

## ATTACHMENT TO AWARD STATEMENT

### HOPE FUNDS FOR CANCER RESEARCH PATENT AND INTELLECTUAL PROPERTY AGREEMENT

**Please note: Hope Funds for Cancer Research Foundation will not modify the terms of this policy at the request of individual institutions. This policy has been approved by our Board of Trustees, and we do have the resources to negotiate separately with the many institutions that receive or support.**

The Hope Funds For Cancer Research (“HFCR”) encourages the rapid development and commercialization of innovative new biomedical technologies for the public benefit. In this regard, HFCR recognizes that certain Inventions (defined below) may be discovered or made in the course of research or development supported with funds furnished by HFCR. HFCR desires that such Inventions be effectuated and brought into public use at the earliest possible time, and it recognizes that often this may be best accomplished through patenting and/or licensing of such Inventions.

Each sponsor and individual grant recipient (collectively “Grantee”) and each institution (“Sponsoring Institution”) receiving grant funds from HFCR, agree to the following terms and provisions regarding patent and intellectual property rights and licenses resulting or stemming from research conducted by the Grantee and funded in whole or part by HFCR.

This Hope Funds For Cancer Research Patent and Intellectual Property Agreement (“IP Agreement”) forms part of an accompanying Award Statement and Acceptance of Award by and between HFCR and the Grantee and Sponsoring Institution. Although intend to be consistent with the Award Statement and Acceptance of Award, the terms of this IP Agreement supersede any conflicting terms of the Award Statement and Acceptance of Award, to the extent any conflicting terms exist.

1. The following terms have the following meanings set forth below:
  - a. “Invention” is defined as any discovery, idea, formula, material, composition, machine, product, apparatus, program, software, work of authorship, use, method, process, improvement thereof, or other work product, which is potentially protectable by intellectual property rights and all intellectual property covering and/or embodied therein, including but not limited to associated patents, copyrights, trade secrets and know-how that establishes clear boundaries from prior art and holds promise for a path to exclusivity and or non-exclusive licensing.
  - b. “Funded Invention” shall mean any Invention resulting from the performance of any research or development funded, in whole or in part, by this HFCR grant.
  - c. “Net Royalty Income” shall mean gross income, or any other consideration received, including equity, debt or other security, resulting from the licensing, assignment or other commercialization by Grantee or Sponsoring Institution of a Funded Invention, less (i) out of pocket patent or copyright expenses, and (2) distributions to inventors.

2. Unless otherwise agreed, title to and responsibilities for any Funded Invention shall reside in the Sponsoring Institution, pursuant to the Sponsoring Institution's intellectual property ownership and licensing policies. All patent and other expenses for obtaining and maintaining rights to intellectual property covering and or embodied in any Funded Invention shall be borne by the Sponsoring Institution.

3. Sponsoring Institution agrees to notify HFCR in writing of the filing of all patent applications and issuances to it of any and all patent(s) directed to a Funded Invention. This obligation shall continue throughout the term of this IP Agreement. Sponsoring Institution also agrees to notify HFCR in writing within 30 days of granting any license, lease, sale, or assignment of a Funded Invention, and to provide HFCR with the name of any licensee or assignee, the subject matter of the license or assignment, the term of the license, and whether such license is exclusive or non-exclusive.

4. No pending patent application, issued patent, or other intellectual property covering and/or embodied in the Funded Invention shall be abandoned without first notifying HFCR at least 60 days in advance of such decision. At such time, Sponsoring Institution shall provide HFCR with the reasonable opportunity to (1) take title to the pending patent application or issued patent; and/or (2) prosecute the pending patent application, or pay the maintenance fee due on the issued patent, at HFCR's own expense. This opportunity shall be subject to the Sponsoring Institution's obligations to all other sponsors of research, including the Federal Government.

5. Sponsoring Institution agrees to share with and pay HFCR the Net Royalty Income, as follows:

- a. HFCR's share of the Net Royalty Income shall be ten percent (10%) and shall be paid within thirty (30) days of receipt, provided that such payment obligation shall not commence until the Sponsoring Institution has received an aggregate of \$250,000 of Net Royalty.
- b. HFCR shall have the right to audit the books and records of the Sponsoring Institution annually in order to verify the Net Royalty Income derived annually from the Funded Invention. Sponsoring Institution shall make the books and records available within 30 days of such request from HFCR.

6. Sponsoring Institution agrees to exert its best efforts to commercialize or license or cause to be commercialized the Funded Invention(s), consistent with sound and reasonable business practices and judgment.

7. In the event the Sponsoring Institution licenses, leases, sells, or assigns the Funded Invention to a third party for commercialization, Sponsoring Institution shall include provisions in the license obligating the licensee to commercialize the technology in a diligent manner and include appropriate diligence requirements and milestones. The agreement shall also provide that in the event that the licensee has failed to commercialize the technology in accordance with such diligence provisions, the Sponsoring Institution shall have the right to: 1) require assignment back (if previously assigned) of any Funded Invention to the Sponsoring Institution; 2) terminate any outstanding exclusive licenses; 3) convert an exclusive license to a non-exclusive license so

that it may seek other licensees; 4) grant non-exclusive licenses on terms that are reasonable under the circumstances; or 5) make other reasonable disposition of rights.

8. Sponsoring Institution agrees to complete all required disclosure and Progress Reports supplied by HFCR as set forth in the Award Statement.

9. If a dispute arises regarding the amount of Net Royalty Income payable to HFCR pursuant to paragraph 5 above, the dispute shall be resolved as follows:

- a. One of the parties shall request (“the Resolution Request”) that each of the parties appoint a designated executive management representative to meet for the purpose of attempting to resolve such dispute. The parties’ designated executive management representatives shall meet and negotiate in good faith in an effort to resolve the dispute.
- b. If the parties’ designated executive management representatives are unable to resolve the dispute within 30 days after the Resolution Request is made, the parties’ shall mediate with a mutually acceptable mediator.
- c. If the mediation does not resolve the dispute within 60 days (unless this time is extended by written agreement of the parties) after the Resolution Request is made, the dispute shall be settled by arbitration by the American Arbitration Association (“AAA”) in accordance with its procedures under its Commercial Arbitration Rules. Each party shall bear its own costs, expenses, and attorney’s fees and an equal share of the arbitration fees. The award of the arbitrator(s) shall be binding, and judgment upon the award may be entered in any court having jurisdiction thereof.

10. The Term of the IP Agreement begins on the date of acceptance of the Award as indicated on Acceptance of Award, and continues until the last of the patents directed to a Funded Invention expires, or for so long as the sponsoring Institution receives royalties stemming from the licensing, lease, sale of assignment of any Funded Invention, whichever is later.

11. This policy shall be governed by and construed in accordance with the law of the State of New York.