
**HUSKY FAST START
EXCLUSIVE LICENSE
NON-BINDING TERM SHEET**

Note: capitalized terms are defined in the full license template.

- **Parties**

- University of Washington (“University”) and [**] (“Company”)

- **Grant**

- Exclusive license to Licensed Patents, until end of rights, subject to the federal government and University’s reservation of rights.
- Non-exclusive license to intangible Licensed Know-How until end of Licensed Patent Rights.
- Non-exclusive license to Licensed Copyrights for the longer of 30 years, or until all end of Licensed Patent Rights.
- Rights granted to Company are not extended to affiliates but are extended to Wholly Owned Subsidiaries.
- Rights extended to company include tangible materials only if specifically listed.
- Company shall have the right to Sublicense its rights under this Agreement. Company may not grant Sublicensees the right to enforce Licensed Patents.

Note: Any technical information will be documented and licensed under the copyright or other appropriate license grant.

- **Licensed Rights**

- Licensed Patents:
- Licensed Copyrights:

Note: Specific patents and copyrighted materials will be referenced

- **Territory**

- [**]

Note: Generally “US” or “worldwide” depending on Company needs, and intellectual property rights available to license.

- **Field of Use**

- [**]

- **Performance Milestones**

To be met by Company or its Sublicensees for Licensed Product(s) in the Field and Territory:

- Milestone [*] will be achieved by Company for Licensed Product by [**] years from Effective Date.

Note: A series of milestones are set, typically set every two years until product launch, and include the type of value-add product development achievements investors are interested in seeing.

- **Upfront Consideration**

- Waived

- **Equity**

- 5% with anti-dilution through \$[**] of accredited investment (“Qualified Financing”).

Note: Equity terms are standard across all UW start-up agreements. Dollar value for anti-dilution will be a reasonable Series A investment round as typical for the technology sector.

- **Participation Rights**

If Company proposes to sell any equity securities or securities that are convertible into equity securities of the Company (collectively, “Equity Securities”) in a financing, then the University and/or its Assignee (as defined below) will have the right to purchase up to that portion of the Equity Securities that equals the University’s then current, fully-diluted percentage ownership of the Company on the same terms and conditions as are offered with respect to such Equity Securities sold in such financing, but at a minimum the University and/or its Assignee will have the right to purchase three percent (3%) of the securities issued in such offering. Company shall provide thirty days advance written notice of each such financing, including reasonable details regarding the terms and purchasers in the financing. The term “Assignee” means (a) any entity, which may include Osage University Partners, to which the University’s participation rights under this section have been assigned either by the University or another entity, or (b) any entity that is controlled by the University. This paragraph shall survive the termination of this Agreement.

- **Royalty**

- [*]% of Net Sales

Note: Net Sales means the gross amount received by Company or Sublicensee for dispositions of Licensed Products, less deductions standard in university licenses. Royalty rate is determined using sector and product specific comparables. When a Licensed Product will be a component of a larger product, there needs to be a discussion of what portion of the total product the royalty is payable on to ensure the royalty rate is set correctly.

- **Minimum Annual Fees**

Minimum annual fee payments begin on January 31st following the second anniversary of the Effective Date. They are creditable against running royalty payments for the preceding calendar year:

Note: Minimum Annual royalties are based on royalty rate and market opportunity.

- **Financial Milestones**

Note: Financial milestones are based on sector specific and product appropriate comparables. Financial milestones generally do not occur in the first couple of years from license.

- **Sublicense Consideration Percentage**

Company will pay University 50% of all non-royalty Sublicense Consideration received from Sublicensees except as reduced as the following milestones are achieved prior to Sublicense being executed:

- 40% after Milestone [*], 30% after Milestone [*], 20% after Milestone [*], & 10% after Milestone [*]

Note: Sublicense Consideration means all consideration, including but not limited to upfront fees, milestone payments, maintenance fees, non-cash consideration, and premiums over Fair Market Value of stock, but excluding royalties, payable by each Sublicensee for the grant of a Sublicense. Company may exclude from Sublicense Consideration documented bona fide performance of Licensed Product development work, research work, clinical studies and regulatory approvals performed by Company. Sublicense consideration has set tiers, with sector appropriate and product specific milestones.

- **Acquisition Consideration Fee**

Company will pay University 50% of all Acquisition Consideration received, except as reduced by the following milestones being achieved prior to Acquisition:

- 25% after Milestone [*], 10% after Milestone [*], & 0% after Milestone [*]
- or 0% after completion of Qualified Financing regardless of whether Milestones [*] through [*] have been met.

Amounts actually received by University from liquidation of equity are creditable against Acquisition Fee due.

Note: "Acquisition Consideration" means all consideration (including earn-outs) received by Company and/or Company's shareholders, partners, or equity owners, for the first bona fide Acquisition to occur after the Effective Date. Acquisition consideration has set tiers, with sector appropriate and product specific milestones.

- **Patent Prosecution Costs**

- Company will pay, or reimburse University for paying, all Patent Expenses incurred on or after the Effective Date within 30 days of its receipt of University's invoice for such Patent Expenses. University reserves the right to request advance payments for certain Patent Expenses, at University's discretion.
- Company will, within 30 days from raising Qualified Financing or one year from the Effective Date, whichever comes first (the "Patent Reimbursement Date"), to the extent not previously reimbursed to University by Company or a Third Party, reimburse University for all Patent Expenses incurred prior to the Effective Date. The amount of unreimbursed Patent Expenses invoiced to University prior to the Effective Date is approximately \$__.

- **University's Reservation of Rights (non-negotiable)**

University retains for itself and other not-for-profit academic research institutions, an irrevocable, nonexclusive license to practice Licensed Rights for academic research, instructional, or any other academic or non-commercial purpose. University retains for itself an irrevocable, nonexclusive license to practice Licensed Rights for clinical purposes. Expressly included within University's reservation of rights is to do the following in connection with academic research, instructional, or any other academic or non-commercial purposes: (a) to use the Licensed Rights in sponsored research or collaborative research with any Third Party, but not for any commercial purpose, and only to the extent that no such Third Party is granted any commercialization rights of any kind under the Licensed Rights or to commercialize Licensed Products, (b) to grant material transfer agreements to the extent that the use of such materials is restricted to academic research, teaching and or other scholarly activities, and (c) to publish any information included in the Licensed Rights or any other information that may result from University's research.

- **Standard Language**

Standard University language for use of names, warranty, release, indemnification and insurance as well as other standard terms and conditions apply.

The parties acknowledge that all financial terms contained in this term sheet are subject to change if the negotiation of this term sheet is unreasonably deferred or delayed for any reason, or if there is any change to the scope of each of the licensed rights.
