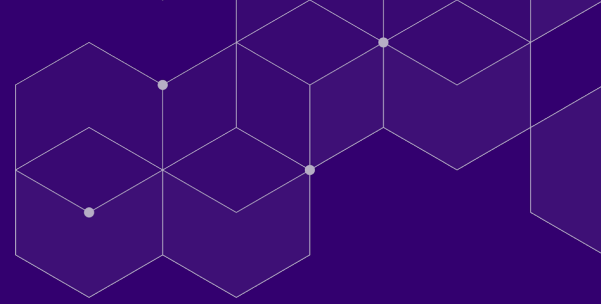




Graduation Policy – Life Sciences Incubator at Fluke Hall



CoMotion Labs provides a multi-industry incubator program for early-stage startups, with a preference given to UW spinoffs. From critical infrastructure to learning, mentoring, and networking, CoMotion Labs nurtures and enables success.

To maintain focus on early-stage startups which need affordable tailored space, knowledge, and skill development to grow, we outline below the conditions under which companies will be required to graduate from CoMotion Labs and move to a new space. The four main factors we review when determining whether a startup is ready for graduation are: funding, company size, participation in CoMotion Labs programs, and “zombie mode” status.

Overview of factors

Funding

Companies will eventually raise money from private capital and/or may realize revenue from operations. Because of CoMotion Labs’ commitment to keeping our costs low and passing that value on to our members, companies that raise substantial funding or realize recurring revenue from operations may be asked to graduate from the CoMotion Labs incubator.

Size of member company in both headcount and occupied square footage

CoMotion Labs recognizes that companies will likely grow during their tenure, which can include hiring employees and acquiring additional square footage/resources in our facilities. Because CoMotion Labs is an early-stage incubator facility with very limited space, the CoMotion Labs incubator manager will evaluate the growth of member companies on an annual basis. Members that are deemed to have outgrown CoMotion Labs will be asked to graduate from our program.

Member support of CoMotion-hosted events, roundtables, workshops, and other resources

The CoMotion Labs incubators provide significant value to its members through the culture created by the interactive and collaborative programs and workshops it offers. In accordance with the signed Participation Agreement, we expect CoMotion members to engage in this environment by speaking on occasion to visiting groups or working with interns/UW departments.

“Zombie mode”

“Zombie mode” describes a startup that has not gained traction, is failing to grow/scale, or is in a general, and perpetual, lull.

COMOTION LABS

Life Sciences Incubator at Fluke Hall

Graduation Conditions and Post-Graduation Membership Benefits

Funding

When a company raises a Series B round or a cumulative total funding of \$20 million+, the CoMotion Labs life sciences incubator manager will send the member a letter stating the company will have twelve months to vacate their space. Extensions to this timeline may be considered depending on space availability within the incubator as well as within the broader regional market, length of the waitlist, and other issues.

Member company headcount and space

When a company hires the 12th full-time onsite member, they need to sign the "three-month notice" contract, which requires the company to provide 90-days' notice of departure. They will also receive notice that CoMotion Labs life sciences incubator may limit the company to a total of 15 desks, depending on availability, OR a total of \$10,000 per month in space resources (i.e., desks/offices/lab space). Total employee headcount does not include interns.

Member support of CoMotion-hosted events, roundtables, workshops, and other resources

While the manner in which a member supports CoMotion Labs' culture may vary, our incubator may not be used simply as desk/lab space for companies or their employees who do not engage with our programs or cooperate with our requests. As such, members who do not participate in the broader CoMotion Labs community may be asked to find alternative space.

"Zombie mode" startups

Member companies that are deemed to be in "zombie mode" will be asked to find alternative space. Because the nature of the companies operating in the three different CoMotion Labs spaces varies, these considerations may be applied differently in each incubator.

Post-graduation virtual membership (\$115/month)

Virtual memberships are available for all graduating companies from the life sciences incubator.

Virtual memberships provide companies with the following benefits:



- Access to programming, mentor database
- Usage of conference rooms at \$15 an hour

Virtual memberships do not provide:



- Cost centers access
- Key card access
- Use of shared equipment



Members are not allowed to hold desks, which is defined as paying to maintain membership or reserving desks for future use. However, member company needs for desks can be discussed with the CoMotion Labs life sciences incubator manager at the beginning of each fiscal year to anticipate and then try to accommodate projected changes in member company needs for the coming year.

Graduation Transition

When a company reaches a graduation trigger, CoMotion Labs will make reasonable effort to ensure the transition is as smooth as possible. Some supports CoMotion Labs may provide can include:

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- Introductions to local real estate professionals
 - Introductions to UW Real Estate
 - Connections to the Resource Guide for Real Estate providers for small startups
 - An offer to the graduating member to purchase a post-graduation membership
 - An offer to the graduating member to purchase a virtual membership



The CoMotion Labs life sciences incubator manager will hold monthly check-ins with company leadership to ensure member is taking steps to find a new space and to learn where they may need help with the transition.

The nine-month move-out date may only be extended during extraordinary circumstances (i.e., the company's new building bid is lost in the last months of their CoMotion Labs membership, a delay in the build-out of a new space in instances beyond the member's control, damage to member's new space that requires repair, etc.).