DREXEL UNIVERSITY

Patent License Agreement

This Patent License Agreement (this "*Agreement*") is between Drexel University, a Pennsylvania nonprofit corporation ("*Drexel*"), and [INSERT: Full Company Name], a [INSERT: State Of Incorporation] corporation ("*Company*"). This Agreement is being signed on _____, 201_ (the "*Execution Date*"). This Agreement will become effective on _____ 1, 201_ (the "*Effective Date*").

BACKGROUND

Drexel owns certain intellectual property developed by Dr. _____ of Drexel's College of _____ relating to [INSERT: General Description of Technology]. Drexel also owns certain letters patent and/or applications for letters patent relating to the intellectual property. Company desires to obtain an exclusive license under the patent rights to exploit the intellectual property. Company also desires to fund further research by Dr. _____ under a separate agreement. Drexel has determined that the exploitation of the intellectual property by Company is in the best interest of Drexel and is consistent with its educational and research missions and goals.

In consideration of the mutual obligations contained in this Agreement, and intending to be legally bound, the parties agree as follows:

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1. LICENSE

1.1 License Grant. Drexel grants to Company an exclusive, world-wide license (the "*License*"), under the Patent Rights, to make, have made, use, import, offer for sale and sell Licensed Products in the Field of Use during the Term (as such terms may be defined in Sections 1.2 and 6.1). The License includes the right to sublicense as permitted by this Agreement. No other rights or licenses are granted by Drexel. Any intellectual property created or conceived during the performance of the Sponsored Research Agreement between Drexel and Company being entered into simultaneously with this Agreement (the "*Sponsored Research Agreement*") will be governed by the terms of the Sponsored Research Agreement.

1.2 Related Definitions. The term "*Licensed Products*" means products that are made, made for, used, imported, offered for sale or sold by Company or its Affiliates or sublicensees and that either (i) in the absence of this Agreement, would infringe at least one claim of the Patent Rights or (ii) use a process or machine covered by a claim of Patent Rights, in either case whether or not the claim is issued or pending. The term "*Patent Rights*" means all patent rights represented by or issuing from: (a) the United States patents and patent applications listed in Exhibit A; (b) any continuation, divisional and re-issue applications of (a); and (c) any foreign counterparts and extensions of (a) or (b). The term "*Affiliate*" means a legal entity that is controlling, controlled by or under common control with Company and that has executed either this Agreement or a written Joinder Agreement agreeing to be bound by all of the terms and conditions of this Agreement. For purposes of this Section 1.2, the word "*control*" means (x) the

direct or indirect ownership of more than fifty percent (50%) of the outstanding voting securities of a legal entity, (y) the right to receive fifty percent (50%) or more of the profits or earnings of a legal entity, or (z) the right to determine the policy decisions of a legal entity. The term "*Field of Use*" means [INSERT: Description of Limitation

1.3 Reservation of Rights by Drexel. Drexel reserves the right to use, and to permit other non-commercial entities to use, the Patent Rights for educational and research purposes.

1.4 U.S. Government Rights. The parties acknowledge that the United States government retains rights in intellectual property funded under any grant or similar contract with a Federal agency. The License is expressly subject to all applicable United States government rights, including, but not limited to, any applicable requirement that products, which result from such intellectual property and are sold in the United States, must be substantially manufactured in the United States.

1.5 Sublicense Conditions. The Company's right to sublicense granted by Drexel under the License is subject to each of the following conditions:

(a) In each sublicense agreement, Company will prohibit the sublicensee from further sublicensing and require the sublicensee to comply with the terms and conditions of this Agreement.

(b) Within thirty (30) days after Company enters into a sublicense agreement, Company will deliver to Drexel a complete and accurate copy of the entire sublicense agreement written in the English language. Drexel's receipt of the sublicense agreement, however, will constitute neither an approval of the sublicense nor a waiver of any right of Drexel or obligation of Company under this Agreement.

(c) In the event that Company causes or experiences a Trigger Event (as defined in Section 6.4), all payments due to Company from its Affiliates or sublicensees under the sublicense agreement will, upon notice from Drexel to such Affiliate or sublicensee, become payable directly to Drexel for the account of Company. Upon receipt of any such funds, Drexel will remit to Company the amount by which such payments exceed the amounts owed by Company to Drexel.

(d) Company's execution of a sublicense agreement will not relieve Company of any of its obligations under this Agreement. Company is primarily liable to Drexel for any act or omission of an Affiliate or sublicensee of Company that would be a breach of this Agreement if performed or omitted by Company, and Company will be deemed to be in breach of this Agreement as a result of such act or omission.

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2. DILIGENCE

2.1 Development Plan. Company will deliver to Drexel, within ninety (90) days after the Effective Date, a copy of an initial development plan for the Patent Rights (the "*Development Plan*"). The purpose of the Development Plan is (a) to demonstrate Company's capability to bring the Patent Rights to commercialization, (b) to project the timeline for completing the necessary tasks, and (c) to measure Company's progress against the projections. Thereafter, Company will deliver to Drexel an annual updated Development Plan no later than December 1 of each year during the Term. The Development Plan will include, at a minimum, the information listed in Exhibit B.

2.2 Company's Efforts. Company will use commercially reasonable efforts to develop, commercialize, market and sell Licensed Products in a manner consistent with the Development Plan.

2.3 Diligence Events. The Company will use commercially reasonable efforts to achieve each of the diligence events by the applicable completion date listed in the table below for the first Licensed Product. [SELECT: All That Apply]

DILIGENCE EVENT	COMPLETION DATE
Delivery to Drexel of a completed business plan in a form acceptable to Drexel	_____, 201_
Raising of at least $__ Million in equity investment capital from reputable, institutional investors	_____, 201_
Hiring of a reputable Chief Executive Officer with industry experience and the following qualifications: _____, _____, and _____	_____, 201_
Development of a working prototype of the Licensed Product	_____, 201_
Filing of FDA 510(k) submission for the Licensed Product	_____, 201_
Filing of pre-market approval application for the Licensed Product	_____, 201_
Filing of IND for the Licensed Product	_____, 201_
Initiation of Phase II clinical trials for the Licensed Product	_____, 201_
Initiation of Phase III clinical trials for the Licensed Product	_____, 201_
Filing of NDA for the Licensed Product	_____, 201_
First Sale of the Licensed Product	_____, 201_

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3 FEES AND ROYALTIES

3.1 License Initiation Fee. In partial consideration of the License, Company will pay to Drexel on the Effective Date a non-refundable, non-creditable license initiation fee of $_____.

3.2 Equity Issuance. In partial consideration for the License, Company will issue to Drexel on the Effective Date such number of shares of Common Stock of the Company as will cause Drexel to own at least ____ percent (__%) of the capital stock of Company on a fully diluted basis on the Effective Date, assuming the exercise, conversion and exchange of all outstanding securities of Company for or into shares of Common Stock. The issuance of equity to Drexel will be pursuant to a Stock Purchase Agreement and a Stockholders Agreement

between Company and Drexel, the forms of which are attached as Exhibits C and D (the "*Equity Documents*").

3.3 Dilution Protection. In partial consideration of the License, through the closing of the equity financing round at which Company has raised cumulatively at least $__ Million in net proceeds to Company of equity financings from reputable, institutional investors, Company will issue to Drexel, from time to time and at no additional consideration, such additional number of shares of Common Stock of Company as will cause Drexel to continue to hold in the aggregate _____ percent (__%) of the capital stock of Company on a fully diluted basis, assuming the exercise, conversion and exchange of all outstanding securities of Company for or into shares of Common Stock.

3.4 License Maintenance Fees. In partial consideration of the License, Company will pay to Drexel, on each anniversary of the Effective Date until the first Sale (as defined in Section 3.7) of the first Licensed Product, the applicable license maintenance fee listed in the table below.

ANNIVERSARY:	First	Second	Third	Fourth and thereafter
LICENSE MAINTENANCE FEE:	$_____	$_____	$_____	$_____

3.5 Milestone Payments. In partial consideration of the License, Company will pay to Drexel the applicable milestone payment listed in the table below after achievement of each milestone event for each Licensed Product. Company will provide Drexel with written notice within thirty (30) days after achieving each milestone. [SELECT: All That Apply]

MILESTONE	**PAYMENT**
Development of a working prototype of a Licensed Product	$_____
Receipt of FDA 510(k) notification for a Licensed Product	$_____
Receipt of premarket approval for a Licensed Product	$_____
Receipt of IND approval for a Licensed Product	$_____
Initiation of Phase II clinical trial for a Licensed Product	$_____
Initiation of Phase III clinical trial for a Licensed Product	$_____
Filing of NDA for a Licensed Product	$_____
Receipt of NDA approval for a Licensed Product	$_____
First Sale of a Licensed Product	$_____

3.6 Earned Royalties. In partial consideration of the License, Company will pay to Drexel a royalty of _____ percent (__%) of Net Sales during the Quarter.

3.7 Related Definitions. The term "*Sale*" means any bona fide transaction for which consideration is received or expected by Company or its Affiliate or sublicensee for the sale, use, lease, transfer or other disposition of a Licensed Product to a third party. A Sale is deemed completed at the time that Company or its Affiliate or sublicensee invoices, ships or receives payment for a Licensed Product, whichever occurs first. The term "*Quarter*" means each three-month period beginning on January 1, April 1, July 1 and October 1. The term "*Net Sales*" means the consideration received or expected from, or the fair market value attributable to, each Sale, less Qualifying Costs that are directly attributable to a Sale, specifically identified on an

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invoice or other documentation and actually borne by Company or its Affiliates or sublicensees. For purposes of determining Net Sales, the words "*fair market value*" mean the cash consideration that Company or its Affiliates or sublicensees would realize from an unrelated buyer in an arms length sale of an identical item sold in the same quantity and at the time and place of the transaction. The term "Q*ualifying Costs*" means: (a) customary discounts in the trade for quantity purchased, for prompt payment or for wholesalers and distributors; (b) credits or refunds for claims or returns that do not exceed the original invoice amount; (c) prepaid outbound transportation expenses and transportation insurance premiums; and (d) sales and use taxes and other fees imposed by a governmental agency.

3.8 Minimum Royalties. In partial consideration of the License, Company will pay to Drexel the amount, if any, that the applicable minimum royalty listed in the table below exceeds Company's actual earned royalties under Section 3.6 for each Quarter after the first Sale of a Licensed Product.

QUARTER:	First ____ Quarters	Next _____ Quarters	Next ____ Quarters	All Quarters thereafter
MINIMUM:	**$_____**	**$_____**	**$_____**	**$_____**

3.9 Sublicense Fees. In partial consideration of the License, Company will pay to Drexel a sublicense fee of _____ percent (__%) of the sum of all payments plus the fair market value of all other consideration of any kind, received by Company from sublicensees during the Quarter.

3.10 Transaction Fee. In partial consideration of the License, Company will pay to Drexel, within thirty (30) days after the Execution Date, a one-time, non-refundable, non-creditable transaction fee of $_____ with respect to Drexel's licensing and legal expenses in connection with this Agreement, the Term Sheet between the parties dated _____, 200_ (the "*Term Sheet*"), the Equity Documents and the Sponsored Research Agreement.

4 REPORTS AND PAYMENTS

4.1 Royalty Reports. Within forty-five (45) days after the end of each Quarter following the first Sale, Company will deliver to Drexel a report, certified by the chief financial officer of Company, detailing the calculation of all royalties, fees and other payments due to Drexel for such Quarter. The report will include, at a minimum, the following information for the Quarter, each listed by product, by country: (a) the number of units of Licensed Products constituting Sales; (b) the gross consideration invoiced, billed or received for Sales; (c) Qualifying Costs, listed by category of cost; (d) Net Sales; (e) the gross amount of any payments and other consideration received by Company from sublicensees and the amounts of any deductions permitted by Section 3.9; (f) the royalties, fees and other payments owed to Drexel, listed by category; and (g) the computations for any applicable currency conversions. Each royalty report will be substantially in the form of the sample report attached as Exhibit E.

4.2 Payments. Company will pay all royalties, fees and other payments due to Drexel under Sections 3.5, 3.6, 3.8, 3.9 and 3.10 within forty-five (45) days after the end of the Quarter in which the royalties, fees or other payments accrued.

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4.3 Records. Company will maintain, and will cause its Affiliates and sublicensees to maintain, complete and accurate books, records and related background information to verify Sales, Net Sales, and all of the royalties, fees, and other payments due or paid under this Agreement, as well as the various computations reported under Section 4.1. The records for each Quarter will be maintained for at least five (5) years after submission of the applicable report required under Section 4.1.

4.4 Audit Rights. Upon reasonable prior written notice to Company, Company and its Affiliates and sublicensees will provide Drexel and its accountants with access to all of the books, records and related background information required by Section 4.3 to conduct a review or audit of Sales, Net Sales, and all of the royalties, fees, and other payments payable under this Agreement. Access will be made available: (a) during normal business hours; (b) in a manner reasonably designed to facilitate Drexel's review or audit without unreasonable disruption to Company's business; and (c) no more than once each calendar year during the Term (as defined below) and for a period of five (5) years thereafter. Company will promptly pay to Drexel the amount of any underpayment determined by the review or audit, plus accrued interest. If the review or audit determines that Company has underpaid any payment by five percent (5%) or more, then Company will also promptly pay the costs and expenses of Drexel and its accountants in connection with the review or audit. In addition, once annual Sales of Licensed Products exceed Five Million Dollars ($5,000,000), Company will conduct, at least once every two (2) years at its own expense, an independent audit of Sales, Net Sales, and all of the royalties, fees, and other payments due or paid under this Agreement. Promptly after completion of the audit, Company will provide to Drexel a copy of the report of the independent auditors.

4.5 Information Rights. Until the closing of the Company's initial public offering, Company will provide to Drexel, at least as frequently as the following reports are distributed to the Board of Directors or management of Company, copies of: (a) all Board and managerial reports that relate to the Patent Rights or the Licensed Products; and (b) all business plans, projections and financial statements for Company that are distributed to the Board of Directors or management of Company. After the closing of the Company's initial public offering, Company will provide to Drexel, promptly after filing, a copy of each annual report, proxy statement, 10-K, 10-Q and other material report filed with the U.S. Securities and Exchange Commission.

4.6 Currency. All dollar amounts referred to in this Agreement are expressed in United States dollars. All payments will be made in United States dollars. If Company receives payment from a third party in a currency other than United States dollars for which a royalty or fee is owed under this Agreement, then (a) the payment will be converted into United States dollars at the conversion rate for the foreign currency as published in the eastern edition of the Wall Street Journal as of the last business day of the Quarter in which the payment was received by Company, and (b) the conversion computation will be documented by Company in the applicable report delivered to Drexel under Section 4.1.

4.7 Place of Payment. All payments by Company are payable to "Drexel University" and will be made to the following addresses:

By Electronic Transfer:	**By Check:**
Please contact	Drexel University
tcanamucio@drexel.edu or	Office of Technology Commercialization
(215) 571-4089 for ABA # and	3180 Chestnut Street, Ste. 104

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Account number Philadelphia, PA 19104
c/o: TCO / R. McGrath

4.8 Interest. All amounts that are not paid by Company when due will accrue interest from the date due until paid at a rate equal to one and one-half percent (1.5%) per month (or the maximum allowed by law, if less).

5 CONFIDENTIALITY AND USE OF DREXEL'S NAME

5.1 Confidentiality Agreement. If Company and Drexel entered into one or more Confidential Disclosure Agreements prior to the Effective Date, then such agreements will continue to govern the protection of confidential information under this Agreement, and each Affiliate and sublicensee of Company will be bound to Company's obligations under such agreements. If, however, no Confidential Disclosure Agreement has been entered into between Company and Drexel prior to the Effective Date, then in connection with the execution of this Agreement, the parties will enter into a Confidential Disclosure Agreement substantially similar to Drexel's standard form. The term "*Confidentiality Agreement*" means all Confidential Disclosure Agreements between the parties that remain in effect after the Effective Date.

5.2 Other Confidential Matters. Drexel is not obligated to accept any confidential information from Company, except for the reports required by Sections 2.1, 4.1, 4.4 and 6.6. Drexel, acting through its Entrepreneurship and Technology Commercialization Office and finance offices, will use reasonable efforts not to disclose to any third party outside of Drexel any confidential information of Company contained in those reports, for so long as such information remains confidential. Drexel bears no institutional responsibility for maintaining the confidentiality of any other information of Company. Company may elect to enter into confidentiality agreements with individual investigators at Drexel that comply with Drexel's internal policies.

5.3 Use of Drexel's Name. Company and its Affiliates, sublicensees, employees, and agents may not use the name, logo, seal, trademark, or service mark (including any adaptation of them) of Drexel or any Drexel school, organization, employee, student or representative, without the prior written consent of Drexel.

6 TERM AND TERMINATION

6.1 Term. This Agreement will commence on Effective Date and terminate upon the later of: (a) the expiration or abandonment of the last patent to expire or become abandoned of the Patent Rights; or (b) ten (10) years after the first Sale of the first Licensed Product if no patent has issued from the Patent Rights (as the case may be, the "*Term*").

6.2 Early Termination by Company. Company may terminate this Agreement at any time effective upon completion of each of the following conditions: (a) providing at least sixty (60) days prior written notice to Drexel of such intention to terminate; (b) ceasing to make, have made, use, import, offer for sale and sell all Licensed Products; (c) terminating all sublicenses and causing all Affiliates and sublicensees to cease making, having made, using, importing, offering for sale and selling all Licensed Products; and (d) paying all amounts owed to Drexel under this Agreement and the Sponsored Research Agreement through the effective date of termination.

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6.3 Early Termination by Drexel. Drexel may terminate this Agreement if: (a) Company is more than thirty (30) days late in paying to Drexel any amounts owed under this Agreement and does not immediately pay Drexel in full, including accrued interest, upon demand; (b) Company or its Affiliate or sublicensee breaches this Agreement and does not cure the breach within forty five (45) days after written notice of the breach; (c) Company or its Affiliate or sublicensee experiences a Trigger Event; or (d) Company challenges, directly or indirectly, whether as a claim, cross-claim, counterclaim or defense, the validity or enforceability of any of the Patent Rights in front of any court, arbitrator or other tribunal or administrative agency in any jurisdiction.

6.4 Trigger Event. The term "*Trigger Event*" means any of the following: (a) a material default by Company under the Sponsored Research Agreement or any of the Equity Documents that is not cured during any specified cure periods; (b) if Company or its Affiliate or sublicensee (i) becomes insolvent, bankrupt or generally fails to pay its debts as such debts become due, (ii) is adjudicated insolvent or bankrupt, (iii) admits in writing its inability to pay its debts, (iv) suffers the appointment of a custodian, receiver or trustee for it or its property and, if appointed without its consent, not discharged within thirty (30) days, (v) makes an assignment for the benefit of creditors, or (vi) suffers proceedings being instituted against it under any law related to bankruptcy, insolvency, liquidation or the reorganization, readjustment or release of debtors and, if contested by it, not dismissed or stayed within ten (10) days; (c) the institution or commencement by Company or its Affiliate or sublicensee of any proceeding under any law related to bankruptcy, insolvency, liquidation or the reorganization, readjustment or release of debtors; (d) the entering of any order for relief relating to any of the proceedings described in Section 6.4(b) or (c) above; (e) the calling by Company or its Affiliate or sublicensee of a meeting of its creditors with a view to arranging a composition or adjustment of its debts; or (f) the act or failure to act by Company or its Affiliate or sublicensee indicating its consent to, approval of or acquiescence in any of the proceedings described in Section 6.4(b) – (e) above.

6.5 Effect of Termination. Upon the termination of this Agreement for any reason: (a) the License terminates; (b) Company and all its Affiliates and sublicensees will cease all making, having made, using, importing, offering for sale and selling all Licensed Products, except to extent permitted by Section 6.6; (c) Company will pay to Drexel all amounts, including accrued interest, owed to Drexel under this Agreement and the Sponsored Research Agreement through the date of termination; (d) Company will, at Drexel's request, return to Drexel all confidential information of Drexel and provide to Drexel one complete copy of all data with respect to Licensed Products generated by Company during the Term that will facilitate the further development of the technology licensed under this Agreement; and (e) in the case of termination under Section 6.3, all duties of Drexel and all rights (but not duties) of Company under this Agreement immediately terminate without further action required by either Drexel or Company.

6.6 Inventory & Sell Off. Upon the termination of this Agreement for any reason, Company will cause physical inventories to be taken immediately of: (a) all completed Licensed Products on hand under the control of Company or its Affiliates or sublicensees; and (b) such Licensed Products as are in the process of manufacture and any component parts on the date of termination of this Agreement. Company will deliver promptly to Drexel a copy of the written inventory, certified by an officer of the Company. Upon termination of this Agreement for any reason, Company will promptly remove, efface or destroy all references to Drexel from any

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advertising, labels, web sites or other materials used in the promotion of the business of Company or its Affiliates or sublicensees, and Company and its Affiliates and sublicensees will not represent in any manner that it has rights in or to the Patent Rights or the Licensed Products. Upon the termination of this Agreement for any reason other than pursuant to Section 6.3(a) or (c), Company may sell off its inventory of Licensed Products existing on the date of termination for a period of six (6) months and pay Drexel royalties on Sales of such inventory within thirty (30) days following the expiration of such six (6) month period.

6.7 Survival. Company's obligation to pay all amounts, including accrued interest, owed to Drexel under this Agreement will survive the termination of this Agreement for any reason. Sections 13.10 and 13.11 and Articles 4, 5, 6, 9, 10, and 11 will survive the termination of this Agreement for any reason in accordance with their respective terms.

7 PATENT MAINTENANCE AND REIMBURSEMENT

7.1 Patent Maintenance. Drexel controls the preparation, prosecution and maintenance of the Patent Rights and the selection of patent counsel, with input from Company. If, however, Company desires to manage the preparation, prosecution and maintenance of the Patent Rights with input from Drexel, then Company and Drexel will enter into with patent counsel a Patent Management Agreement in the form attached as Exhibit F.

7.2 Patent Reimbursement. Within thirty (30) days after the Effective Date, Company will reimburse Drexel for all historically accrued attorneys fees, expenses, official fees and all other charges accumulated prior to the Effective Date incident to the preparation, filing, prosecution and maintenance of the Patent Rights, including any interference negotiations, claims or proceedings. Thereafter, Company will either pay directly under the Patent Management Agreement or reimburse Drexel for all documented attorneys fees, expenses, official fees and all other charges accumulated on or after the Effective Date incident to the preparation, filing, prosecution, and maintenance of the Patent Rights, including any interference negotiations, claims or proceedings, within thirty (30) days after Company's receipt of invoices for such fees, expenses and charges.

8 INFRINGEMENT

8.1 Notice. Company and Drexel will notify each other promptly of any infringement of the Patent Rights that may come to their attention. Company and Drexel will consult each other in a timely manner concerning any appropriate response to the infringement.

8.2 Prosecution. Company may prosecute any infringement of the Patent Rights at Company's expense. Company must not settle or compromise any such litigation in a manner that imposes any obligations or restrictions on Drexel or grants any rights to the Patent Rights without Drexel's prior written permission. Financial recoveries from any such litigation will be: (a) first, applied to reimburse Company for its litigation expenditures; and (b) second, as to any remainder, retained by Company but treated (as appropriate) as either (i) Net Sales for the purpose of determining the royalties due to Drexel under Section 3.6 or (ii) sublicense consideration for the purpose of determining the sublicense fees due to Drexel under Section 3.10.

8.3 Intervention.

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a) Voluntary Intervention. Drexel reserves the right to voluntarily intervene and join Company in any litigation under Section 8.2. If Drexel voluntarily elects to participate in any such litigation, then financial recoveries from any such litigation will be shared between Company and Drexel as follows: (1) on a pro rata basis in proportion with their respective shares of the aggregate Litigation Expenditures by Company and Drexel, until the party that spent a lower amount on its Litigation Expenditures has recovered all of its Litigation Expenditures; then (2) any amounts remaining shall be paid to the other party to this Agreement, until that party has recovered all of its Litigation Expenditures; and then (3) thirty percent (30%) of any amount remaining would be paid to Drexel, and seventy percent (70%) of any amount remaining would be paid to Company, regardless of respective Litigation Expenditures. For the purposes of this Agreement, "Litigation Expenditures" shall be defined as: reasonable attorneys' fees, court costs, local counsel fees, deposition costs, subpoena costs, court reporter costs, expert fees, and other reasonable expenses directly incurred for investigation or litigation of claims.

b) Involuntary Participation. If Drexel is required to participate involuntarily in any litigation referred to under Section 8.2, (such as, for example, but not limited to, being joined or named as a defendant, necessary party, involuntary plaintiff, or indispensable party), then (i) Company will reimburse Drexel's Litigation Expenditures on an ongoing basis, within 30 days of submission of actual invoices; and (ii) financial recoveries from any such litigation will be shared between company and Drexel as follows: (1) Company will be reimbursed for all Litigation Expenditures of Company and Litigation Expenditures reimbursed by Company to Drexel; then (2) twenty percent (20%) of any amount remaining would be paid to Drexel, and eighty percent (80%) of any amount remaining would be paid to Company, regardless of respective Litigation Expenditures.

8.4 Drexel Prosecution. If Company does not prosecute any infringement of the Patent Rights, then Drexel may elect to prosecute such infringement at Drexel's expense. If Drexel elects to prosecute such infringement, then any financial recoveries will retained by Drexel in their entirety.

8.5 Cooperation. In any litigation under this Article 8, either party, at the request and expense of the other party, will cooperate to the fullest extent reasonably possible. This Section 8.5 will not be construed to require either party to undertake any activities, including legal discovery, at the request of any third party, except as may be required by lawful process of a court of competent jurisdiction.

9 DISCLAIMER OF WARRANTIES

9.1 Disclaimer. THE DREXEL PATENT RIGHTS, LICENSED PRODUCTS AND ANY OTHER TECHNOLOGY LICENSED UNDER THIS AGREEMENT ARE PROVIDED ON AN "AS IS" BASIS. DREXEL MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF ACCURACY, COMPLETENESS, PERFORMANCE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COMMERCIAL UTILITY, NON-INFRINGEMENT OR TITLE.

10. LIMITATION OF LIABILITY

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10.1 Limitation of Liability. DREXEL WILL NOT BE LIABLE TO COMPANY, ITS AFFILIATES, SUBLICENSEES, SUCCESSORS OR ASSIGNS, OR ANY THIRD PARTY WITH RESPECT TO ANY CLAIM: ARISING FROM COMPANY'S USE OF THE DREXEL PATENT RIGHTS, LICENSED PRODUCTS OR ANY OTHER TECHNOLOGY LICENSED UNDER THIS AGREEMENT; ARISING FROM THE DEVELOPMENT, TESTING, MANUFACTURE, USE OR SALE OF LICENSED PRODUCTS; OR FOR LOST PROFITS, BUSINESS INTERRUPTION, OR INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY KIND.

11. INDEMNIFICATION

11.1 Indemnification. Company will defend, indemnify, and hold harmless each Indemnified Party from and against any and all Liabilities with respect to an Indemnification Event. The term "*Indemnified Party*" means each of Drexel and its trustees, officers, faculty, agents, contractors, employees and students. The term "*Liabilities*" means all damages, awards, deficiencies, settlement amounts, defaults, assessments, fines, dues, penalties, costs, fees, liabilities, obligations, taxes, liens, losses, lost profits and expenses (including, but not limited to, court costs, interest and reasonable fees of attorneys, accountants and other experts) that are incurred by an Indemnified Party or awarded or otherwise required to be paid to third parties by an Indemnified Party. The term "*Indemnification Event*" means any Claim against one or more Indemnified Parties arising out of or resulting from: (a) the development, testing, use, manufacture, promotion, sale or other disposition of any Drexel Patent Rights or Licensed Products by Company, its Affiliates, sublicensees, assignees or vendors or third parties, including, but not limited to, (x) any product liability or other Claim of any kind related to use by a third party of a Licensed Product, (y) any Claim by a third party that the practice of any of the Patent Rights or the design, composition, manufacture, use, sale or other disposition of any Licensed Product infringes or violates any patent, copyright, trade secret, trademark or other intellectual property right of such third party, and (z) any Claim by a third party relating to clinical trials or studies for Licensed Products; (b) any material breach of this Agreement by Company or its Affiliates or sublicensees; and (c) the enforcement of this Article 11 by any Indemnified Party. The term "*Claim*" means any charges, complaints, actions, suits, proceedings, hearings, investigations, claims or demands.

11.2 Other Provisions. Company will not settle or compromise any Claim giving rise to Liabilities in any manner that imposes any restrictions or obligations on Drexel or grants any rights to the Drexel Patent Rights or the Licensed Products without Drexel's prior written consent. If Company fails or declines to assume the defense of any Claim within thirty (30) days after notice of the Claim, then Drexel may assume the defense of such Claim for the account and at the risk of Company, and any Liabilities related to such Claim will be conclusively deemed a liability of Company. The indemnification rights of the Indemnified Parties under this Article 11 are in addition to all other rights that an Indemnified Party may have at law, in equity or otherwise.

12. INSURANCE

12.1 Coverages. Company will procure and maintain insurance policies for the following coverages with respect to personal injury, bodily injury and property damage arising out of Company's performance under this Agreement: (a) during the Term, comprehensive general liability, including broad form and contractual liability, in a minimum amount of

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$2,000,000 combined single limit per occurrence and in the aggregate; (b) prior to the commencement of clinical trials involving Licensed Products, clinical trials coverage in a minimum amount of $3,000,000 combined single limit per occurrence and in the aggregate; and (c) prior to the Sale of the first Licensed Product, product liability coverage, in a minimum amount of $2,000,000 combined single limit per occurrence and in the aggregate. Drexel may review periodically the adequacy of the minimum amounts of insurance for each coverage required by this Section 12.1, and Drexel reserves the right to require Company to adjust the limits accordingly. The required minimum amounts of insurance do not constitute a limitation on Company's liability or indemnification obligations to Drexel under this Agreement.

12.2 Other Requirements. The policies of insurance required by Section 12.1 will be issued by an insurance carrier with an A.M. Best rating of "A" or better and will name Drexel as an additional insured with respect to Company's performance under this Agreement. Company will provide Drexel with insurance certificates evidencing the required coverage within thirty (30) days after the Effective Date and the commencement of each policy period and any renewal periods. Each certificate will provide that the insurance carrier will notify Drexel in writing at least thirty (30) days prior to the cancellation or material change in coverage.

13. ADDITIONAL PROVISIONS

13.1 Independent Contractors. The parties are independent contractors. Nothing contained in this Agreement is intended to create an agency, partnership or joint venture between the parties. At no time will either party make commitments or incur any charges or expenses for or on behalf of the other party.

13.2 No Discrimination. Neither Drexel nor Company will discriminate against any employee or applicant for employment because of race, color, sex, sexual or affectional preference, age, religion, national or ethnic origin, handicap, or veteran status.

13.3 Compliance with Laws. Company must comply with all prevailing laws, rules and regulations that apply to its activities or obligations under this Agreement. For example, Company will comply with applicable United States export laws and regulations. The transfer of certain technical data and commodities may require a license from the applicable agency of the United States government and/or written assurances by Company that Company will not export data or commodities to certain foreign countries without prior approval of the agency. Drexel does not represent that no license is required, or that, if required, the license will issue.

13.4 Modification, Waiver & Remedies. This Agreement may only be modified by a written amendment that is executed by an authorized representative of each party. Any waiver must be express and in writing. No waiver by either party of a breach by the other party will constitute a waiver of any different or succeeding breach. Unless otherwise specified, all remedies are cumulative.

13.5 Assignment & Hypothecation. Company may not assign this Agreement or any part of it, either directly or by merger or operation of law, without the prior written consent of Drexel. Drexel will not unreasonably withhold or delay its consent, provided that: (a) at least thirty (30) days before the proposed transaction, Company gives Drexel written notice and such background information as may be reasonably necessary to enable Drexel to give an informed consent; (b) the assignee agrees in writing to be legally bound by this Agreement and to deliver

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to Drexel an updated Development Plan within forty-five (45) days after the closing of the proposed transaction; and (c) Company provides Drexel with a copy of assignee's undertaking. Any permitted assignment will not relieve Company of responsibility for performance of any obligation of Company that has accrued at the time of the assignment. Company will not grant a security interest in the License or this Agreement during the Term. Any prohibited assignment or security interest will be null and void.

13.6 Notices. Any notice or other required communication (each, a "*Notice*") must be in writing, addressed to the party's respective Notice Address listed on the signature page, and delivered: (a) personally; (b) by certified mail, postage prepaid, return receipt requested; (c) by recognized overnight courier service, charges prepaid; or (d) by facsimile. A Notice will be deemed received: if delivered personally, on the date of delivery; if mailed, five (5) days after deposit in the United States mail; if sent via courier, one (1) business day after deposit with the courier service; or if sent via facsimile, upon receipt of confirmation of transmission provided that a confirming copy of such Notice is sent by certified mail, postage prepaid, return receipt requested.

13.7 Severability & Reformation. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, then the remaining provisions of this Agreement will remain in full force and effect. Such invalid or unenforceable provision will be automatically revised to be a valid or enforceable provision that comes as close as permitted by law to the parties' original intent.

13.8 Headings & Counterparts. The headings of the articles and sections included in this Agreement are inserted for convenience only and are not intended to affect the meaning or interpretation of this Agreement. This Agreement may be executed in several counterparts, all of which taken together will constitute the same instrument.

13.9 Governing Law. This Agreement will be governed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the conflict of law provisions of any jurisdiction.

13.10 Dispute Resolution. If a dispute arises between the parties concerning any right or duty under this Agreement, then the parties will confer, as soon as practicable, in an attempt to resolve the dispute. If the parties are unable to resolve the dispute amicably, then the parties will submit to the exclusive jurisdiction of, and venue in, the state and Federal courts located in the Eastern District of Pennsylvania with respect to all disputes arising under this Agreement.

13.11 Integration. This Agreement with its Exhibits and the Sponsored Research Agreement, the Equity Documents, and the Confidentiality Agreement, contain the entire agreement between the parties with respect to the Patent Rights and the License and supersede all other oral or written representations, statements, or agreements with respect to such subject matter, including but not limited to the Term Sheet.

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Each party has caused this Agreement to be executed by its duly authorized representative.

DREXEL UNIVERSITY	[INSERT: Full Company Name]
By: _____	By: _____
Name: Robert B. McGrath, Ph.D	Name: _____
Title: Executive Director and Senior Associate Vice Provost	Title: _____
Address: Office of Technology Commercialization Drexel University 3180 Chestnut Street, Suite 104 Philadelphia, PA 19104	Address: [INSERT: Address]

Required copy to: Drexel University
Office of General Counsel
3180 Chestnut Street, Suite 101
Philadelphia, PA 19104
Attention: General Counsel

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EXHIBIT INDEX

Exhibit A	Patents and Patent Applications in Patent Rights
Exhibit B	Minimum Contents of Development Plan
Exhibit C	Form of Stock Purchase Agreement
Exhibit D	Form of Stockholders Agreement
Exhibit E	Format of Royalty Report
Exhibit F	Form of Patent Management Agreement

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