

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:
 - a. End of Year 1 = 1/3 Expenses
 - b. End of Year 2 = 1/3 Expenses
 - c. End of Year 3 = 1/3 Expenses
 - d. Year 4+ = patent expenses and filing fees as incurred
6. Annual Maintenance Fee:
 - a. Years 0-3 = \$0
 - b. Years 3-5 = \$10,000
 - c. Years 5+ = \$20,000
 - d. Maintenance fees will be credited against minimum royalties after first commercial sale
7. Sub-license:
 - a. Requires NEOMED approval
 - b. 20% of sublicensing revenue (royalty)
8. Performance Milestones:
 - a. Financing > \$X within 1 year [Subject to Negotiation]
 - b. Financing > \$X within 3 years [Subject to Negotiation]
 - c. [Clinical Trial or Other Milestone Subject to Negotiation]
9. Milestone Payments (For Therapeutics)
 - a. Initiate Phase II Study: \$X [Subject to Negotiation]
 - b. Initiate Phase III Study: \$X [Subject to Negotiation]
 - c. New Drug Application: \$X [Subject to Negotiation]
10. Royalty Rate:
 - a. 2% of net sales for FDA approved products, 3% for other products, with minimum royalties of:
 - i. \$25,000 per year in Year 5+

11. Liquidity Clause/Contract Fee:

- a. 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