THIS DRAFT IS DATED _____, 20__ AND IS SOLELY FOR PURPOSES OF NEGOTIATION. NO CONTRACT WILL EXIST UNTIL A FINAL, WRITTEN AGREEMENT IS SIGNED BY AUTHORIZED REPRESENTATIVES OF BOTH PARTIES. THIS DRAFT WILL AUTOMATICALLY EXPIRE, WITHOUT FURTHER NOTICE FROM UCLA, THIRTY (30) DAYS AFTER THE ABOVE DATE.

EXCLUSIVE LICENSE AGREEMENT

This Exclusive License Agreement ("**Agreement**") is made effective this __ day of ____, 20__ ("**Effective Date**"), by and between The Regents of the University of California, a California public corporation, having its statewide administrative offices at 1111 Franklin Street, 12th Floor, Oakland, CA 94607-5200 ("**The Regents**"), acting through The Technology Development Group of the University of California, Los Angeles ("**UCLA**"), located at 10889 Wilshire Boulevard, Suite 920, Los Angeles, CA 90095-7191, and **[LICENSEE NAME]** ("**Licensee**"), a [State Of Incorporation] corporation having a principal place of business at [Address, City, State, Zip].

RECITALS

WHEREAS, The Regents owns certain rights in the Patent Rights which claim, and Associated Technology which pertains to, invention(s) arising out of the laboratory of **[insert primary inventor]** in the course of research at UCLA;

WHEREAS, The Regents has a public mission to bring products to the marketplace that are based on innovations made in the course of research at UCLA, and this Agreement is in furtherance of that public mission; and

WHEREAS, Licensee desires a license to the Patent Rights and Associated Technology in order to bring Licensed Products to market, and The Regents is willing to grant such license pursuant to the provisions herein below.

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and sufficient consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

(Financial and Diligence Terms begin on next page)

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FINANCIAL AND DILIGENCE TERMS

1.	**PATENT RIGHTS**	Listed in Appendix A
2.	**ASSOCIATED TECHNOLOGY**	Listed in Appendix F
3.	**LICENSE GRANT**	Exclusive license in all territories where the Patent Rights exist or may come to exist. Non-exclusive license in all territories for Associated Technology.
4.	**FIELD OF USE**	
5.	**LICENSED TERRITORY**	All territories where Patent Rights exist or may come to exist, and with respect to Associated Technology, worldwide.
6.	**LICENSE ISSUE FEE**	Licensee will pay to The Regents $$$ as a non-refundable, non-creditable upfront fee, within thirty (30) days after the Effective Date. Such payment will not be an advance against any royalties.
7.	**ROYALTY**	Licensee will pay to The Regents an Earned Royalty of XX % of Net Sales ("**Earned Royalty**").
8.	**MINIMUM ANNUAL ROYALTY**	Licensee must pay to The Regents the following minimum annual royalties ("**Minimum Annual Royalties**") within thirty (30) days after the start of each calendar year ("**CY**") following the calendar year in which Licensee (or a Wholly-Owned Affiliate or Sublicensee) achieves a First Commercial Sale ("**FCS**") and continuing for the remaining Term of this Agreement thereafter. The Minimum Annual Royalty will be credited against the Earned Royalty due and owing with respect to Net Sales made during the calendar year in which such Minimum Annual Royalties were paid. First CY after FCS: $$$ Second CY after FCS: $$$ Third CY after FCS and each subsequent CY: $$$
9.	**LICENSE MAINTENANCE FEE**	Licensee must pay to The Regents the license maintenance fee set forth below on the one-year anniversary date of the Effective Date and continuing annually on each anniversary date of the Effective Date ("**License Maintenance Fee**") until Licensee achieves its First Commercial Sale and commences paying Minimum Annual Royalties. First Anniversary $$$ Second Anniversary $$$ Third And Each Subsequent Anniversary $$$ License Maintenance Fees are non-refundable, non-creditable and are not an advance against any royalties.
10.	**ASSIGNMENT FEE**	In the event of an assignment or transfer by Licensee under the terms of this Agreement, Licensee will pay to The Regents an Assignment Fee in the amount of $ within thirty (30) days after such assignment or

		transfer. Assignment Fees are non-refundable, non-creditable and are not an advance against any royalties.
11.	**DEVELOPMENT MILESTONES**	On or before the dates indicated below (which unless indicated otherwise below, are relative to the Effective Date), Licensee will achieve each of the following Development Milestones with respect to a Licensed Product. A. B. C. D
12.	**MILESTONE PAYMENTS**	For each Licensed Product, Licensee must make the following payments ("**Milestone Payments**") to The Regents within thirty (30) days of achieving the Development Milestone indicated below. For purposes of clarity, each of the following Milestone Payments A and B shall be paid only once (i.e., only the first time such Development Milestone is achieved), and irrespective of whether the associated Development Milestone listed below was reached by Licensee itself, by a Wholly-Owned Affiliate or Sublicensee, or by a third party acting on behalf of Licensee, a Wholly-Owned Affiliate, or a Sublicensee. A. B. C. D Solely for purposes of this milestone payment provision, a Licensed Product will be deemed to be distinct from other Licensed Products if such Licensed Products (i) have been approved by the FDA to treat different diseases or are in clinical trials to assess their efficacy in treating different diseases and/or (ii) comprise or consist of different active pharmaceutical ingredients.
13.	**SUBLICENSING CONSIDERATION**	Licensee will pay to The Regents **XX percent (__%)** of all Sublicensing Income within thirty (30) days of receipt thereof.
14.	**PAST PATENT COSTS**	As of the Effective Date, The Regents' Past Patent Costs total approximately $_____.
15.	**EQUITY**	In consideration for the rights granted in this Agreement, Licensee will: a. grant to the Regents (5%) of the outstanding and issued securities of Licensee, with an anti -dilution protection through the first $3M; b. grant board observer rights to The Regents, such that The Regents may appoint a representative who will have the right to attend all meetings of the Board of Directors of Licensee in a nonvoting observer capacity and, in this respect, Licensee will provide such representative copies of all notices, minutes,

		consents, and other materials that it provides to its directors at substantially the same time and in the same manner as provided to such directors.
16.	**First Commercial Sale** or "**FCS**"	Means the first sale of any Licensed Product by Licensee, a Wholly-Owned Affiliate, or a Sublicensee that triggers an Earned Royalty payment obligation of at least X thousand dollars ($X) pursuant to this Agreement, provided however that in the case of pharmaceutical products, it instead means the first sale of any Licensed Product by Licensee, a Wholly-Owned Affiliate, or a Sublicensee that follows FDA (or the substantive foreign equivalent) approval of such Licensed Product.

(General Terms begin on next page)

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GENERAL TERMS

1. DEFINITIONS

As used in this Agreement, the following terms, whether used in the singular or plural, will have the following meanings:

1.1 "**Affiliate**" means any entity which, directly or indirectly, Controls Licensee, is Controlled by Licensee, or is under common Control with Licensee. "**Control**" for purposes of this definition means having the power to elect a majority of the directors, or the power to direct greater than fifty percent (50%) of the voting rights entitled to elect directors, of such entity. Licensee's Affiliates that are wholly (i.e., one hundred percent (100%)) owned by Licensee are "Wholly-Owned Affiliates." For clarity, an entity will be deemed an Affiliate or Wholly-Owned Affiliate of Licensee only so long as it satisfies the foregoing definition of "Affiliate" or "Wholly-Owned Affiliate", as applicable.

1.2 "**Associated Technology**" means The Regents' interest in nonpatentable subject matter, such as technical information, copyrightable works, processes, procedures, compositions, devices, tangible materials, methods, formulas, protocols, techniques, software, designs, drawings and/or data, in all cases that satisfies all of the following: (i) it exists as of the Effective Date of this Agreement, (ii) it was created and assigned to The Regents by the inventors of the Patent Rights, and (iii) it is expressly identified in **Appendix F** of this Agreement. For the avoidance of doubt, The Regents will have no obligation to keep Associated Technology confidential or as a trade secret, and Associated Technology will not include anything that is created after the Effective Date unless and until the parties enter into a written amendment to this Agreement to add such Associated Technology to **Appendix F** (such as, for example, results from a sponsored research agreement).

1.3 "**Licensed Product**" means any product, method, or service (i) whose manufacture, use, performance, sale, offer for sale, importation, lease, disposition or provision would, absent the license granted hereunder, constitute infringement (including direct, contributory or inducement) of, or is covered by, any Valid Claim(s) of the Patent Rights or (ii) made or performed through use of, developed using, or otherwise derived from the inventions of the Patent Rights; and/or (iii) developed, made, performed, or provided through the use of Associated Technology.

1.4 "**Net Sales**" means the total amount invoiced or otherwise charged (including fair market value of any non-cash consideration) by Licensee, a Wholly-Owned Affiliate, or any Sublicensees on account of, or for, (i) the sale, lease, provision, transfer, or other disposition of a Licensed Product, in, from, or to the Licensed Territory, to a customer or (ii) the use, making, offering for sale, or importation of a Licensed Product in, from, or to the Licensed Territory (collectively, the "**Gross Sales Amounts**"), after deduction of the following in accordance with U.S. Generally Accepted Accounting Principles ("**U.S. GAAP**") to the extent separately itemized in the applicable invoice, and not otherwise reimbursed, and allowed: any shipping costs, allowances because of recalls, returned products, rebates, or sales taxes (collectively, the "**Allowable Sales Deductions**"); provided, however, that for purposes of calculating Net Sales and determining payments due to The Regents under this Agreement, the Allowable Sales Deductions shall not exceed five percent (5%) of the Gross Sales Amounts.

If Licensee, a Wholly-Owned Affiliate, or a Sublicensee sells, leases, provides, transfers, or otherwise disposes of, a Licensed Product to any third party in a transaction in a given country that is not an arms'-length transaction, or a Licensed Product is sold, transferred or otherwise provided to a third party without charge or at a discount, then Net Sales means the gross amount normally charged to other

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customers in arm's length transactions less the allowable deductions set forth above. In the case of transfers of Licensed Products between any of Licensee, Sublicensees, or their respective Affiliates for subsequent sale, lease, provision, distribution or other transfer, then Net Sales will be the greater of the total amount invoiced or otherwise charged (including fair market value of any non-cash consideration) (a) for the transfer of the Licensed Products between Licensee, Sublicensees or Affiliates, as applicable, or (b) for any subsequent sale of such Licensed Products in an arms'-length transaction.

1.5 "**Patent Action**" means the preparation, filing, prosecution, maintenance, and defense of patent applications and patents in the Patent Rights, including reexaminations, interferences, oppositions, invalidity or unenforceability challenges, inventorship related matters, and any other ex parte or inter partes matters (e.g., inter partes review petitions) originating or conducted in a patent office.

1.6 "**Patent Rights**" means: (i) the patents and patent applications expressly identified in **Appendix A** and their foreign counterparts; (ii) any patent applications claiming priority to those identified in subpart (i) above such as utility filings, divisionals, continuations and continuations-in-part (but with respect to continuations and continuations-in-part solely to the extent of those claims that are both entirely supported by the specification and entitled to the priority date of any patent application or patent identified in subpart (i) above); and (iii) any patents issuing from any patent application identified in subparts (i)-(ii), including reissues, reexaminations, and substitutions, as well as any applicable patent extensions or term adjustments, and supplementary protection certificates.

1.7 **"Side Deal"** means an arrangement, understanding, agreement, or transaction (collectively "**Deals**") between Licensee and a third party Sublicensee and/or its Affiliates, which Deal is not a Sublicense.

1.8 "**Sublicensing Income**" means any consideration (including, without limitation, any licensing or optioning fees, or License Maintenance Fees, or Milestone Payments, and fair market value of any non-cash consideration) received by, or payable to, Licensee or a Wholly-Owned Affiliate from any Sublicensee in connection with a grant of rights under this Agreement, or otherwise under or on account of a Sublicense, option to Sublicense, or other similar grant of rights (including, for example, any grant of data access, covenant not to sue, or transfer of regulatory rights such as a priority review voucher relating to a Licensed Product). Sublicensing Income excludes Earned Royalty payments but only to the extent such royalty payments are calculated using the same sales that generated payment of an Earned Royalty to The Regents identified in the Financial and Diligence Terms set forth above.

1.9 "**Term**" as applicable to the period of time this Agreement shall be in effect has the meaning set forth in Section 8.1 (Term) of this Agreement.

1.10 "**Valid Claim**" means any pending or issued claim in the Patent Rights that has not irrevocably: (i) expired; (ii) been disclaimed, cancelled or superseded, or if cancelled or superseded, has not been reinstated; and (iii) been revoked, held invalid, or otherwise declared unenforceable or not allowable by a tribunal or patent authority of competent jurisdiction over such claim in such country, in all cases from which no further appeal has or may be taken.

2 GRANT

2.1 **License.** Subject to the limitations and other terms and conditions set forth in this Agreement, including the limitations outlined in Section 2.2 (License Conditions) below, The Regents grants to Licensee an exclusive license under The Regents' interest in Valid Claims of the Patent Rights, and a nonexclusive license with respect to the Associated Technology, to make, use, sell, offer for sale and import Licensed Products in the Licensed Territory and Field of Use. For clarity, Licensee is prohibited from making, using, selling offering for sale and/or importing Licensed Products outside of the Field of Use. **[INTERNAL NOTE**

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– add the following provision if sensitive data is being provided and please note that any license to such data can only be nonexclusive: If the foregoing license grant includes the right to have access to any data that required campus approval (e.g., UCLA IRB and/or data use committee), then such data may not be provided, sublicensed, assigned, transferred or in any other way provided to a third party without the prior express written consent of The Regents. Licensee has no right to, and agrees it will not attempt to, identify the patient source of any data provided or licensed hereunder.]

Notwithstanding Section 9 (Use of Names and Trademarks), and subject to the terms and conditions of this Agreement, The Regents hereby grants to Licensee an option, exercisable during the term of the Agreement, to negotiate and enter into a free of charge separate trademark license agreement for The Regents' interest in the "Licensed From UCLA" trademark, solely for use in connection with any product or process covered by the license. The terms of such trademark license shall be negotiated in good faith and shall be consistent with The Regents' standard trademark licensing practices.

2.2 **License Conditions.** The license granted in Section 2.1 (License) is subject to the following [add any other third party obligations]:

A. *Retained Rights for Educational and Research Purposes*. The Regents expressly reserves the right (i) for itself and other non-profit and academic research institutions to use Patent Rights, Associated Technology, and technology related thereto for educational, non-profit, and/or research purposes (including clinical research and research sponsored by commercial entities) and to publish their respective results, and (ii) for the University of California ("**UC**") to offer and perform clinical diagnostic and prognostic services for patients in the UC healthcare system.

B. *Reserved Rights of the U.S. Government*. To the extent any inventions of the Patent Rights were conceived or first actually reduced to practice in the performance of work under a funding agreement with any agency of the U.S. Government, the licenses granted in this Agreement are subject to (i) any rights required to be granted by The Regents to the U.S. Government, including a nonexclusive license to practice or have practiced the invention(s) claimed by the Patent Rights throughout the world, as well as (ii) any requirements of any agreements between The Regents and any agency of the U.S. Government that provided funding for the subject matter covered by the Patent Rights, and (iii) unless a valid waiver is obtained from the applicable funding agency at Licensee's written request, a requirement that all Licensed Products will be manufactured substantially in the United States, to the extent required by 35 U.S.C. § 204, applicable regulations of Chapter 37 of the Code of Federal Regulations, the funding agency's orders, declarations and requirements, and the applicable funding agreement. Licensee agrees to comply in all respects, will provide The Regents with all reasonably requested information and cooperation for The Regents to comply with applicable provisions of the same, and will require all Sublicensees and Wholly-Owned Affiliates to agree in writing to similarly comply in all respects.

2.3 **Wholly-Owned Affiliates.** Subject to compliance with the terms and conditions of this Agreement, Licensee may exercise its rights granted under Section 2.1 (License) through its Wholly-Owned Affiliates (so long as they continue to satisfy the definition of "Wholly-Owned Affiliates"), provided that (i) Licensee shall be jointly responsible and liable for the acts, omissions, and liabilities of such Wholly-Owned Affiliates and their compliance with the terms and conditions of this Agreement, including without limitation payment to The Regents of royalties or other consideration due to The Regents hereunder; (ii) any acts, omissions, or liabilities of such Wholly-Owned Affiliates under this Agreement shall be deemed to be those of Licensee; (iii) any assumption(s) of rights or obligations of Licensee under this Agreement by such Wholly-Owned Affiliates shall not relieve Licensee of any of its obligations hereunder; and (iv) such Wholly-Owned Affiliates are not in violation of any applicable laws or regulations and are capable of

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complying with the same. For clarity, a Wholly-Owned Affiliate shall not have the right to grant any Sublicenses (unless the Wholly-Owned Affiliate has a Sublicense granting such right), and except for the limited right for Licensee to exercise its rights granted under Section 2.1 (License) through its Wholly-Owned Affiliates, no Affiliates have any ability to practice any right under this Agreement unless Licensee grants such Affiliate a Sublicense in accordance with the provisions of Section 3 (Sublicenses) below.

2.4 **[IF AN SRA IS TO BE EXECUTED:** Concurrently with the execution of this Agreement, the parties signed a sponsored research agreement (i.e., **[INSERT TITLE, PARTY NAMES, REF. NO. IF ABLE]**). Upon mutual agreement, the parties may amend from time to time the scope of the Patent Rights under this Agreement to incorporate patents pursued on certain inventions resulting from such research.]

3 SUBLICENSES

3.1 **Permitted Sublicensing.** The Regents also grants to Licensee the right to sublicense to third parties in a bona fide arm's length transaction, the rights licensed to Licensee under Section 2.1 (License) so long as Licensee's license under the Patent Rights remains exclusive (each, a "**Sublicense**" and each such third party that receives a Sublicense, a "**Sublicensee**"). All Sublicenses must be in writing and will be subject to, and contain terms consistent with, the terms in this Agreement, including, without limitation, the provisions contained in Sections: 2.2 (License Conditions), 3 (Sublicenses), 4.2 (Validity Challenge), 7 (Books and Records), 9 (Use of Names and Trademarks), 10 (Disclaimer of Warranties and Limitation of Liabilities), 12 (Patent Marking), 13 (Patent Infringement), 14 (Indemnification and Insurance), 18 (Compliance with Laws), etc. No Sublicenses granted hereunder may, or may purport to, grant any rights greater than or otherwise beyond the scope of the license rights granted to Licensee under Section 2.1 (License) of this Agreement. For clarity, Licensee will be obligated to pay Earned Royalties on Sublicensees' Net Sales irrespective of whether such Sublicensees pay royalties to Licensee. For the purposes of this Agreement, the operations of all Sublicensees will be deemed to be the operations of Licensee, for which Licensee will be responsible and liable. Licensee must provide The Regents with a copy of each Sublicense issued, including any agreements and amendments executed in relation thereto, within thirty (30) days of its execution. Licensee is prohibited from entering into any Side Deal with a third party where such Side Deal dilutes, diverts, conceals or misrepresents the amount of consideration paid to Licensee in consideration for a Sublicense. Sublicensees will not be deemed to constitute third party beneficiaries under this Agreement.

3.2 **Sublicenses Upon Termination**. Upon termination of this Agreement, all Sublicenses will terminate. However, Qualified Sublicensees (as defined below) may be given the right in their respective Sublicenses to coordinate directly with The Regents pursuant to this paragraph to establish a direct license agreement with The Regents with respect to the same scope of rights to the Patent Rights and Associated Technology, field of use, and territories as in its Sublicense, and otherwise on the same terms and conditions as this Agreement as applicable (such direct license the "**New License**"). To exercise such right, a Qualified Sublicensee must provide written notice to The Regents within ninety (90) days of termination of this Agreement under Sections 8.2 (Bankruptcy) or 8.4 (Termination by The Regents). The Qualified Sublicensee and The Regents will then cooperate in good faith to establish a New License, reflecting modifications to the terms hereof to accord with the scope of rights to be licensed to such Qualified Sublicensee. Unless a New License is executed within thirty (30) days of such notice, or if the Qualified Sublicensee does not timely provide such written notice to The Regents, The Regents will have no further obligation to such Qualified Sublicensee. Under any such New License, the duties of The Regents will not be greater than the duties, and the rights of The Regents will not be less than the rights (e.g., financial and other rights), of The Regents under this Agreement. Qualified Sublicensees will not be deemed to constitute third party beneficiaries under this Agreement.

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For purposes of this Agreement, a "**Qualified Sublicensee**" is an entity that meets all of the following criteria:

i. Such entity is not in default of its obligations under its Sublicense at the time of termination of this Agreement and is not currently involved in litigation as an adverse party to The Regents;

ii. Such entity was not the cause of a material breach that formed any part of the basis for the termination of this Agreement;

iii. The Regents is legally able to be a party to such New License with such entity; and

iv. Neither such entity nor any individual or other entity who owns or controls ten percent (10%) or more of such entity, or any executive officer of the entity is on any restricted party list maintained by the U.S. government (such as the Office of Foreign Assets Control's Specially Designated Nationals and Blocked Persons list, the Bureau of Industry and Security's Denied Parties List, the Entry List and the Office of Defense Trade Controls' Debarred Persons Lists).

4 CONSIDERATION

4.1 **Earned Royalty.** All Earned Royalties under this Agreement will be computed for, and paid within thirty (30) days of the end of each calendar quarter (wherein the sale will be deemed to have occurred upon the earliest of the following (as applicable): (a) the transfer of title to or shipment of, or the provision to a customer of, a Licensed Product; (b) the provision of an invoice with respect to a Licensed Product; or (c) receipt of payment for, such Licensed Product).

4.2 **Validity Challenge.** If Licensee, a Wholly-Owned Affiliate, or a Sublicensee, itself or through a third party, institutes any proceeding that contests the validity of any Patent Rights during the Term of this Agreement, Licensee agrees to pay to The Regents, directly and not into any escrow or other account, all royalties and other amounts due in view of Licensee's and its Wholly-Owned Affiliates' and Sublicensees' activities under this Agreement during the period of challenge and the entirety of The Regents' legal (including attorney) fees and costs incurred during such proceeding. Should the outcome of such contest determine that any challenged patent claim is valid, Licensee (or its Wholly-Owned Affiliate or Sublicensee, as applicable) will thereafter, and for the remaining Term of this Agreement, pay a royalty rate of three (3) times the royalty rate specified above.

4.3 **Sublicensing Income.** Sublicensing Income may not be prorated when the Patent Rights are bundled with other intellectual property, without The Regents' prior written consent. For the avoidance of doubt, all payments and consideration that Licensee, a Wholly-Owned Affiliate, or a Sublicensee receives as a result of its exercise of its rights to the Patent Rights will be accounted for by Licensee either in the form of an Earned Royalty under the **Financial and Diligence Terms** above and Section 4.1 (Earned Royalty) or as Sublicensing Income under this Section 4.3 (Sublicensing Income).

4.4 **Payment Terms.** All consideration due to The Regents will be payable and will be made in United States dollars by wire transfer to an account designated by The Regents, provided The Regents may assign its interest in any consideration it is to receive pursuant to this Agreement to another entity. Licensee is responsible for all bank or other transfer charges. When Licensed Products are sold for monies other than United States dollars, the Earned Royalties and other consideration will first be determined in the foreign currency of the country in which such Licensed Products were sold and then converted into equivalent United States dollars. The exchange rate will be the average exchange rate quoted in the *Wall Street Journal* during the last thirty (30) days of the reporting period.

A. Taxes. Sublicensing Income, Earned Royalties, and other consideration accrued in any country outside the United States may not be reduced by any taxes, fees or other charges imposed by the government of such country.

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B. Interest. In the event that monies are not received by The Regents when due, Licensee will pay to The Regents interest at a rate of ten percent (10%) simple interest per annum, or the maximum rate permitted under applicable law. Such interest will be calculated from the date payment was due until actually received by The Regents. Such accrual of interest will be in addition to, and not in lieu of, enforcement of any other rights of The Regents due to such late payment.

4.5 **[Required in all licenses to startups – must use "Commercially Reasonable Efforts" to negotiate to keep it in: Participation Rights.** If Licensee proposes to sell any equity securities or securities that are convertible into equity securities of Licensee, then The Regents 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. Licensee will provide thirty (30) days advance written notice of each such financing, including reasonable detail regarding the terms of the financing. The term "Assignee" means (a) any entity to which The Regents' participation rights under this Section 4.5 (Participation Rights) have been assigned either by The Regents or another entity, or (b) any entity that is controlled by The Regents. This paragraph will survive the termination of this Agreement.**]**

4.6 **[IF APPLICABLE: Equity.** As additional consideration for this Agreement, Licensee will enter into a Stock Issuance Agreement with The Regents (upon The Regents' request) in substantially the form attached hereto as **Appendix G** (for clarity, and without limitation, including board observer rights and antidilution rights in favor of The Regents). Licensee will, within thirty (30) days of The Regents' execution of such Stock Issuance Agreement, issue and deliver to The Regents a number of shares of common stock of Licensee as set forth in the **Financial and Diligence Terms** above and the Stock Issuance Agreement (as defined in **Appendix G**) as of the Effective Date of the Stock Issuance Agreement.**]**

5 COMMERCIAL DILIGENCE

5.1 **Development of Licensed Products.** Licensee, upon execution of this Agreement, will diligently proceed with the development, manufacture and sale of Licensed Products in quantities sufficient to meet the market demands therefor and will diligently market the same after execution of this Agreement. Licensee, a Wholly-Owned Affiliate, or a Sublicensee will obtain all necessary governmental approvals in each country where Licensed Products are manufactured, used, sold, offered for sale or imported.

5.2 **Development Milestones.** On or before the dates indicated in the **Financial and Diligence Terms** (which unless indicated are relative to the Effective Date), Licensee will achieve each of the development milestones with respect to a Licensed Product ("**Development Milestones**"). If Licensee fails to achieve a Development Milestone by the deadline set forth in the Financial and Diligence Terms, then The Regents has the right and option, at its sole discretion, to either terminate this Agreement or reduce Licensee's exclusive license to a nonexclusive license, under the terms set forth in Section 8 (Life of this Agreement). This right, if exercised by The Regents, supersedes the rights granted in Section 2 (Grant).

5.3 **[INSERT SECTION IF IP IS PHARMA/THERAPEUTIC: Affordable Access Plan**. Within three (3) months of receiving FDA or EMA approval of a Licensed Product, Licensee will provide The Regents with either (a) an Affordable Access Plan (defined below), or (b) a written explanation as to why such an Affordable Access Plan is not needed or infeasible. In the case of (b), Licensee agrees to discuss such reasoning with The Regents in good faith within one (1) month thereafter ("**Initial Discussion**") and, if following such Initial Discussion The Regents concludes an Affordable Access Plan is reasonable and desired, to provide an Affordable Access Plan to The Regents within three (3) months of such Initial Discussion. The "**Affordable**

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Access Plan" will include the following – to the extent such Plan includes confidential information, Licensee will also provide a non-confidential version or statement of such Plan that The Regents can make available to third parties:

A. A specified set of low- and middle-income countries (as defined by the World Bank, and collectively referred to as "**LMICs**") in which the Licensee does not intend to commercialize the Licensed Products (the "**Non-Commercialized Territory**"); and

B. Licensee's and/or its Wholly-Owned Affiliates' or Sublicensees' plans (including strategies and timelines) reasonably intended to support affordable access in LMICs and Non-Commercialized Territories, such as through licensing or partnerships including with non-profit organizations.

Within thirty (30) days of The Regents' request (but not more often than once annually), Licensee agrees to confer with The Regents to review Licensee's progress, and to consider in good faith any reasonable modifications suggested by The Regents, with respect to its Affordable Access Plan ("**Progress Discussions**"). For clarity, while The Regents may invite a designated entity to join either the Initial and/or Progress Discussions under this Section 5.3 (Affordable Access Plan), such discussions will at all times be made subject to the confidentiality obligations set forth in Section 19 (Confidentiality).

Licensee will provide UC Health pharmacies access to Licensed Products under the most favorable terms and conditions, including but not limited to pricing, discounts, rebates, pharmacy network inclusion, and accessibility terms, offered to any third party, including, but not limited to, pharmacies that are directly or indirectly owned, controlled, or otherwise affiliated with Pharmacy Benefit Managers or managed care organizations.]

6 PROGRESS REPORTS AND ROYALTY & SUBLICENSING INCOME REPORTS

6.1 **Progress Reports and Royalty & Sublicensing Income Reports.** Beginning on **[select either March 31 OR September 30, 20XX]**, and continuing semiannually thereafter, Licensee will complete and submit the progress report form attached to this Agreement as **Appendix C**. Beginning with the earlier of the date (i) the first Sublicense is entered into under this Agreement, or (ii) of First Commercial Sale, and continuing for the life of this Agreement, Licensee will submit quarterly reports regarding all royalties and Sublicensing Income due to The Regents and pay such amounts to The Regents within thirty (30) days of the end of each calendar quarter. Each royalty/Sublicensing Income report will cover the most recently completed calendar quarter and will contain at least the information identified in the Royalty & Sublicensing Income Report attached hereto as **Appendix D**.

7 BOOKS AND RECORDS

7.1 **Accounting.** Licensee must keep, and will cause its Wholly-Owned Affiliates and Sublicensees to keep, accurate financial and development books and records showing all Licensed Products in development, manufactured, used, sold, leased, transferred, provided, or otherwise disposed of, and any other records necessary to affirm compliance with the terms of this Agreement. Books and records must be preserved for at least six (6) years from the date of the royalty payment to which they pertain.

7.2 **Auditing.** Books and records kept in accordance with Section 7.1 (Accounting) must be open to inspection by representatives or agents of The Regents at reasonable times and at a U.S. location. The Regents will bear the fees and expenses of examination but if an error in royalties of more than five percent (5%) (amounting to at least Twenty Thousand Dollars ($20,000)) of the total royalties due for any year is discovered in any examination then Licensee will bear the fees and expenses of that examination and will remit such underpayment to The Regents within thirty (30) days of the examination results.

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8 LIFE OF THIS AGREEMENT

8.1 **Term.** Unless otherwise terminated by operation of law, Section 8.2 (Bankruptcy), or by acts of the parties in accordance with the terms of this Agreement, this Agreement will remain in effect from the Effective Date until the later of (a) expiration or abandonment of the last of the Patent Rights licensed hereunder; and in the case of Associated Technology, either (b) the last expiration of regulatory exclusivity for a Licensed Product; or (c) twenty-five (25) years after the First Commercial Sale of a Licensed Product (the **"Term"**). For purposes of the foregoing definition, "regulatory exclusivity" shall refer to that period of time during which Licensee, a Wholly-Owned Affiliate, or a Sublicensee has any exclusive rights conferred to it by the FDA (or a foreign equivalent thereof) to market, commercialize, or sell Licensed Products in a given territory. The termination or expiration of this Agreement will not relieve Licensee of its obligation to pay any fees, royalties or other payments owed to The Regents at the time of such termination or expiration and will not impair any accrued right of The Regents, including the right to receive Earned Royalties in accordance with the Financial and Diligence Terms set forth in this Agreement. If this Agreement terminates prior to the natural expiration of the Agreement, Licensee will provide written certification that it has ceased all use of the Patent Rights and the Associated Technology, as well as any products and results incorporating and/or made through the use of the Patent Rights and/or Associated Technology.

8.2 **Bankruptcy.** In the event Licensee files for, or otherwise enters into as debtor, any bankruptcy or insolvency proceeding, assignment of this Agreement is only permitted when made pursuant to the applicable bankruptcy or insolvency proceeding to a party that can provide adequate assurance of future performance, including diligent development and sales of Licensed Product. If no such assignment is made, then this Agreement shall terminate upon conclusion of such proceeding.

8.3 **Surviving Provisions.** Any termination or expiration of this Agreement will not affect the rights and obligations set forth in at least the following Sections, as well as any other provisions which by their nature would be reasonably expected to survive termination: Financial and Diligence Terms; Sections: 1 (Definitions); 4.5 (Participation Rights); 7 (Books and Records); 8.6 (Grant Back); 9 (Use of Names and Trademarks); 10 (Disclaimer of Warranties and Limitation of Liabilities); 14 (Indemnification and Insurance); 17 (Governing Laws and Venue); and 19 (Confidentiality).

8.4 **Termination by The Regents.** If Licensee fails to perform or violates any term of this Agreement or fails to timely pay any amount when due under this Agreement or under any sponsored research agreement entered into with The Regents, or after the date of First Commercial Sale fails to sell Licensed Products for more than four (4) continuous calendar quarters then The Regents may give written notice of default ("**Notice of Default**") to Licensee. If Licensee fails to repair the default within sixty (60) days of the effective date of Notice of Default (or such other time periods as may be set forth herein), The Regents may terminate this Agreement and its licenses by a second written notice ("**Notice of Termination**"). If a Notice of Termination is sent to Licensee, this Agreement will automatically terminate on the effective date of that notice. Notwithstanding anything to the contrary in the foregoing, in the event that Licensee dissolves, winds up its business, enters receivership, or otherwise ceases its operations as relevant to this Agreement, then The Regents shall have the right to terminate this Agreement by sending a written notice of termination to the then current contact information of Licensee provided in Section 15 (Notices) regardless of whether The Regents receives any confirmation of receipt, and this Agreement shall immediately terminate on the date such written notice is sent by The Regents. The Regents may, in its sole discretion, choose to send a copy of such notice to any additional contact information The Regents believes may be applicable to Licensee (e.g., if The Regents has reason to suspect the contact information in Section 15 (Notices) is not current); however, The Regents will have no obligation to do so and the

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choice to send or not send any such additional notice will have no impact on the effectiveness of termination under the previous sentence.

8.5 **Termination by Licensee.** Licensee may terminate this Agreement at any time by providing a notice of termination to The Regents with a statement explaining the reason for termination and confirming it has abandoned the commercialization of Licensed Products, which termination will be effective sixty (60) days from the date such termination notice is sent by Licensee.

8.6 **Grant Back.** Upon termination of this Agreement by either of the parties, Licensee will (and will require its Wholly-Owned Affiliates to) grant The Regents a nonexclusive, irrevocable, perpetual, fully paid-up, sublicensable, worldwide license to all inventions, products, materials, methods, processes, techniques, know-how, data and information discovered or developed in the course of or arising from Licensee's and/or its Wholly-Owned Affiliates' development and commercialization of the Patent Rights and Associated Technology ("**Developments**") under this Agreement to the extent such a license may lawfully be granted.

9 USE OF NAMES AND TRADEMARKS

9.1 **Use of Name.** Except as otherwise explicitly provided for in this Agreement, neither party shall have the right to use the other party's name, logo, or likeness in advertising, publicity or other promotional activities any name, trade name, trademark or other designation of the other party (including a contraction, abbreviation or simulation of any of the foregoing). Notwithstanding the foregoing, The Regents may list Licensee's name as a licensee of technology from The Regents without further identifying the technology. Unless required by law or unless the required authorizations are obtained (contact adminvc@ucla.edu for more information), the use by Licensee of the name "The Regents of the University of California" or the name of any campus of the University of California in advertising, publicity or other promotional activities is expressly prohibited.

10 DISCLAIMER OF WARRANTIES AND LIMITATION OF LIABILITIES

10.1 Except as expressly set forth in this Agreement, this license and the associated Patent Rights and Licensed Products and Associated Technology are provided by The Regents **WITHOUT WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY OF ANY KIND, EXPRESS OR IMPLIED. THE REGENTS MAKES NO EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY THAT USE OR COMMERCIALIZATION OF THE PATENT RIGHTS OR LICENSED PRODUCTS OR ASSOCIATED TECHNOLOGY WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK OR OTHER RIGHTS**.

This Agreement does not express or imply (a) a warranty or representation as to the validity, enforceability, or scope of any Patent Rights or Associated Technology; (b) a warranty or representation that anything made, used, sold, offered for sale, imported or otherwise exploited under any license granted in this Agreement is or will be free from infringement of patents, copyrights, or other rights of third parties; (c) an obligation on behalf of The Regents to bring or prosecute actions or suits against third parties for patent infringement; (d) by implication, estoppel or otherwise, any grant of any license or other rights under any patents or other rights of The Regents other than Patent Rights and the rights granted under Associated Technology; or (e) any obligation for The Regents to furnish (i) any advancements, developments, or other improvements to the Patent Rights which are not entitled to the priority dates of Patent Rights, or (ii) any know-how, technology or information not provided in the Patent Rights or Associated Technology.

10.2 **THE REGENTS WILL NOT BE LIABLE FOR ANY LOST PROFITS, COSTS OF PROCURING SUBSTITUTE GOODS OR SERVICES, LOST BUSINESS, OR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR OTHER SPECIAL DAMAGES SUFFERED BY LICENSEE, SUBLICENSEES, OR AFFILIATES ARISING OUT OF OR RELATED**

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TO THIS AGREEMENT FOR ALL CAUSES OF ACTION OF ANY KIND (INCLUDING TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY AND BREACH OF WARRANTY) EVEN IF THE REGENTS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE REGENTS WILL NOT BE LIABLE FOR ANY DIRECT DAMAGES SUFFERED BY LICENSEE, SUBLICENSEES, JOINT VENTURES, OR AFFILIATES ARISING OUT OF OR RELATED TO PATENT RIGHTS OR ASSOCIATED TECHNOLOGY TO THE EXTENT ASSIGNED OR LICENSED BY THE REGENTS' INVENTORS TO THIRD PARTIES. To the extent applicable, Licensee knowingly and voluntarily acknowledges and hereby waives any and all rights and benefits that Licensee may now have, or in the future may have, including without limitation, the right to sue The Regents for unknown claims, under the terms of California Civil Code § 1542, which reads: "**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**" Licensee acknowledges that it may hereafter discover facts in addition to or different from those that Licensee now knows or believes to be true with respect to the subject matter of this release, but it is Licensee's intention to fully and finally waive and release any and all claims and damages arising out of or related to this Agreement for all causes of action of any kind.

11 PATENT FILING, PROSECUTION AND MAINTENANCE

11.1 **Ownership and Prosecution.** The Patent Rights will be held in the name of The Regents and obtained with counsel of The Regents' choice. The Regents will instruct its outside counsel to provide Licensee copies of all correspondence filed with and received in relation to the Patent Rights from the applicable patent office (e.g., patent applications, office actions, office action responses, etc.) during the Term of the Agreement. Licensee will hold such information as confidential and use such information provided by The Regents or its counsel only for the purpose of advancing the Patent Rights. While The Regents will control all Patent Actions and all decisions with respect to Patent Actions, it will work closely with Licensee to incorporate any reasonable comments or suggestions provided by Licensee with respect thereto, e.g., to amend any patent application under the Patent Rights to include claims reasonably requested by Licensee to protect the products contemplated to be sold by Licensee under this Agreement. If Licensee desires The Regents to consider any given Patent Action, Licensee must provide a request in writing to The Regents for such Patent Action at least thirty (30) days prior to the deadline set by the patent office in the territory in which the Patent Action is to take place (a "**Patent Prosecution Request**").

11.2 **Past & Ongoing Patent Costs.** Licensee will bear all out-of-pocket costs incurred by The Regents for Patent Actions ("**Patent Costs**"). Licensee must reimburse to The Regents the Patent Costs incurred prior to the Term of this Agreement ("**Past Patent Costs**") within thirty (30) days of Licensee's receipt of an invoice from The Regents. An estimate of the total Past Patent Costs as of the Effective Date is provided in the Financial and Diligence Terms. With respect to Patent Costs incurred during the Term of this Agreement ("**Ongoing Patent Costs**"), such Ongoing Patent Costs will be directly billed to Licensee by The Regents' outside counsel, as set forth in the Direct Billing Agreement attached hereto in **Appendix E**. Within thirty (30) business days of the execution of this Agreement, Licensee, The Regents and The Regents' outside counsel will execute the Direct Billing Agreement attached in **Appendix E**. At The Regents' sole discretion, rather than requiring Licensee to pay such amounts pursuant to a direct billing agreement, The Regents may (1) bill Licensee for Ongoing Patent Costs after such amounts are incurred, in which case payment will be due to The Regents within thirty (30) days of Licensee's receipt of an invoice from The Regents, or (2) require Licensee to pay in advance The Regents' outside counsel's estimated costs for undertaking Patent Actions that occur during the Term of this Agreement before The Regents authorizes its outside counsel to proceed ("**Advanced Payment**").

11.3 **Termination of Obligations & Rights.** Licensee may terminate its license with respect to any or all of Patent Rights by providing written notice to The Regents at least fifteen (15) business days in advance of

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any applicable deadline for a Patent Action relating to such Patent Rights ("**Patent Termination Notice**"). Termination of Licensee's obligations with respect to such patent application or patent will be effective ninety (90) days after receipt of such Patent Termination Notice by The Regents. Notwithstanding the foregoing, the parties may from time to time amend Appendix A by a written amendment executed by both parties to reflect the then-current list of Patent Rights subject to this Agreement, including any Patent Rights terminated pursuant to this Section. For the avoidance of doubt and as between the parties, The Regents shall have no obligation to prepare, file, nationalize, validate, or otherwise pursue any given patent application of the Patent Rights, including, without limitation, the preparation and filing of continuing or divisional applications, national stage entries, validations, or foreign counterpart applications, including where Licensee did not request such action in a Patent Prosecution Request. In addition, if Licensee fails to timely (i) provide a Patent Prosecution Request pursuant to Section 11.1 (Ownership and Prosecution), or (ii) pay for any Patent Costs as required by Section 11.2 (Past & Ongoing Patent Costs; including as required per the terms of the Direct Billing Agreement, as applicable), then such failure will be deemed to be an election by Licensee not to secure the applicable patent application(s) and patent(s) and The Regents will have the right to terminate this Agreement with respect to the applicable patent application(s) and patent(s) (e.g., by removing such patent application(s) and patent(s) from the Patent Rights), provided that any failure to pay Patent Costs shall be subject to the right to cure pursuant to Section 8.4 (Termination by The Regents), provided further that the applicable period to cure or repair such a failure shall be limited to fifteen (15) business days after such payment was due. For the avoidance of doubt, immediately effective upon such termination, such patent application(s) and patent(s) will be removed from the Patent Rights, Licensee will have no further right or license to such patent application(s) and patent(s), and Licensee will in any event remain liable for any Patent Costs incurred prior to such termination with respect to such patent application(s) and patent(s).

11.4 **Licensee's Patent Filings.** Licensee agrees to disclose to The Regents any patent application Licensee (or an Affiliate or Sublicensee) intends to file naming a UCLA employee as an inventor prior to filing.

11.5 **Licensee's Small Entity Status.** Licensee represents and warrants that, as of the Effective Date, it is **[not]** a "small entity" as defined in 37 C.F.R. § 1.27(a)(2) for the purposes of determining whether The Regents is eligible for reduced patent fees. Licensee will provide a written update to The Regents upon any change as to whether Licensee qualifies as a "small entity".

[INCLUDE FOR DRUG RELATED INVENTIONS]:

11.6 **Patent Extensions.** Licensee will apply for an extension of the term of any patent included within the Patent Rights, if appropriate, under the Drug Price Competition and Patent Term Restoration Act of 1984 and/or European, Japanese and other foreign counterparts. Licensee will prepare all documents and The Regents agrees to execute the documents and to take additional action as Licensee reasonably requests in connection therewith. Licensee will be liable for all costs relating to such application.

12 PATENT MARKING

12.1 Licensee will mark, and will require its Wholly-Owned Affiliates and Sublicensees to mark, all Licensed Products or their containers in accordance with the appropriate patent number reference(s) in compliance with the requirements of 35 U.S.C. § 287.

13 PATENT INFRINGEMENT

13.1 **Infringement Notice.** In the event Licensee learns of infringement of potential commercial significance of any Patent Right, Licensee will provide The Regents with written notice, including evidence of such infringement, if available ("**Infringement Notice**"). Licensee will not (and will require its Wholly-Owned Affiliates and Sublicensees to not) notify such infringer regarding such potential infringement until

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receiving The Regents' written permission. For the avoidance of doubt, if Licensee breaches the foregoing restriction and a declaratory judgment action is filed by such infringer against The Regents, then Licensee will pay within thirty (30) days of receipt of an invoice for The Regents' out of pocket costs in defending the Patent Rights as a result of such declaratory judgment. Both The Regents and Licensee will use their diligent efforts to cooperate with each other to terminate such infringement without litigation.

13.2 **Licensee-Initiated Suit and The Regents' Joinder.** If infringing activity of potential commercial significance by the infringer has not been abated within ninety (90) days following the date the Infringement Notice takes effect, then so long as Licensee's license under Section 2.1 (License) remains exclusive and such infringement falls within the scope of the license granted to Licensee pursuant to this Agreement, Licensee may institute suit for patent infringement against the infringer. The Regents may voluntarily join such suit but may not otherwise commence suit against the infringer for the acts of infringement that are the subject of Licensee's suit or any judgment rendered in that suit. Licensee may not join The Regents as a party in a suit involving the Patent Rights without The Regents' prior written consent. If The Regents joins such a suit, then Licensee will pay any costs incurred by The Regents arising out of such suit, including but not limited to, any legal fees of counsel that The Regents selects and retains to represent it in the suit. Licensee and The Regents hereby agree that, notwithstanding anything to the contrary contained herein, nothing in this Agreement is or shall be deemed a waiver of The Regents' sovereign immunity under the Eleventh Amendment, and that The Regents does not waive its sovereign immunity.

13.3 **The Regents-Initiated Suit.** If, within a hundred and eighty (180) days following the date the Infringement Notice takes effect, infringing activity of potential commercial significance by the infringer has not been abated and if Licensee has not brought suit against the infringer, then The Regents may institute suit for patent infringement against the infringer. If The Regents institutes such suit, then Licensee may not join such suit without The Regents' consent.

13.4 **Cooperation.** Any litigation proceedings will be controlled by the party bringing the suit, except that The Regents may be represented by counsel of its choice in any suit brought by Licensee. For the avoidance of doubt and without limitation, any agreement made by Licensee for purposes of settling litigation concerning infringing activity of potential commercial significance must comply with the requirements of Section 3 (Sublicenses) of this Agreement, provided, however, that if any such agreement entered into by Licensee in good faith to settle a bona fide pending lawsuit contemplates a commercially reasonable lump sum payment in exchange for a fully paid up license that will not be royalty bearing, such lump sum payment shall be handled per Section 13.5(Costs & Recovery), below. In other words, in such circumstance, Licensee will not be required to charge ongoing royalties as part of the settlement agreement.

13.5 **Costs & Recovery.** Each party will cooperate with the other in litigation proceedings instituted hereunder but at the expense of the party who initiated the suit (unless such suit is being jointly prosecuted by the parties, in which case the parties will agree in advance of initiating the suit how they will share in such expenses). Any recovery or settlement received in connection with any suit will first be shared by The Regents and Licensee equally to cover any litigation costs each incurred and next will be paid to The Regents or Licensee to cover any litigation costs it incurred in excess of the litigation costs of the other. In any suit initiated by Licensee, The Regents will receive twenty-five percent (25%) of any recovery in excess of litigation costs and Licensee will receive the remaining seventy-five percent (75%). In any suit initiated by The Regents, one hundred percent (100%) of any recovery in excess of litigation costs will belong to The Regents. Notwithstanding the foregoing, if Licensee joins such suit at The Regents' request or is involuntarily joined, The Regents will receive seventy-five percent (75%) of any recovery and Licensee will receive the remaining twenty-five percent (25%).

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14 INDEMNIFICATION AND INSURANCE

14.1 **Indemnification.** Licensee will, and will require its Wholly-Owned Affiliates and Sublicensees to, indemnify, hold harmless and defend The Regents, the inventors of the Patent Rights, the creators of the Associated Technology, and the sponsors of the research that led to the invention(s) claimed by the Patent Rights and/or the creation of the Associated Technology, and their respective employers, and the officers, employees and agents of any of the foregoing (each an "**Indemnitee**"), against any and all claims, suits, losses, damage, costs, fees and expenses resulting from, or arising out of, the exercise of this license or any Sublicense. This indemnification will include, but not be limited to, any product liability. If the Indemnitee believes that there will be a conflict of interest or it will not otherwise be adequately represented by counsel chosen by Licensee to defend the Indemnitee in accordance with this Section 14.1 (Indemnification), then the Indemnitee may retain counsel of its choice to represent it and Licensee will pay all expenses for such representation.

14.2 **Insurance.** Licensee, at its sole cost and expense, will insure its activities in connection with any work performed hereunder and will obtain, keep in force, and maintain the following insurance: Commercial Form General Liability Insurance (contractual liability included) with limits as follows:

Each Occurrence: Five Million Dollars ($5,000,000);
Products/Completed Operations Aggregate: Ten Million Dollars ($10,000,000);
Personal and Advertising Injury: Five Million Dollars ($5,000,000);
General Aggregate (commercial form only): Ten Million Dollars ($10,000,000); and
Worker's Compensation (as legally required in the jurisdiction in which Licensee is doing business).

Additionally, during the time in which Licensee, or any entity acting on Licensee's behalf, has patients enrolled in a clinical trial of a Licensed Product, Licensee will also insure against all liabilities, damages, losses, injuries, complaints and/or claims arising from such clinical trial, including but not limited to claims that arise from malpractice and/or negligence, for an amount not less than Five Million Dollars ($5,000,000) per occurrence and Ten Million Dollars ($10,000,000) in the aggregate. [Include the following if licensing human health record-related data: Licensee shall further obtain, keep in force, and maintain a cyber-insurance policy to insure its reasonable costs in investigating and responding to a cyber-incident or Breach with a limit of One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) in the aggregate.] If the insurance required hereunder is written on a claims-made form, it must continue for three (3) years following termination or expiration of this Agreement. The insurance must have a retroactive date of placement prior to or coinciding with the Effective Date of this Agreement. The coverage and limits above will not in any way limit Licensee's liability under Section 14.1(Indemnification).

14.3 **Certificates; Notification.** Upon the execution of this Agreement, Licensee will furnish The Regents with certificates of insurance evidencing compliance with all requirements. Such certificates will indicate The Regents as an additional insured(s) under the coverage described above in Section 14.2(Insurance) and include a provision that the coverage will be primary and will not participate with, nor will be excess over, any valid and collectable insurance or program of self-insurance maintained by The Regents. The Regents will promptly notify Licensee in writing of any claim or suit brought against The Regents for which The Regents intends to invoke the provisions of this Section 14 (Indemnification and Insurance). Licensee will keep The Regents informed of its defense of any claims pursuant to this Section 14 (Indemnification and Insurance). Licensee will provide The Regents written notice if such insurance levels are reduced or cancelled.

15 NOTICES

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15.1 Any notice or payment hereunder will be deemed to have been properly given when sent in writing in English to the respective address below and will be deemed effective on the date of delivery if delivered in person; the date of mailing if mailed by first-class certified mail, postage paid; or if sent via email, when the recipient acknowledges having received that email, provided that automated replies and "read receipts" will not be considered acknowledgement of receipt.

In the case of Licensee: **See Appendix B**

For The Regents:
University of California, Los Angeles
Technology Development Group
10889 Wilshire Boulevard, Suite 920
Los Angeles, CA 90095-7191
Attention: Contracts Management Team
Ref: *UCLA Case No. [CASE NO.]*
Email: contracts@tdg.ucla.edu

All payments due under this Agreement must be sent via wire transfer as follows. In order to ensure that funds are properly credited to Licensee's account, Licensee will reference the invoice number or UC Control Number on all wire transfers.

Wire:
Bank of America
100 West 33rd St.
New York, New York, 10001
Account: OTT Depository Account No. 1233717062
Beneficiary Name: Regents of the University of California
Domestic Wire ABA: 026009593 (within U.S. only)
Foreign Wire Swift: BOFAUS3N

ACH:
Bank of America CA4-704-05-41
2000 Clayton Rd.
Concord, CA 94520
Account: OTT Depository Account No. 1233717062
Beneficiary Name: Regents of the University of California
ACH/EFT Routing No.: 121000358

15.2 **Licensee Contact Information:** Licensee must furnish to The Regents the completed licensee contact information form attached hereto as **Appendix B** concurrent to execution of this Agreement and incorporated herein by this reference, showing the contacts responsible for (i) Progress Reports, (ii) Patent Prosecution, and (iii) Financial Obligations.

16 ASSIGNABILITY

16.1 This Agreement is binding upon, and will inure to the benefit of, the parties and their respective successors and assigns. The Regents may assign or transfer this Agreement, in whole or in part, including any rights to receive payments or revenue derived from this Agreement at any time, for any reason, and without the consent of Licensee. Licensee may assign or transfer this Agreement only with the prior written consent of The Regents. The prior written consent of The Regents will not be required if the assignment or transfer of this Agreement is in conjunction with a bona fide arms' length transaction involving a merger or the transfer of all or substantially all of the capital stock or business of Licensee to which this license relates,

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so long as Licensee is in good standing with its obligations under this Agreement and The Regents is legally, contractually, and, per its policies, able to enter into an agreement with such assignee or transferee. Any attempted assignment or transfer by Licensee other than in accordance with this Section 16 (Assignability) will be null and void.

16.2 In any permitted assignment or transfer of this Agreement, the conditions (i)-(iii) below will be timely met. For clarity, regardless of how the permitted assignment or transfer is structured (e.g., whether by merger, reverse merger, triangular merger, or similar acquisition or transaction), such permitted assignment or transfer will be deemed to trigger the obligations of this Section 16.2.

(i) Licensee will provide The Regents written notice identifying the proposed acquirer's or successor entity's name and contact information at least thirty (30) days prior to any such assignment or transfer;

(ii) Licensee will provide The Regents with a written agreement signed by the proposed acquirer or successor entity agreeing to be bound by all of the provisions of this Agreement, as well as assume all responsibilities and liabilities that arose under this Agreement prior to the effective date of the proposed assignment or transfer, as if such acquirer or successor entity were the original Licensee within thirty (30) days after any such assignment or transfer; and

(iii) Licensee and the assignee/transferee will be jointly and severally responsible for paying to The Regents an assignment fee identified in the Financial and Diligence Terms within thirty (30) days after any such assignment or transfer.

17 GOVERNING LAWS AND VENUE

17.1 **Choice of Law & Venue. THIS AGREEMENT WILL BE INTERPRETED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA**, excluding any choice of law rules that would direct the application of the laws of another jurisdiction and without regard to which party drafted particular provisions of this Agreement, but the scope and validity of any patent or patent application will be governed by the applicable laws of the country of such patent or patent application. Any legal action brought by the parties hereto relating to this Agreement will be conducted in Los Angeles, California.

18 COMPLIANCE WITH LAWS

18.1 If this Agreement or any associated transaction is required by the law of any nation to be either approved or registered with any governmental agency, Licensee will assume all legal obligations to do so. Licensee will notify The Regents if it becomes aware that this Agreement is subject to a United States or foreign government reporting or approval requirement. Licensee will make all necessary filings and pay all costs including fees, penalties and all other out-of-pocket costs associated with such reporting or approval process.

18.2 Licensee agrees to comply with all applicable international, national, state, regional and local laws and regulations in performing its obligations hereunder and in its use, manufacture, sale or import of the Licensed Products. Licensee will observe all applicable United States and foreign laws with respect to the transfer or provision of Licensed Products and related technical data to foreign countries, including, without limitation, the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations. Licensee agrees to manufacture and use Licensed Products in compliance with applicable government importation laws and regulations of a particular country for Licensed Products made outside the particular country in which such Licensed Products are used, sold or otherwise exploited.

19 CONFIDENTIALITY

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19.1 Licensee and The Regents will treat and maintain the other party's confidential information, including the negotiated terms of this Agreement, patent prosecution-related information, Associated Technology, any progress reports and royalty reports and any Sublicense issued pursuant to this Agreement ("**Confidential Information**") in confidence using at least the same degree of care as the receiving party uses to protect its own confidential information of a like nature from the date of disclosure until five (5) years after the termination or expiration of this Agreement. Confidential Information can be written, oral, or both.

19.2 Licensee and The Regents may disclose Confidential Information to their employees, agents, consultants, contractors, and co-owners (as applicable) and, in the case of Licensee, its Wholly-Owned Affiliates and Sublicensees, provided that such parties are bound by a like duty of confidentiality as that found in this Section 19 (Confidentiality). Notwithstanding anything to the contrary contained in this Agreement, The Regents may release this Agreement, including any terms contained herein and information regarding payments or other income received in connection with this Agreement to the inventors, senior administrative officials employed by The Regents and individual Regents upon their request, provided such individuals are informed of the confidential nature of such information and assignees and potential assignees of The Regents' interest in any consideration it is to receive pursuant to this Agreement. In addition, notwithstanding anything to the contrary in this Agreement, if a third party inquires whether a license to Patent Rights is available, then The Regents may disclose the existence of this Agreement and its scope of the license granted hereunder.

19.3 Nothing contained herein will restrict or impair, in any way, the right of Licensee or The Regents to use or disclose any Confidential Information that: (a) recipient can demonstrate by written records was previously known to it prior to its disclosure by the disclosing party; (b) recipient can demonstrate by written records is now, or becomes in the future, public knowledge other than through acts or omissions of recipient; (c) recipient can demonstrate by written records was obtained lawfully and without restrictions on the recipient from sources independent of the disclosing party; and (d) The Regents is required to disclose pursuant to the California Public Records Act or other applicable law.

19.4 Licensee or The Regents also may disclose Confidential Information that is required to be disclosed (i) to a governmental entity or agency in connection with seeking any governmental or regulatory approval, governmental audit, or other governmental contractual requirement or (ii) by law, e.g., California Public Records Act, provided that the recipient uses reasonable efforts to give the party owning the Confidential Information sufficient notice of such required disclosure to allow the party owning the Confidential Information reasonable opportunity to object to, and to take legal action to prevent, such disclosure. Nothing in this Agreement will be construed to prevent The Regents from reporting de-identified raw terms of this Agreement as part of a larger database.

19.5 Upon termination of this Agreement, Licensee, its Wholly-Owned Affiliates and Sublicensees, and The Regents will destroy or return any of the disclosing party's Confidential Information, including all Associated Technology, in its possession within fifteen (15) days following the termination of this Agreement and provide each other with prompt written notice that such Confidential Information has been returned or destroyed. Each party may, however, retain one copy of such Confidential Information for archival purposes in non-working files.

20 MISCELLANEOUS

20.1 **Entire & Binding Agreement.** This Agreement, which includes the attached **Appendices A** (Patent Rights), **B** (Licensee Contact Information), **C** (Semi-Annual Progress Report), **D** (Royalty & Sublicensing Income Report), **E** (Direct Billing Agreement), **F** (Associated Technology), and **G** (Stock Issuance Agreement), embodies the entire understanding of the parties and supersedes all previous communications, representations or understandings, either oral or written, between the parties relating to the subject

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matter hereof. For clarity, the breach by Licensee of any of the agreements in the Appendices attached hereto (for example, the Direct Billing Agreement and/or the Stock Issuance Agreement) shall be deemed to be and shall constitute a breach of the terms of this Agreement. The execution of this Agreement shall terminate and extinguish any and all option agreements, letters of intent, and all other agreements or understandings between the parties concerning the subject matter hereof. This Agreement is not binding on the parties until it has been signed below on behalf of each party and is then effective as of the Effective Date. No amendment or modification of this Agreement is valid or binding on the parties unless made in writing and signed on behalf of each party. In case any of the provisions contained in this Agreement is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provisions of this Agreement and such unenforceable provision will be modified so that it is valid, legal, and enforceable and, to the fullest extent possible, reflects the intention of the parties.

20.2 **Headings.** The headings of the several sections are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

20.3 **Waiver.** No waiver by either party of any breach or default of any of the agreements contained herein will be deemed a waiver as to any subsequent and/or similar breach or default.

20.4 **Independent Contractors.** In performing their respective duties under this Agreement, each of the parties will be operating as an independent contractor. Nothing contained herein will in any way constitute any association, partnership, or joint venture between the parties hereto, or be construed to evidence the intention of the parties to establish any such relationship. Neither party will have the power to bind the other party or incur obligations on the other party's behalf without the other party's prior written consent.

20.5 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which together will constitute one and the same Agreement. For purposes of executing this Agreement, a facsimile (including a PDF image delivered via email) copy of this Agreement, including the signature pages, will be deemed an original. The parties agree that neither party will have any rights to challenge the use or authenticity of a counterpart of this Agreement based solely on that its signature, or the signature of the other party, on such counterpart is not an original signature.

Signature Page Follows

SAMPLE

IN WITNESS WHEREOF, both The Regents and Licensee have executed this Agreement by their respective and duly authorized officers on the day and year written.

LICENSEE	**THE REGENTS OF THE UNIVERSITY OF CALIFORNIA**
By: _____ (Signature)	By: _____ (Signature)
Name:	Name:
Title:	Title:
Date:	Date:
Email for execution:	

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

By: _____
(Signature)

Name: Amir Naiberg
Title: Assoc. Vice Chancellor, President & CEO
Technology Development Group

Date:

SAMPLE

APPENDIX A

PATENT RIGHTS

1) UCLA CASE NO. [#] ("[INVENTION NAME]")

Provisional Patent Application No. [#] entitled, "**[INVENTION NAME]",** filed **[FILING DATE]** (UCLA Case No. **[UC CASE #]**).

U.S. Patent Application No. [#] entitled, "**[INVENTION NAME]",** filed **[FILING DATE]** (UCLA Case No. **[UC CASE #]**).

United States Patent No. [#] entitled, "**[INVENTION NAME]",** filed **[FILING DATE]** (UCLA Case No. **[UC CASE #]**).

SAMPLE

APPENDIX B

LICENSEE CONTACT INFORMATION

Licensee Name		**UC Control No.**	
CONTACT FOR NOTICES			
LAST NAME		TELEPHONE	
FIRST NAME		EMAIL	
TITLE			
ADDRESS			
CITY, STATE, ZIP			
COUNTRY			
PATENT PROSECUTION CONTACT			
LAST NAME		TELEPHONE	
FIRST NAME		EMAIL	
TITLE			
ADDRESS			
CITY, STATE, ZIP			
COUNTRY			
FINANCIALS CONTACT			
LAST NAME		TELEPHONE	
FIRST NAME		EMAIL	
TITLE			
ADDRESS			
CITY, STATE, ZIP			
COUNTRY			

SAMPLE

APPENDIX C

SEMI-ANNUAL PROGRESS REPORT

PLEASE RETURN THIS FORM TO: CONTRACTS@TDG.UCLA.EDU

Licensee Name**		**UC Control No.**	**202X-XX-XXXX**
Completed By	**Name:** **Title:** **Email:**	**Reporting Period**	**Insert, e.g., "Q1 & Q2 FY2020"**

1. **Please summarize your progress (including progress by Wholly-Owned Affiliates or Sublicensees) toward development and commercialization of the Patent Rights, Associated Technology, and Licensed Products, including work completed during this reporting period, any anticipated events or milestones, key scientific discoveries, publications, market plans for introducing Licensed Products, etc.** In lieu of typing out a response here, you may attach any materials you have prepared for other purposes if these materials adequately capture this information (indicate below if you have attached any such materials). If applicable pursuant to Section 5 of the Agreement, please also provide status of implementation of the Affordable Access Plan.

2. **Have you, a Wholly-Owned Affiliate, or a Sublicensee had a First Commercial Sale? If so, when?**

3. **Identify whether any of the Development Milestones in Section 5.2 of your Agreement have been achieved:**

Development Milestone:	Achieved?	If Yes, provide date achieved; If No, estimated date of completion:
	☐ Yes ☐ No	
	☐ Yes ☐ No	
	☐ Yes ☐ No	
	☐ Yes ☐ No	
	☐ Yes ☐ No	

4. **Identify whether any Milestone Payment obligations in Section 12 of the Financial and Diligence Terms Table of your Agreement have been triggered:**

Milestone Payment obligation from Section 12 of the Financial and Diligence Terms Table:	Triggered?	If Yes, insert date Milestone Payment was paid
	☐ Yes ☐ No	
	☐ Yes ☐ No	
	☐ Yes ☐ No	
	☐ Yes ☐ No	
	☐ Yes ☐ No	

SAMPLE

5. **Please list below all agreements (sublicenses, partnerships, joint ventures, collaborations, etc.) pursuant to which you, a Wholly-Owned Affiliate or a Sublicensee have granted any license, option, or other rights to the Patent Rights and/or Associated Technology. If none, insert "None." Please provide a copy of such agreement(s) with this Progress Report, if any.**

6. **INCLUDE SOLELY FOR STARTUPS: Please provide the following information:**

Total gross proceeds raised to date from sale of equity securities	
Total amount expended to date in the development and commercialization of Licensed Products	
Current total # of employees (necessary info for patent filing purposes)	

7. **Do you, a Wholly-Owned Affiliate, or a Sublicensee qualify as a small business as defined by the Small Business Administration at the following link: (https://www.sba.gov/federal-contracting/contracting-guide/size-standards)?**

8. **Please identify, on a Licensed Product-by-Licensed Product basis, each manufacturer used by you, a Wholly-Owned Affiliate, or a Sublicensee, as well as the State and Country of each such manufacturer.**

SAMPLE

APPENDIX D

ROYALTY & SUBLICENSING INCOME REPORT

UC Control No: _____ Licensee Name: _____

Licensee Email Address: _____ Quarter Covered: _____

1. Earned Royalty Information:

Identity of Seller*: _____
*please provide a separate chart per each Seller, Licensee v. Wholly-Owned Affiliate v. Sublicensee, etc.

Product Name	Number of Units Sold	Date Sold	Country(ies) Manufactured & Sold*	Gross Sales (US $)	Net Sales (US $)	Royalty Rate (%)	Total Earned Royalties (US $)

*Please report all products manufactured and sold, regardless of whether Patent Rights exist in such country. If Licensee believes no earned royalties are due with respect to a Licensed Product, please explain.

Total Royalties Earned: _____ Balance Due The REGENTS (explain any deductions): _____

2. Sublicensing Income: Did Licensee or any Wholly-Owned Affiliate or Sublicensee receive any Sublicensing Income? ☐ **Yes** ☐ **No**

If "yes", provide the following information: (a) identity of Sublicensee, (b) date of receipt, (c) what the payment was for (reference section of Sublicense), (d) total amount received, (e) identify any deductions, and (f) identify how The Regents' respective share of the Sublicensing Income was calculated.

Amount of Sublicensing Income due to The Regents: _____

3. Certification by Licensee's Chief Financial Officer: The person signing below represents that they are the Licensee's Chief Financial Officer and hereby certifies the information reported above is comprehensive and accurate:

Certified By CFO (or if Licensee does not have a CFO, an officer of the Licensee): _____

Name: _____ Title: _____ Date: _____

SAMPLE

APPENDIX E

DIRECT BILLING AGREEMENT

This three-party Direct Billing Agreement ("Agreement"), made effective _____, 20__ ("Effective Date"), is between The Regents of the University of California, a California public corporation, having its statewide administrative offices at 1111 Franklin Street, 12th Floor, Oakland, CA 94607-5200 ("The Regents"), acting through The Technology Development Group of the University of California, Los Angeles ("UCLA"), located at 10889 Wilshire Boulevard, Suite 920, Los Angeles, CA 90095-7191; _____ ("Law Firm"), with an office at [FIRM ADDRESS] ; and ("Licensee"), a corporation having a principal place of business at .

Section A: Background

1. The Regents has approved a Direct Billing program ("Direct Billing") to allow participating UCLA patent prosecution law firms to directly bill participating UCLA patent licensees for administrative simplicity (*e.g.*, reducing overhead related to invoice review, billing, rebilling, and accounting). This Agreement outlines each party's roles, rights and obligations with respect thereto.

2. Prior to the Effective Date, the Law Firm was retained by The Regents for patent prosecution matters in relation to the Patent Rights (defined below).

3. Prior to or concurrently with the Effective Date, Licensee and The Regents have entered into a license agreement (the "UCLA-Licensee Agreement"). The Regents granted Licensee pursuant to such UCLA-Licensee Agreement certain rights to the Patent Rights which are listed in Appendix A of, and as further defined in, such UCLA-Licensee Agreement (the "Patent Rights").

4. For clarity, this Agreement does not affect the terms and conditions of the UCLA-Licensee Agreement, which shall remain unchanged and in full force and effect.

5. The Regents, the Law Firm, and Licensee desire to enter into this Agreement and agree as follows:

Section B: Terms

1. Unless otherwise specified by The Regents, the Law Firm will continue to seek instructions from The Regents prior to consultation with Licensee or The Regents' inventors on all patent prosecution matters related to the Patent Rights. For the avoidance of doubt, the Law Firm's client is The Regents, which is the owner of the Patent Rights. The Law Firm will copy Licensee on all patent prosecution related correspondence regarding Patent Rights.

2. The Law Firm will invoice Licensee directly for all Law Firm Expenses and will look solely to Licensee for payment thereof, provided that the Law Firm will send a copy of invoices to UCLA TDG Finance Department at TDGFinance@tdg.ucla.edu for purposes of The Regents' case management only (*i.e.*, not for purposes of payment) – such invoices will be conspicuously marked "DO NOT PAY". For clarity, the Law Firm will NOT send copies of such invoices to UC's Office of the President (even though this may have been the prior practice of the Law Firm). Licensee will be responsible and liable for paying all filing, prosecution and maintenance costs, expenses and fees invoiced by the Law Firm with respect to services rendered in relation to the Patent Rights during the term of the UCLA-Licensee Agreement (the "Law Firm Expenses") as further defined herein below.

(a) In The Regents' sole discretion, The Regents may elect to use a party other than the Law Firm (*e.g.,* an annuity service provider, such as CPI or equivalent) for the management of maintenance and/or annuity fees for

SAMPLE

the Patent Rights. In such an instance, The Regents will invoice Licensee for applicable payments relating thereto, and Licensee will pay such invoices, pursuant to the terms and conditions of the UCLA-Licensee Agreement.

3. Licensee agrees to pay Law Firm Expenses incurred during the term of the UCLA-Licensee Agreement within thirty (30) days after receipt of the Law Firm's invoice with respect thereto, subject to any additional requirements by the Law Firm and/or The Regents. For example, to ensure payment of Law Firm Expenses, the Law Firm and/or The Regents may require Licensee to (1) pay Law Firm Expenses in advance based on an estimate by the Law Firm for a specific action to be taken in relation to the Patent Rights ("Advanced Payment"), and/or (2) make a deposit with the Law Firm to serve as a retainer for such Law Firm Expenses ("Retainer"). In each such case, the Law Firm will inform both Licensee and The Regents the amount of the Advanced Payment or the amount of the Retainer to be paid and the Law Firm will refrain from incurring any Law Firm Expenses in relation thereto unless and until Licensee makes such Advanced Payment or Retainer, or The Regents agree to cover such Law Firm Expenses as contemplated by Sections B.4 and/or B.5 below.

4. If Licensee fails to pay any Advanced Payment or Retainer within thirty (30) days of the Law Firm's request, then the Law Firm will notify The Regents at least fifteen (15) business days prior to the deadline for responding to an applicable Patent Action. In such case, The Regents, at its sole discretion, may elect to pursue such Patent Action at its own cost and expense or direct the Law Firm not to take such Patent Action..

5. In the case of a Retainer, if Licensee pays such Retainer, but subsequently fails to pay any Law Firm Expenses within thirty (30) days after receipt of an invoice, then the Law Firm may withdraw such Law Firm Expenses from the Retainer; if the Retainer is insufficient, then the Law Firm may demand that Licensee replenish the Retainer and pay any remaining unpaid amount owed with respect to the Law Firm Expenses ("Payment Demand"). If Licensee does not pay any outstanding Law Firm Expenses, or replenish the Retainer as required by the Law Firm, in each case within thirty (30) days of receipt of a Payment Demand, then the Law Firm will notify The Regents at least fifteen (15) business days prior to the deadline for responding to such an applicable Patent Action. In such case, The Regents, at its sole discretion, may elect to pursue such Patent Action at its own cost and expense or direct the Law Firm not to take such Patent Action.

6. In the event that a patent application or patent is removed from the Patent Rights pursuant to the terms and conditions of the UCLA-Licensee Agreement, then Licensee will be responsible for notifying the Law Firm within five (5) business days of such removal. Thereafter, the Law Firm will promptly seek confirmation of such removal from The Regents. Following receipt of The Regent's confirmation, the Law Firm shall cease sending invoices for Law Firm Expenses relating to such applicable Patent Rights to Licensee. If a default and/or dispute under this Agreement for unpaid fees and expenses arises between the Law Firm and Licensee, the Law Firm will notify The Regents of such default and/or dispute and the Law Firm and Licensee will try in good faith to resolve it within fifteen (15) business days of such notice to The Regents. For clarity, the foregoing period of fifteen (15) business days is the period available for Licensee and the Law Firm to resolve any such default and/or dispute; any failure to resolve any such default and/or dispute will not affect the relationship between The Regents and Licensee under the UCLA-Licensee Agreement, except to the extent such failure constitutes a failure to pay Patent Costs as required by the UCLA-Licensee Agreement. If such default and/or dispute is not resolved within such fifteen (15) business-day period, the Law Firm will notify The Regents at least fifteen (15) business days prior to the deadline for responding to an applicable Patent Action and The Regents may, at its sole discretion, elect to pursue such Patent Action at its own cost and expense or direct the Law Firm not to take such Patent Action.

7. Notwithstanding any other provision of this Agreement, in the event of the loss of Patent Rights due to such disputes under Section B.6 between the Law Firm and Licensee, or due to nonpayment of an invoice covered by this Agreement, or failure to pay or delay in paying an Advanced Payment or Retainer, such loss is the sole responsibility and liability of Licensee and not of the Law Firm.

SAMPLE

8. Pursuant to California Rules of Professional Conduct Rule 1.8.6 (effective November 1, 2018), the Law Firm (and its lawyers) shall not enter into an agreement, charge, or accept compensation from Licensee for representing The Regents unless:

(a) there is no interference with the Law Firm's independent professional judgment or with the lawyer-client relationship;

(b) information is protected as required by Business and Professions Code section 6068, subdivision (e)(1) and rule 1.6; and

(c) the Law Firm obtains The Regents' informed written consent at or before the time the Law Firm has entered into the agreement for, charged, or accepted the compensation, or as soon thereafter as reasonably practicable.

Execution of this Agreement will serve as informed written consent by The Regents required by Rule 1.8.6.

9. The Regents and Licensee agree that they have a common legal interest in the Patent Rights such as in relation to discussing, evaluating and pursuing patenting and enforcement of the Patent Rights ("Purpose"), and agree that Common Interest Material (defined below) exchanged between the parties of this Agreement shall at all times remain subject to all applicable privileges and protections from disclosure, including the attorney-client privilege or any similar privilege in any jurisdiction including, for the avoidance of doubt, legal professional privilege and/or litigation privilege, common interest privilege, work-product immunity doctrine, and any applicable rules of professional secrecy in any jurisdiction, it being the express intent of the parties to preserve intact to the fullest extent applicable, and not to waive in whole or in part, any and all privileges and immunities to which Common Interest Material, or any part of it, is, may be subject or may become subject in the future. It is the good faith belief of a party disclosing Common Interest Material that common interest privilege attaches to the Common Interest Material; no disclosure of the Common Interest Material would occur without the protection of that privilege. Except as required by law, or as permitted by the Purpose, during the term of this Agreement and in perpetuity following its expiry or earlier termination, a party receiving Common Interest Material will not disclose to third parties any Common Interest Material provided to it. Despite the foregoing, however, Licensee acknowledges that the payment by Licensee for the Law Firm's services to The Regents does not create an attorney-client relationship between the Law Firm and Licensee.

"Common Interest Material" means any information that is (a) the work product of qualified legal advisers and/or attorney work product, (b) protected by the attorney-client privilege, or (c) protected by any similar privilege in any jurisdiction including, for the avoidance of doubt, legal professional privilege and/or litigation privilege, or that is protected by any rules of professional secrecy in any jurisdiction, including, but not limited to: (i) information prepared by any party or its counsel, advisors, consultants or agents; or (ii) information that is prepared by the Law Firm.

10. Payment by Licensee to the Law Firm for services to The Regents requires execution of a fee agreement between the Law Firm and Licensee. The fee agreement will provide *inter alia* that Licensee will pay Advanced Payments at least thirty (30) days prior to a deadline for taking action with the applicable patent office without taking an extension. This Agreement may serve as such fee agreement if the Law Firm attaches as an exhibit hereto a summary of the scope of, and approximate billing rates for the Law Firm employees likely to perform, the services to be rendered pursuant to this Agreement. The Law Firm may revise such exhibit from time to time to add or remove timekeepers, and not more frequently than once per twelve month period to adjust the billing rates shown therein, by providing a copy of such revised exhibit to Licensee and The Regents.

SAMPLE

11. For the avoidance of doubt, The Regents has no responsibility for paying the Law Firm's invoices. If the Law Firm's invoices remain unpaid by Licensee, the Law Firm may seek collection actions directed to Licensee for unpaid fees and expenses, or if The Regents voluntarily pays fees or expenses or deposits retainer funds as permitted by Section B.5, The Regents may seek collection actions directed to Licensee for reimbursement of such amounts. The Law Firm will not attempt to collect any amounts from The Regents or otherwise attempt to encumber Patent Rights. The Law Firm and Licensee will not contact The Regents to request assistance with disputes for unpaid fees and expenses that arise between the Law Firm and Licensee regarding invoices covered by this Agreement.

Section C: Miscellaneous

1. Notices, payments and copies of all correspondence relating to Patent Rights should be sent to the following contacts:

For the Law Firm:

Notices:

Payments:

For Licensee:

For The Regents**:

The Regents of the University of California
University of California, Los Angeles
Technology Development Group
10889 Wilshire Boulevard, Suite 920
Los Angeles, CA 90095-7191

Attention: Patent Prosecution Team
Ref: UCLA Case No. [CASE NO.], et al.
Email: TDGFinance@tdg.ucla.edu
**Law Firm is NOT to send any invoices to UC's Office of the President with respect to invoices under this Agreement.

2. Each party may terminate this Agreement at any time upon written notice to the other parties, provided that termination hereof by Licensee may constitute a breach of the UCLA-Licensee Agreement. For the avoidance of doubt, the UCLA-Licensee Agreement survives termination of this Agreement, provided that The Regents will have the right to terminate the UCLA-Licensee Agreement if Licensee has breached its obligation to pay any Law Firm Expenses, an Advanced Payment, or Retainer.

3. This Agreement will apply to Law Firm Expenses in relation to the Patent Rights on or after the Effective Date of this Agreement. The persons signing below warrant and represent that she/he has the authority to bind the entity on behalf of whom they are signing:

Law Firm

By _____
Signature
Name:

Licensee

By _____
Signature
Name:

SAMPLE

Title:

Date: _____

Title:

Date: _____

The Regents of the University of California

By _____
Signature

Name:

Title:

Date: _____

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APPENDIX F

ASSOCIATED TECHNOLOGY

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APPENDIX G

STOCK ISSUANCE AGREEMENT

This Stock Issuance Agreement ("**Stock Agreement**") is entered into effective as of **INSERT MONTH DATE, YEAR** ("**Effective Date**"), by and between **INSERT ENTITY**, incorporated in the State of **INSERT STATE** ("**Company**"), and The Regents of the University of California ("**The Regents**") through its street name of Shellwater & Company.

RECITALS

WHEREAS, in connection herewith Company and The Regents are entering or have entered into a license agreement ("**License Agreement**"); and

WHEREAS, as partial consideration for the License Agreement, Company is issuing to The Regents shares of Company's common stock on the terms set forth herein.

NOW, THEREFORE, for good and value consideration, the parties agree as follows:

SECTION 1. ISSUANCE AND TRANSFER OF SHARES

A. Purchase of Shares. Company will issue The Regents _____ shares of Company's voting common stock (the "**Shares**"). The Shares will equal X percent (X%) of the outstanding and issued securities of Company, calculated on an as converted and "Fully Diluted Basis" as of the effective date of the License Agreement. The Shares will be fully paid and nonassessable and will be issued as partial consideration for the License Agreement. For purposes hereof, "Fully Diluted Basis" means the total number of shares of Company's outstanding and issued common stock after giving effect to the issuance of the Shares, and assuming full conversion or exercise of any convertible securities (whether then vested or not) such as warrants, outstanding options, restricted stock units, convertible notes, SAFEs (or other instruments convertible into common stock), and also including all unissued but reserved shares set aside for issuance pursuant to any stock option or other equity incentive plan of Company. The parties will construe the term "Fully Diluted Basis" mutatis mutandis in the case where Company is organized as a limited liability company. To the extent the Shares issuable upon conversion of any convertible securities (SAFEs, convertible notes, etc.) cannot be calculated at the time of the initial issuance or issuance of any Antidilution Shares, Company agrees to promptly issue Shares or Additional Shares to The Regents upon conversion of convertible securities, without further consideration, that are necessary to true up the Shares to maintain and accurately reflect The Regents holding of at least X percent (X%) of the outstanding and issued common stock of Company on a Fully-Diluted Basis.

B. Antidilution. The Company will issue to The Regents such additional number of shares of stock of the Company ("**Antidilution Securities**") as necessary so that The Regents owns no less than **X percent (X%)** of all outstanding shares of Company on a fully diluted and as converted basis as of the date of each issuance of equity securities until and through such time as Company has received total gross proceeds from the sale of equity securities in an amount equal to **X Million Dollars ($X,000,000)** or greater (the "**Financing Threshold**"). In the event that a round of financing results in more than **X Million Dollars ($X,000,000)** in gross proceeds being raised, then for purposes of issuing these Antidilution Securities, a hypothetical round will be considered to have taken place in which sufficient funds are invested to reach **X Million Dollars ($X,000,000)** in gross proceeds. Further, in all such adjustments, any securities authorized and reserved for any option plan for employees, consultants, directors and so forth, as well as any increase in the number of authorized securities for such plan in connection with a financing, will be deemed to have been authorized prior to the sale of securities. Antidilution Securities will be issued in the name of "Shellwater & Co." and delivered to The Regents within thirty (30) days after any issuance of securities (including, without limitation, any stock or stock equivalent) by Company, along with a statement of whether the **X Million Dollars ($X,000,000)** cap has been met, and sufficient information for The

SAMPLE

Regents to verify the number of shares is correct. Antidilution Securities will be fully paid and nonassessable and issued for no additional consideration from The Regents to Company.

Notwithstanding anything to the contrary herein or in any other agreement to which both Company and The Regents are a party, The Regents' Antidilution Securities rights will survive (a) termination of any of this Agreement or the License Agreement and/or (b) consummation of a transaction constituting a Change of Control or any Deemed Liquidation Event, in each case to the extent such event occurs prior to the Company achieving the Financing Threshold (an "**Early Liquidation Event**"). If an Early Liquidation Event occurs, the Company will cause the Antidilution Securities rights set forth under this SECTION 1.B to become the obligation of the acquirer, surviving entity, successor entity, etc., as the case may be, unless The Regents and the Company agree to alternate consideration.

Each of the following events will be considered a "**Deemed Liquidation Event**":

(a) a merger or consolidation in which (i) the Company is a constituent party or (ii) a subsidiary of the Company is a constituent party and the Company issues shares of its capital stock pursuant to such merger or consolidation, except any such merger or consolidation involving the Company or a subsidiary in which the shares of capital stock of the Company outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority of the capital stock of (1) the surviving or resulting corporation; or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation; or

(b) (1) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Company or any subsidiary of the Company of all or substantially all the assets of the Company and its subsidiaries taken as a whole, or (2) the sale or disposition (whether by merger, consolidation or otherwise, and whether in a single transaction or a series of related transactions) of one (1) or more subsidiaries of the Company if substantially all of the assets of the Company and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Company.

For purposes hereof, "**Change of Control**" means either: (1) the acquisition of the Company by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation or stock sale/transfer/exchange, but excluding any such transaction effected primarily for the purpose of changing the domicile of the Company), unless the Company's equityholders of record immediately prior to such transaction or series of related transactions hold, immediately after such transaction or series of related transactions, at least fifty percent (50%) of the voting power of the surviving or acquiring entity (provided that the sale by the Company of its securities for the purposes of raising additional funds will not constitute a Change of Control hereunder); or (2) a sale, lease, exclusive license, or other disposition, in a single transaction or series of related transactions, of all or substantially all of the assets of the Company.

C. Participation Rights. If Company proposes to sell any equity securities or securities that are convertible into equity securities of Company, then The Regents and/or its Assignee(s) (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 to The Regents of each such financing, including reasonable detail regarding the terms and purchasers in the financing. The term "Assignee" means (a) any entity to which The Regents' participation rights under this SECTION 1.C (Participation Rights) have been assigned either by The Regents or another entity or (b) any entity that is controlled by, or acting on behalf of, The Regents.

SAMPLE

D. Transfer of Shares. The Regents may, or may direct Company to, transfer a portion of the Shares in view of The Regents' Patent Policy to The Regents' inventors of the patent rights licensed to Company under the License Agreement; provided that the Shares so transferred will remain subject to the terms and conditions of this Stock Agreement, and no further transfer of such Shares may be made without complying with the provisions of this SECTION 1.D (Transfer of Shares). All stock certificates evidencing the Shares will be imprinted with a legend substantially as follows:

"THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS AGAINST TRANSFER AS SET FORTH IN AN EQUITY ISSUANCE AGREEMENT DATED _____ __, 20__. TRANSFER OF THESE SHARES MAY BE MADE ONLY IN COMPLIANCE WITH THE PROVISIONS OF SAID AGREEMENT, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY."

E. Observer Rights, Recapitalizations, Etc. The Regents will be provided notice and will have full observation rights for any and all meetings of the Board of Directors of Company and will be provided with copies of any written materials at the same time as such materials are provided to Company's Board of Directors. The provisions of this Stock Agreement will apply to the full extent set forth herein with respect to any and all shares of capital stock of Company or successor of Company which may be issued in respect of, in exchange for, or in substitution for the Shares by reason of any stock dividend, split, reverse split, combination, recapitalization, reclassification, consolidation or otherwise which does not terminate this Stock Agreement. Except as otherwise provided herein, this Stock Agreement is not intended to confer upon any other person except the parties hereto any rights or remedies hereunder.

SECTION 2. REPRESENTATIONS AND WARRANTIES

A. Company Representations and Warranties. Company hereby represents and warrants to The Regents as of the date of this Stock Agreement (unless otherwise specified below) that: **[COMPANY TO FILL IN BLANKS]**

(i) Company is a corporation duly organized, validly existing, and in good standing under the laws of the state identified in the first paragraph of this Stock Agreement. Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a material adverse effect. The Company has all requisite corporate power and authority to own and operate its properties and assets and to carry on its business as presently conducted.

(ii) As of the Effective Date, **INSERT (XXX,XXX)** shares of common stock are authorized, **INSERT (XXX,XXX)** shares of which are issued and outstanding and no shares of Preferred Stock are authorized, nor issued and outstanding, or if there are authorized, issued and/or outstanding Preferred Stock shares, no shares of such Preferred Stock is permitted to convert other than on a 1:1 basis to common stock of Company. All of the outstanding shares of Company equity securities have been duly authorized, are fully paid up and nonassessable and were issued in compliance with all federal and state securities laws. The Company holds no stock in its treasury.

(iii) The Company has reserved **INSERT (XXX,XXX)** shares of its common stock for issuance to officers, directors, employees and consultants of Company pursuant to its 20**XX** Stock Plan duly adopted by the Board of Directors and approved by the Company shareholders/stockholders (the "**Stock Plan**"). Of such reserved shares of common stock, **no** shares have been issued pursuant to restricted stock purchase agreements, options to purchase **INSERT (XX,XXX)** shares have been granted and are currently outstanding, and **INSERT (XX,XXX)** shares of common stock remain available for issuance to officers, directors, employees and consultants pursuant to the Stock Plan.

(iv) There are no outstanding options, warrants, rights (including conversion or preemptive rights and rights of first refusal or similar rights) or agreements, orally or in writing, to purchase or acquire from Company

SAMPLE

any shares of common stock or preferred stock, or any securities convertible into or exchangeable for shares of common stock or preferred stock. All outstanding shares of the Company's common stock and all shares of Company's common stock underlying outstanding options are subject to (a) a right of first refusal in favor of Company upon any proposed transfer (other than transfers for estate planning purposes); and (b) a lock-up or market standoff agreement of not less than one hundred eighty (180) days following the Company's IPO.

(v) All corporate action on the part of Company, its officers, directors and stockholders necessary for the authorization, execution and delivery by Company of this Stock Agreement, the performance of all obligations of Company hereunder and the authorization, issuance and delivery of the common stock being issued hereunder, has been taken, and this Stock Agreement constitutes a valid and legally binding obligation of Company, enforceable against Company in accordance with its terms except as limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, or (b) laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

(vi) The common stock that is being issued hereunder, when issued and delivered in accordance with the terms of this Stock Agreement and the License Agreement, will be duly and validly issued, fully paid and nonassessable. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority is required on the part of Company in connection with the consummation of the transactions contemplated by this Stock Agreement, except for filings pursuant to Section 25102(f) of the California Corporate Securities Law of 1968, as amended, and the rules thereunder (the "**California Blue Sky Law**"), other applicable state securities laws and Regulation D of the U.S. Securities Act of 1933, as amended (the "**Securities Act**").

B. The Regents Representations and Warranties. The Regents represents and warrants that the Shares are being acquired for personal account, for investment purposes only, and not with a view to the distribution, resale or other disposition thereof. Notwithstanding the foregoing The Regents may, or may direct Company to, transfer an inventors share under The Regents' Patent Policy, of Company shares due to The Regents under this agreement to The Regents' inventors of the patent rights licensed to Company under the License Agreement. The Regents is an "accredited investor" as defined in the Securities Act.

C. "Market Stand-Off" Agreement. The Regents agrees that, if requested by the Company or the managing underwriter of the Company's first firm commitment underwritten public offering of its common stock under the Securities Act of 1933, as amended, (the "IPO"), The Regents will, during a period of time specified by the Company but not to exceed one hundred eighty (180) days following the effective date of a registration statement filed in connection with an IPO under the Securities Act of 1933, not directly or indirectly, sell, offer to sell, contract to sell, grant any option to purchase or otherwise transfer any securities of the Company held by The Regents, other than securities, if any, that are included in such registration and securities acquired in or following the IPO, nor short sell or enter into derivative transactions that are economically equivalent to a sale of such securities. The foregoing provisions of this Section (Market Stand-Off Agreement) will be applicable to The Regents only if all officers, directors, and stockholders individually owning more than one percent (1%) of the Company's outstanding common stock (after giving effect to conversion into common stock of all outstanding preferred stock) are similarly bound. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the common stock held by The Regents until the end of such period, and The Regents agrees that, if so requested, The Regents will execute an agreement in the form provided by the underwriter containing terms which are essentially consistent with the provisions of this Section (Market Stand-Off Agreement).

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SECTION 3. MISCELLANEOUS

A. Notices. Any notice, demand or request required or permitted to be given under this Stock Agreement will be in writing and will be deemed given when delivered personally or three (3) days after being deposited in the United States mail, as certified or registered mail, with postage prepaid, and addressed, if to Company, at its principal place of business, Attention: Chief Financial Officer, and if to The Regents, at the most recent address as shown in the License Agreement. In the case of The Regents, a copy of any such correspondence, which will not constitute notice, will be sent via email to: contracts@tdg.ucla.edu and larry.adkison@ucop.edu.

B. Enforceability; Governing Law. This Stock Agreement (together with the License Agreement) constitutes the full and entire understanding and agreement between the parties regarding the matters set forth herein. Should any provision or portion of this Stock Agreement be held to be unenforceable or invalid for any reason, the remaining provisions and portions of this Stock Agreement will be unaffected by such holding. This Stock Agreement will be construed in accordance with the laws of the State of California without reference to choice of law principles, as to all matters, including, but not limited to, matters of validity, construction, effect or performance.

C. Counterparts. This Stock Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. Facsimile, Portable Document Format (PDF) or photocopied signatures of the parties will have the same legal validity as original signatures.

IN WITNESS WHEREOF, Company and The Regents have caused this Stock Agreement to be executed as of the date first written above. This Stock Agreement may be executed in two or more counterparts, each of which will be deemed an original and all of which together will be deemed one instrument.

COMPANY	**THE REGENTS OF THE UNIVERSITY OF CALIFORNIA**
By:_____	By:_____
Signature	*Signature*
Name:_____	Name: Amir Naiberg
Title:_____	Title: Assoc. Vice Chancellor, President & CEO Technology Development Group
Date:_____	Date:_____

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