

**ASSOCIATED UNIVERSITIES, INC.**  
 National Radio Astronomy Observatory / Green Bank Observatory  
Draft TERM SHEET  
**Confidential & Privileged**

Commercial Intellectual Property License Term Sheet  
 (cross references to license provisions in **Bold**)

*General Terms of a Proposed Intellectual Property License Agreement between Associated Universities, Inc. (AUI), which operates the National Radio Astronomy Observatory (NRAO), the Green Bank Observatory (GBO), and the Long Baseline Observatory (LBO), which are FFRDCs, on behalf of the National Science Foundation (NSF) (collectively called the “Licensor”), and \_\_\_\_\_ (“Licensee”) for Technology list in Exhibit A.*

**Exhibit A: Intellectual Property (IP) Offered for Licensing**

Reference Number	Title	Filing Status

Terms with a ✓ are negotiable.  
 Terms with an ≈ generally don’t change, unless needed for clarification.  
 Terms with an \* are government requirements.

<u>Definitions</u> ✓	A proposed license agreement will encompass technology listed in the table shown above including know-how, but not new inventions outside the scope of this list.
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<u>Field of Use</u> ✓	“Field of Use” means and is limited as described here. New limits may be incorporated by amendment to the proposed agreement upon mutual consent of both parties.
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<u>Nature of Rights Granted</u> *	<p>Licensor will grant a Field of Use commercial right and license to Licensee, subject to Federal Government license rights, to use the Licensed IP to make, have made, use, offer to sell, sell, dispose of, and import (subject to U.S. manufacture requirements) the Licensed Products in the Field of Use.</p> <p>Licensee’s commercial license is subject to, and shall in no way restrict, the Federal Government’s License Rights, including the march-in rights of the Federal Government pursuant to 35 USC 203. The Federal Government shall have a non-exclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the U.S. the subject invention throughout the world.</p>
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<u>Sublicensing</u> ✓	This grant specifically excludes any right to sublicense to others, absent written permission from Licensor, which may be withheld.
<u>Assignment</u> ✓	This agreement may not be assigned, absent written permission from Licensor, which may be withheld.
<u>Exports</u> ≈	This grant specifically includes the right to export outside the USA, subject to approval by the Licensor, who shall retain the right to deny an Export should the Export destination to be objectionable to Federal Law or AUI Policy.
<u>Substantial U.S. Manufacture Requirement</u> ≈	<p>Licensee agrees that any Licensed Products for use or sale in the United States shall be substantially manufactured in the United States.</p> <p>A request may be filed with the National Science Foundation seeking an exemption to this requirement, but the approval is not guaranteed.</p>
<u>Effective Date</u> ✓	Effective Date of the license agreement shall be designated in the agreement or, if no date is set, then the date of the signature of the last party to sign the agreement.
<u>Term of License</u> ✓	Except as provided elsewhere, the license will run through the Term of this Agreement. “Term” means the period of time starting on the Effective Date and continuing until expiration of the last to expire of the Licensed IP.
<u>Breach and Termination</u> ✓	<p>This Agreement may be terminated by either Party for any material breach of the Agreement by the other Party. Such termination shall be effective sixty (60) days after written notice specifying the breach to the other Party. If the specified breach is cured before the effective date of termination, the Agreement will not be terminated.</p> <p>In the event Licensee either (1) fails to make payment to Licensor of Royalties or other consideration in accordance with this Agreement, or, (2) fails to satisfy the requirements of the Commercialization Plan, the Licensor may, at its sole discretion, terminate this Agreement. There shall be no reduction in any of the payments due from Licensee, including but not limited to Royalties.</p> <p>Licensee may terminate this Agreement if Licensee provides AUI with sixty (60) calendar days prior notice of its intent to terminate and pays AUI all Intellectual Property reimbursement fees owed at the time of termination, if applicable, and all Royalties due.</p>

<u>Intellectual Property Protection Cost Reimbursement</u> ✓	<p>Licensee shall reimburse Licensor for all (1) verifiable costs related to the filing and prosecution of all Licensed IP; and (2) maintenance fees or annuities for Licensed IP. Licensee shall reimburse Licensor within thirty (30) days of receipt of invoices for costs incurred by Licensor.</p> <p>In accordance with Breach and Termination clauses, in addition to any other remedies available to Licensor, failure by Licensee to reimburse Licensor for said costs may result in Licensor’s termination of the license.</p>
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<u>Commencement Fee</u> ✓	<p>Licensee shall pay to Licensor a fixed license fee in the amount specified below as an Commencement Fee, which will be nonrefundable and not creditable against any Royalties.</p> <p>Amount: \$40,000 U.S. Dollars</p> <p>This fee is due within 10 business days of the Effective Date of this Agreement. This Agreement automatically terminates if Commencement Fee is not received by Licensor on or before 10 business days after the Effective Date of this Agreement.</p>
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<u>Running Royalty</u> ✓	<p>Licensee shall pay to Licensor a Royalty on a quarterly basis according to the following rate schedule.</p> <p>TBD</p> <p>This will be specified in an eventual license agreement and accounting periods and due dates for Royalties will be specified in the said license agreement.</p>
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<u>Minimum Annual Royalty</u> ✓	<p>Licensee shall pay to Licensor a Minimum Annual Royalty on an annual basis according to the following rate schedule.</p> <p>TBD</p>
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<u>Diligence/ Commercialization Milestones</u> ✓	<p>Licensee will be required to meet at least the minimum of the following:</p> <table data-bbox="479 1459 1412 1585"> <thead> <tr> <th><u>Milestone</u></th> <th><u>Due Date</u></th> </tr> </thead> <tbody> <tr> <td>TBD</td> <td>TBD</td> </tr> <tr> <td>TBD</td> <td>TBD</td> </tr> <tr> <td>Etc.</td> <td></td> </tr> </tbody> </table> <p>Licensee and Licensor will work together to further define commercialization activities and milestones that the Licensee will be required to undertake and meet in order to retain the rights prescribed in the license, and these commitments will be incorporated into the license.</p> <p>If the Licensee is unable to meet the Milestones, the Licensor may terminate the license per the Breach &amp; Termination clause.</p>	<u>Milestone</u>	<u>Due Date</u>	TBD	TBD	TBD	TBD	Etc.	
<u>Milestone</u>	<u>Due Date</u>								
TBD	TBD								
TBD	TBD								
Etc.									

<p><u>Audit Rights</u> *</p>	<p>Licensor shall have the right to inspect the books and records of Licensee in conjunction with the performance of this Agreement. Licensee agrees to provide representatives of Licensor reasonable access to books, records, systems and processes, and shall cooperate in good faith with Licensor’s representatives in support of their inspection and audit activities during Licensee’s normal business hours.</p>
<p><u>Confidentiality</u> ✓</p>	<p>The NDA previously agreed between parties is incorporated by reference to be contemporaneous with the term of this agreement.</p> <p>Licensor may publish new developments in reputable, peer-review academic journals or industry magazines, either independently or jointly with Licensee, at such time as the IP has been adequately protected. Licensor agrees to acknowledge the financial support of Licensee in any such publication.</p>
<p><u>Cooperation</u> ≈</p>	<p>Licensor and Licensee shall at all times cooperate in good faith including promptly executing any and all documents deemed necessary or desired by the other in the preparation and prosecution of applications, in establishing ownership and in the enforcement of any IP rights.</p>
<p><u>Disputes</u> ≈</p>	<p>Disputes between Licensor and Licensee shall be adjudicated according to the laws of the Commonwealth of Virginia, and shall be done through Binding Arbitration per the following considerations. Both the Licensor and Licensee shall follow the rules of JAMS.</p>
<p><u>Indemnification</u> *</p>	<p>Licensee shall indemnify, defend and hold harmless Licensor, NRAO, NSF, their respective members, officers, directors, agents, employees, and persons acting on their behalf, (“Indemnities”) from liability involving the use of the patented inventions, either directly or indirectly, by Licensee. The Licensor cannot indemnify the Licensee nor provide a freedom-to-practice warranty.</p>
<p><u>Infringement</u> ✓</p>	<p>Licensee shall have the right to sue for infringement, and must report infringing activity to the Licensor within 30 days.</p> <p>Licensor shall have the right to sue for infringement, and must report infringing activity to the Licensee within 30 days.</p>
<p><u>Warranties</u> *</p>	<p>Licensor does not provide warranties, but will with reference to the fact that the Licensor own 100% title.</p>

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