Northeast Ohio Medical University (NEOMED)

Intellectual Property

Licensing Key term Sheet

1. Technology/IP: [To Be Defined]
2. Field of Use: [Subject to Negotiation]
3. Licensed Territory: [Subject to Negotiation]
4. Exclusivity: Exclusive Commercial; NEOMED retains right to use for Educational Research Purposes
5. Patent expenses: Total patent expenses are unknown at this time but expected to exceed $X. Licensee to pay all patent expenses according to the following schedule:
   1. End of Year 1 = 1/3 Expenses
   2. End of Year 2 = 1/3 Expenses
   3. End of Year 3 = 1/3 Expenses
   4. Year 4+ = patent expenses and filing fees as incurred
6. Annual Maintenance Fee:
   1. Years 0-3 = $0
   2. Years 3-5 = $10,000
   3. Years 5+ = $20,000
   4. Maintenance fees will be credited against minimum royalties after first commercial sale
7. Sub-license:
   1. Requires NEOMED approval
   2. 20% of sublicensing revenue (royalty)
8. Performance Milestones:
   1. Financing > $X within 1 year [Subject to Negotiation]
   2. Financing > $X within 3 years [Subject to Negotiation]
   3. [Clinical Trial or Other Milestone Subject to Negotation]
9. Milestone Payments (For Therapeutics)
   1. Initiate Phase II Study: $X [Subject to Negotiation]
   2. Initiate Phase III Study: $X [Subject to Negotiation]
   3. New Drug Application: $X [Subject to Negotiation]
10. Royalty Rate:
    1. 2% of net sales for FDA approved products, 3% for other products, with minimum royalties of:
       1. $25,000 per year in Year 5+
11. Liquidity Clause/Contract Fee:
    1. 2% of company fair market value at time of liquidity event (IPO, Acquisition, etc.)
12. NEOMED has the right to terminate License if Performance Milestones are not achieved and/or Milestone Payments are not received when due