation or court or administrative order by which it is bound; and (iv) it shall comply with any laws, regulations, treaties, court orders, including those controlling the export of commodities, technical data and defense articles the terms and conditions of this Agreement.

Section 12. Indemnification & Insurance.

A. Licensee shall, at all times during the term of this Agreement and thereafter, indemnify, defend and hold ISURF (including ISURF’s trustees, members, officers, directors, employees affiliates and independent contractors), Iowa State University (including Iowa State University’s trustees, members, officers, directors, employees, students, affiliates and independent contractors), and the inventors of the Licensed Patents (hereinafter referred to each as an “**Indemnified Party**” and all

collectively referred to as the “**Indemnified Parties**”), harmless against any and all claims, proceedings, demands, liabilities, losses and expenses, including legal expenses and reasonable attorneys fees, arising out of or relating to: (i) Licensee’s exercise of any right conveyed under or breach of this Agreement (ii) sublicensee’s exercise of any right hereunder to Licensee, breach of the agreement containing the sublicense or act or omission of willful misconduct or negligence; (iii) the Products, including death of or injury to any person or persons or out of any damage to any business interest or property; and/or the production, manufacture, sale, use, lease, import, export, consumption or advertisement of Products; (iv) exhaustion of ISURF’s rights in patents, that were not included in the Licensed Patents, such exhaustion due to actions or inaction by or on behalf of Licensee or any sublicensee; and (v) any third party’s breach of its agreement regarding the manufacture of the Products or act or omission of willful misconduct or negligence. Without ISURF’s prior written approval, Licensee shall not admit the fault of or create any obligations on any Indemnified Party. Each Indemnified Party has the right to select and retain counsel of its own choosing to defend its interests.

B. Licensee agrees to continuously maintain liability insurance coverage appropriate to assure its indemnification and other obligations under this Agreement and that such insurance coverage sufficiently covers the Indemnified Parties. Within ninety (90) days after the execution of this Agreement and thereafter annually between January 1 and January 31 of each year, Licensee will present evidence to ISURF that the insurance coverage is being maintained. In addition, Licensee shall provide ISURF with at least thirty (30) days prior written notice of any change in or cancellation of the insurance coverage.

C. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN NO EVENT SHALL THE INDEMNIFIED PARTIES OR THEIR AGENTS BE LIABLE FOR ANY REASON WHATSOEVER FOR ANY INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, CONSEQUENTIAL, PUNITIVE OR ANY OTHER DAMAGES, INCLUDING TO LICENSEE OR SUBLICENSEE, ANY CUSTOMERS OR DISTRIBUTORS OF LICENSEE OR SUBLICENSEE OR TO ANY END USERS OF PRODUCTS ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY RELATED AGREEMENT, OR THE PERFORMANCE OR NON-PERFORMANCE HEREOF OR THEREOF, OR OUT OF THE USE, PERFORMANCE OR NONPERFORMANCE OF ANY PRODUCT INCLUDING, BUT NOT LIMITED TO LOSS OF USE, LOSS OF PROFITS, LOSS OF DATA, LOSS OF GOODWILL, THE SUPPLY OF ANY INFORMATION TO LICENSEE PURSUANT TO THIS AGREEMENT OR ANY RELATED AGREEMENT OR OUT OF THE USE OF SUCH INFORMATION, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE.

Section 13. Advertising and Use of Names.

Licensee shall not use the name of Iowa State University, ISURF, any trustees, officers, directors, members, employees, inventors, students or affiliates of ISURF or Iowa State University, or any agents of the foregoing, in sales promotions, advertising or any other form of publicity without the prior written approval of the entity or person whose name is to be used. Advertising material which identifies publications by citations in customary form shall not be subject to the limitations of this Section 13. Notwithstanding the foregoing, each Party and Iowa State University may make true statements indicating that Licensee has licensed Licensed Patents from ISURF and that Products are made, used and/or sold by Licensee and/or sublicensee under license from ISURF in the Licensed Field and Licensed Territory under the Licensed Patents. All other sales promotion, advertising, or any other form of publicity related to the Licensed Patents, Products or this Agreement requires prior approval from ISURF.

Section 14. United States Government Interests.

It is understood that if the United States Government (through any of its agencies or otherwise) funds research, during the course of or under which any subject inventions of the Licensed Patents were

conceived or are first actually reduced to practice, the United States Government is entitled, under the provisions of 35 U.S.C. §§ 200-212 and applicable regulations of Chapter 37 of the Code of Federal Regulations, to a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced the invention of such Licensed Patents. Any license granted to Licensee in this Agreement shall be subject to such rights and any other rights of or obligations to the United States Government including the substantial manufacturing of products and products produced through the use of products funded therein. Licensee agrees to comply with any statutory or regulatory requirement resulting from funded research, including all applicable provisions of 35 U.S.C. §§200-212 and the regulations promulgated thereunder, and provide ISURF with all reasonably requested information necessary for ISURF and Iowa State University to comply with the same.

Section 15. Governing Law, Export Laws and Compliance.

A. This Agreement shall be governed by and construed in all respects in accordance with the laws of the State of Iowa, without giving effect to any choice-of-law provisions. Any litigation arising under or relating to this Agreement that is not barred by sovereign immunity shall be conducted by a court of competent jurisdiction in Polk County, Iowa. Nothing herein shall be construed as a waiver of sovereign immunity and the prevailing Party or Parties shall be entitled to recover reasonable attorneys' fees and recoverable litigation costs and expenses. Licensee agrees to avail itself of the courts in Polk County, Iowa, and waives any objection to the sufficiency of those courts' jurisdiction over Licensee. In the event an action cannot be brought in Polk County, Iowa due to statutory proclamation, Licensee agrees to submit to the jurisdiction of the courts where such action may be brought.

B. Licensee agrees and warrants it shall and shall require its sublicensees to comply with all applicable Federal and State of Iowa laws and regulations. In particular, it is understood and acknowledged that the transfer of certain commodities and technical data is subject to United States laws, regulations, and treaties controlling the export of such commodities and technical data, including Export Administration Regulations of the United States Department of Commerce. These laws, regulations, and treaties may prohibit, or require a license for, the export of certain types of technical data to certain specified countries. ISURF neither represents that a license is required, nor that, if required, it will be issued. Licensee agrees that it will be solely responsible for any violation of such by Licensee or any sublicensee hereunder, and that it will hold ISURF and Iowa State University harmless in the event of any legal action of any nature occasioned by any violation of same.

C. If any term or conditions of this Agreement are or shall come into conflict with the laws, regulations or court order of any jurisdiction or any governmental entity having jurisdiction over the Parties or this Agreement, those terms and conditions shall be deemed automatically deleted, in such jurisdiction(s) only, and the remaining terms and conditions of this Agreement shall remain in full force and effect. If such a deletion is not so allowed in a given jurisdiction or if such a deletion leaves terms and conditions thereby made clearly illogical or inappropriate in effect, the Parties agree to substitute new terms and conditions as similar in effect to the present terms of this Agreement as may be allowed under the applicable laws, regulations or court order of such jurisdiction. The Parties desire the terms and conditions herein to be valid and enforced to the maximum extent not prohibited by law, regulation or court order in a given jurisdiction.

D. The relationship of the Parties hereto is of independent contractors and not of joint venturers, partners, employers or agents. Licensee shall have no right or authority by virtue of this Agreement to obligate or bind ISURF or Iowa State University in any manner.

Section 16. Notices.

Any notice required to be given pursuant to the provisions of this Agreement shall be in writing and shall be deemed to have been given at the earlier of the time when actually received as a consequence of any effective method of delivery, including hand delivery, transmission by telecopier, or delivery by a professional courier service or the time when sent by certified or registered mail addressed to the Party for whom intended at the address below or at such changed address as the Party shall have specified by written notice, provided that any notice of change of address shall be effective only upon actual receipt. Notwithstanding the foregoing, notices may be provided via email, except for those under Sections 6 and 8 hereof. Acceptable email addresses shall be provided on an informal basis and/or upon request.

- (a) Iowa State University Research Foundation, Inc.
Attn.: Executive Director
Iowa State University Economic Development Core Facility
1805 Collaboration Place, Suite 2100
Ames, IA 50010
Facsimile: (515-294-0778)

- (b) Licensee _____
Attn: _____

Facsimile: _____

Section 17. Integration.

This Agreement, including its Appendices attached hereto, all of which the Parties agree are incorporated herein by reference, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and no statements or agreements by or between the Parties, whether oral or in writing, except as provided for elsewhere in this Section 17, made prior to or at the signing hereof, shall vary or modify the written terms of this Agreement and are superseded hereby. Neither Party shall claim any amendment or modification from any provisions of this Agreement unless set forth in writing, signed by the Parties, and specifically stating that such writing is an amendment to this Agreement. Each Party acknowledges that it was provided an opportunity to seek advice of counsel and as such this Agreement shall not be strictly construed against the drafter. Reference to: (i) the “provisions” or “terms” of this Agreement shall mean the “terms and conditions of this Agreement;” and (ii) “including” shall mean “including but not limited to.”

Section 18. Confidentiality.

A. Receiving Party shall hold Information in confidence using the same degree of care that it employs for its own highly-sensitive confidential or proprietary information, which shall in no event be less than a reasonable standard of care. Except as may be authorized in advance in writing by ISURF, Licensee shall grant access to and permit the use of the Information only by its own employees and third parties pursuant to the terms of the sublicense required by Section 2B or the subcontract required by Section 2C who need to have access to, know or use such Information to develop and commercialize Products. Licensee shall require all employees and third parties to agree prior to access, disclosure or use to be bound by terms of confidentiality and non-use no less stringent than the terms of this Agreement. Licensee shall remain liable for those obtaining access to, knowledge or use of Information from Licensee. Licensee agrees not to use any Information to its advantage and ISURF’s detriment including by claiming priority to any application serial numbers of the Licensed Patents in the prosecution of any of Licensee’s patent application prosecution. ISURF may disclose Information it receives to Iowa State

University and their respective employees and use such Information to exercise its rights under and consider Licensee's compliance with the terms and conditions of this Agreement.

B. If a Party is required by law, regulation, court order, or request by an agency of a government to disclose any of the Information, it shall: promptly notify the disclosing Party, reasonably assist the disclosing Party to obtain a protective order or other remedy of disclosing Party's election, and provide prior review of any disclosure to disclosing Party. Only that portion of the Information that is legally required shall be furnished and reasonable efforts shall be made to obtain assurance that the Information shall be maintained in confidence.

C. Except as expressly provided herein, the furnishing of confidential Information hereunder shall not be interpreted to convey any grant of right, title, interest, option or license to the receiving Party under any patent or other rights now or hereafter held by the disclosing Party with respect to such confidential Information.

IN WITNESS WHEREOF, the Parties hereto have duly executed this valid and binding Agreement as of the Effective Date in one or more counterparts, each of which shall be deemed an original agreement and all of which taken together constitute one and the same instrument.

IOWA STATE UNIVERSITY RESEARCH FOUNDATION, INC.

By: _____ Date: _____, _____

Name and Office: _____

LICENSEE

By: _____ Date: _____, _____

Name and Office: _____

APPENDIX A

- A. “Affiliate” means an entity that controls the Licensee or the sublicensee, as the case may be, is controlled by the Licensee or sublicensee, or along with the Licensee or sublicensee, is under the common control of a third party. An entity shall be deemed to have control of the controlled entity if it (i) owns, directly or indirectly, fifty percent (50%) or more of the outstanding voting securities of the controlled entity, or (ii) has the right, power or authority, directly or indirectly, to direct or cause the direction of the policy decisions of the controlled entity, whether by ownership of securities, by representation on the controlled entities governing body, by contract or otherwise.
- B. “Information” shall mean any information or materials disclosed by one Party, the disclosing Party, to the other, the receiving Party, identified in writing as confidential at the time of disclosure or, if first disclosed orally, identified as confidential and confirmed in writing within forty-five (45) days, and that is not: (i) rightfully possessed by receiving Party, as evidenced by its written records, prior to its receipt from disclosing Party, whether before or during the term of this Agreement; (ii) in the public domain or becomes so through no fault of receiving Party or anyone accessing Information therefrom; (iii) subsequently disclosed without restriction to receiving Party by a third party that has the legal right to so disclose; or (iv) independently developed by receiving Party without knowledge of or access to Information as evidenced by its written records. Information shall be deemed confidential even though not so marked if it consists of Licensee’s Development Plans and Development Reports and non-public information regarding the Licensed Patents; however the exceptions (i) through (iv) apply.
- C. “Date of First Commercial Sale” shall mean the date when cumulative sales of Products exceeds \$_____.
- D. “Development Report” shall mean a written account of Licensee’s and all sublicensee’s progress under the Development Plan, having at least the information specified on Appendix D to this Agreement, and shall be sent to the address specified on Appendix D.
- E. “Development Plan” shall mean the Licensee’s commercialization plan for the Licensed Patents and Materials attached as Appendix E.
- F. “Effective Date” shall mean the date of the last signature to this Agreement.
- G. “Licensed Field” shall be limited to the field of _____.
- H. “Licensed Patents” shall refer to and mean those patents and patent applications listed on Appendix B attached hereto, and any divisionals, continuations, reexaminations, additions, reissues, extensions and supplementary protection certificates that claim priority to any of the foregoing and which are owned by ISURF, but only to the extent of the subject matter claimed in a patent application listed on Appendix B.
- I. “Licensed Territory” shall mean the territory limited to _____, _____, and _____.
- J. “Party” or “Parties” shall mean either or both ISURF or Licensee, respectively.
- K. “Products” shall mean individually or collectively, depending on the specificity of the reference, any product, process or service claimed in whole or in part by a Valid Claim within the Licensed Patents.

L. “Selling Price” shall mean the gross invoice amount of Products transferred to or performed for the end user less solely (i) any shipping costs for the Product included in the gross amount if itemized on the invoice, (ii) sales taxes for the Product included in the gross amount if itemized on the invoice, and (iii) allowances because of returned Products. The “Selling Price” for a Product that is transferred to or performed for a third party, excluding an Affiliate of Licensee, for less than the average Selling Price of the Product in the applicable Licensed Field and Licensed Territory, or to an Affiliate who does not further transfer such Product to the end user in a transfer reported hereunder shall be deemed transferred or performed at an invoice amount equivalent to the average invoiced amount to the end user of that type of Product in the same Licensed Field and Licensed Territory during the applicable calendar quarter unless there is no such average invoice price, in which case the Parties shall immediately determine the fair market value that shall constitute the Selling Price prior to the end of the calendar quarter in which the transfer occurred. All payments due under this Agreement shall be made without deduction of taxes, assessments, or other charges of any kind which may be imposed on ISURF or Licensee by any government outside of the United States or any political subdivision of any government with respect to any amounts payable to ISURF pursuant to this Agreement. All such taxes, assessments, or other charges shall be assumed by Licensee.

M. “Valid Claim” shall mean any claim within the Licensed Patents, on a country-by-country basis: (a) in any patent application or (b) in a patent that has not expired, been abandoned or declared invalid and unenforceable by a non-appealable order.

APPENDIX B

LICENSED PATENTS

| ISURF REFERENCE NUMBER | TECHNOLOGY TITLE | INVENTORS | COUNTRY | FILING DATE | APPLICATION SERIAL NUMBER | PATENT NUMBER | ISSUE DATE |
|------------------------------|------------------|-----------|---------|----------------|------------------------------|------------------|---------------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

Sample

APPENDIX C

[insert Licensee and/or Sublicensee name respectively] Royalty Report for Period Ending _____ for the country of _____

| PRODUCTS | No. Units sold | Price per Unit | Invoiced Sales Price | Describe Allowable Deductions (see below) | Amount of Deduction | Selling Price |
|--------------|----------------|----------------|----------------------|---|---------------------|---------------|
| Product Name | | | | | | |
| Product Name | | | | | | |
| Product Name | | | | | | |
| Product Name | | | | | | |
| Total | | | | | | |

| | |
|--------------------------------|----|
| TOTAL SELLING PRICE | \$ |
| Royalty Rate | |
| Royalty Due | \$ |
| Sublicensing or other fees due | \$ |

Allowable deductions: any shipping costs for the Product included in the gross amount if itemized on the invoice, (ii) sales taxes for the Product included in the gross amount if itemized on the invoice, (iii) allowances because of returned Products, and (iv) trade, quantity or cash discounts.

All payments shall be made without deduction of taxes, assessments, or other charges of any kind which may be imposed on ISURF or Licensee by any government outside of the United States or any political subdivision of any government with respect to any amounts payable to ISURF pursuant to this Agreement.

Fees and Royalties due \$ _____
 Payments to meet minimum \$ _____
 Total Payable \$ _____

APPENDIX D

DEVELOPMENT REPORT

A. Date Development Plan was initiated: _____; and time period covered by this report: _____.

B. Development Report (4-8 paragraphs).

1. Activities completed since last report including the object and parameters of the development, when initiated, when completed and the results.

2. Activities currently under investigation, i.e., ongoing activities including object and parameters of such activities, when initiated, and projected date of completion.

C. Future Development Activities (4-8 paragraphs).

1. Activities to be undertaken before next report including, but not limited to, the type and object of any studies conducted and their projected starting and completion dates.

2. Estimated total development time remaining before a product will be commercialized.

D. Changes to initial development plan (2-4 paragraphs).

1. Reasons for change.

2. Variables that may cause additional changes.

E. Items to be provided if applicable:

1. Information relating to Product that has become publicly available, e.g., published articles, competing products, patents, etc.

2. Development work being performed by third parties other than Licensee to include name of third party, reasons for use of third party, planned future uses of third parties including reasons why and type of work.

3. Update of competitive information trends in industry, government compliance (if applicable) and market plan.

4. Knowledge of any circumstance that would prevent ISURF from prosecuting the Licensed Patents as a small entity.

PLEASE SEND DEVELOPMENT REPORTS TO:

Iowa State University Research Foundation, Inc.
Attn.: Executive Director
1805 Collaboration Place, Suite 2100
Ames, IA 50010

APPENDIX E
DEVELOPMENT PLAN

A Development plan including the aspects outlined below shall be submitted to ISURF by Licensee as provided in Section 3.

- I. Development activities to be undertaken
- II. Commercialization timeline
- III. Proposed market approach and target markets
- IV. Governmental/regulatory requirements – *If any*