

**LICENSE AGREEMENT
BETWEEN
[COMPANY]
AND
LEHIGH UNIVERSITY
(EFFECTIVE DATE)**

LICENSE AGREEMENT

This License Agreement ("AGREEMENT") is between Lehigh University, a Pennsylvania nonprofit corporation, with offices located at 27 Memorial Drive West, Bethlehem, Pennsylvania 18015 ("LEHIGH") and (insert company name), a corporation organized and existing under the laws of (insert company state of incorporation) ("COMPANY"), having a principal place of business at (insert company address).

This AGREEMENT is effective as of (insert effective date) ("EFFECTIVE DATE").

BACKGROUND

A. LEHIGH owns certain intellectual property including patents and patent applications, copyrights, trademarks, trade secrets, know-how and other proprietary information developed by (insert creator(s) name(s)) of LEHIGH's College of (insert creator's college) relating to (describe the technology field) and,

B. LEHIGH owns applications for United States letters patent listed in Attachment 1 to this AGREEMENT and foreign counterparts relating to the intellectual property developed by (insert creator's name) as described above; and,

C. COMPANY is funding further research by (insert creator's name) relating to (the field) under a sponsored research agreement ("SPONSORED RESEARCH AGREEMENT"; Attachment 2); and,

D. COMPANY desires to obtain the (exclusive or non-exclusive) right and license to use and exploit the intellectual property developed by (insert creator's name) described in Attachment 1 and (optional, if sponsored research is involved) a first option to negotiate to obtain a license to any intellectual property developed under the SPONSORED RESEARCH AGREEMENT, all in accordance with the Development Plan ("DEVELOPMENT PLAN"; Attachment 3); and,

E. LEHIGH has determined that the exploitation of the intellectual property developed by (insert creator's name) is in the best interest of LEHIGH and is consistent with its educational and research missions and goals; and,

NOW, THEREFORE, in consideration of the promises and covenants contained in this AGREEMENT and intending to be legally bound, the parties agree as follows:

1. DEFINITIONS

1.1 CALENDAR QUARTER means each three-month period, or any portion thereof, beginning on January 1, April 1, July 1 and October 1.

1.2 DEVELOPMENT PLAN means a plan for the development and/or marketing of the LEHIGH PATENT RIGHTS and LEHIGH TECHNICAL INFORMATION that demonstrates LICENSEE's capability to bring the LEHIGH PATENT RIGHTS and LEHIGH TECHNICAL INFORMATION to practical application.

1.3 FAIR MARKET VALUE means the cash consideration which COMPANY or its sublicensee would realize from an unaffiliated, unrelated buyer in an arm's length sale of an identical item sold in the same quantity and at the same time and place of the transaction.

1.4 FIELD OF USE means (insert description of field of use).

1.5 COMPANY means COMPANY and its AFFILIATES. AFFILIATE means, any legal entity directly or indirectly controlling, controlled by or under common control with COMPANY. For purposes of this AGREEMENT, "control" means the direct or indirect ownership of more than fifty percent (50%) of the outstanding

voting securities of a legal entity, or the right to receive more than fifty percent (50%) of the profits or earnings of a legal entity, or the right to control the policy decisions of a legal entity.

1.6 NET SALES means the consideration or FAIR MARKET VALUE attributable to the SALE of any LEHIGH LICENSED PRODUCT(S), less qualifying costs directly attributable to such SALE and actually identified on the invoice and borne by COMPANY or its sublicensee.

1.6.1 Such qualifying costs shall be limited to the following:

1.6.1.1 Discounts, in amounts customary in the trade, for quantity purchases, prompt payments and for wholesalers and distributors.

1.6.1.2 Credits or refunds, not exceeding the original invoice amount, for claims or returns.

1.6.1.3 Prepaid outbound transportation expenses and transportation insurance premiums.

1.6.1.4 Sales and use taxes and other fees imposed by a governmental agency.

1.7 LEHIGH LICENSED PRODUCT(S) means products which are made, made for, used or sold by COMPANY and any sublicensees and which: (1) in the absence of this AGREEMENT would infringe at least one claim of LEHIGH PATENT RIGHTS or (2) use a process or machine covered by a claim of LEHIGH PATENT RIGHTS or (3) use, at least in part, LEHIGH TECHNICAL INFORMATION.

1.8 LEHIGH PATENT RIGHTS means all patents issuing from those United States patent applications listed in Attachment 1, and their foreign counterparts and extensions, including continuation, divisional and re-issue applications and continuation-in-part applications.

1.9 LEHIGH TECHNICAL INFORMATION means all the information contained in the patents and the patent applications listed in Attachment 1.

1.10 SALE means any bona fide transaction for which consideration is received or expected for the sale, use, lease, transfer or other disposition of LEHIGH LICENSED PRODUCT(S). A SALE of LEHIGH LICENSED PRODUCT(S) shall be deemed completed at the time COMPANY or its sublicensee invoices, ships, or receives payment for such LEHIGH LICENSED PRODUCT(S), whichever occurs first.

2. LICENSE GRANT

2.1 LEHIGH grants to COMPANY for the term of this AGREEMENT an exclusive, world-wide right and license, with the right to grant sublicenses upon LEHIGH'S prior written approval, to make, have made, use, import, sell and offer for sale LEHIGH LICENSED PRODUCT(S) in the FIELD OF USE. No other rights or licenses are granted.

Intellectual property created under the SPONSORED RESEARCH AGREEMENT is governed by the SPONSORED RESEARCH AGREEMENT. In accordance with the SPONSORED RESEARCH AGREEMENT, COMPANY is granted a first option to negotiate to obtain a license to intellectual property created under the SPONSORED RESEARCH AGREEMENT. If COMPANY exercises its option, COMPANY may request LEHIGH to include any such intellectual property under the terms of this AGREEMENT. The parties recognize, however, that due to the unforeseeability of the nature and value of such future intellectual property, the terms of this AGREEMENT may not be sufficient or appropriate. Accordingly, for intellectual property created under the SPONSORED RESEARCH AGREEMENT, LEHIGH reserves the right to require good faith negotiation of additional or different license terms by COMPANY and LEHIGH pursuant to the option provisions of the SPONSORED RESEARCH AGREEMENT.

2.2 [If exclusive] This license grant is exclusive except that LEHIGH may use and permit other nonprofit organizations to use the LEHIGH PATENT RIGHTS and the LEHIGH TECHNICAL INFORMATION for educational and research purposes.

2.3 COMPANY acknowledges that pursuant to Public Laws 96-517, 97-256 and 98-620, codified at 35 U.S.C. 200-212, the United States government retains certain rights in intellectual property funded in whole or part under any contract, grant or similar agreement with a Federal agency. Pursuant to these laws, the government may impose certain requirements regarding such intellectual property, including but not limited to the requirement that products resulting from such intellectual property sold in the United States must be substantially manufactured in the United States. This license grant is expressly subject to all applicable United States government rights as provided in the above-mentioned laws and any regulations issued under those laws, as those laws or regulations may be amended from time to time.

2.4 The right to sublicense granted to COMPANY under this AGREEMENT is subject to the following conditions:

2.4.1 Prior to COMPANY entering into any sublicense, COMPANY must send to LEHIGH a complete copy of the sublicense written in the English language.

2.4.2 In each such sublicense, COMPANY must prohibit the sublicensee from further sublicensing and require that the sublicensee is subject to the terms and conditions of the license granted to COMPANY under this AGREEMENT

2.4.3 If COMPANY enters bankruptcy proceedings, voluntarily or involuntarily, all payments then or thereafter due to COMPANY from its sublicensees shall upon notice from LEHIGH to any such sublicensee become owed directly to LEHIGH for the account of COMPANY; provided however, that LEHIGH shall remit to COMPANY the amount by which such payments exceed the amounts owed by COMPANY to LEHIGH.

2.4.4 Even if COMPANY enters into sublicenses, COMPANY remains primarily liable to LEHIGH for all of COMPANY'S duties and obligations contained in this AGREEMENT, and any act or omission of a sublicensee which would be a breach of this AGREEMENT if performed by COMPANY shall be deemed to be a breach by COMPANY of this AGREEMENT.

3. FEES AND ROYALTIES

3.1 LICENSE INITIATION FEE AND ROYALTIES

3.1.1 In partial consideration of the exclusive license granted to COMPANY, COMPANY must pay to LEHIGH on the EFFECTIVE DATE of this AGREEMENT, a non-refundable license initiation fee of (insert initiation fee) dollars (\$(insert initiation fee)).

3.1.2 In further consideration of the exclusive license granted to COMPANY, COMPANY must pay to LEHIGH a royalty of (insert royalty rate) percent ((insert royalty rate)%) of the NET SALES of LEHIGH LICENSED PRODUCTS made, made for, used or sold by COMPANY and any sublicensees.

3.1.3 COMPANY must pay to LEHIGH fifty percent (50%) of any sublicense initiation fee or other such consideration paid by each sublicensee of this AGREEMENT. Any non-cash consideration received by the COMPANY from such sublicensees shall be valued at its FAIR MARKET VALUE as of the date of receipt.

3.1.4 NET SALES of any LEHIGH LICENSED PRODUCT shall not be subject to more than one assessment of the scheduled royalty; such assessment shall be the highest applicable royalty.

3.2 DILIGENCE AND MAINTENANCE FEES

3.2.1 COMPANY must use its best efforts to develop for commercial use and to market LEHIGH LICENSED PRODUCTS as soon as practical, consistent with the DEVELOPMENT PLAN.

3.2.2 COMPANY must provide LEHIGH on the EFFECTIVE DATE and on each anniversary thereafter, written progress reports, setting forth in such detail as LEHIGH may reasonably request, the progress of the development, evaluation, testing and commercialization of each LEHIGH LICENSED PRODUCTS. COMPANY shall also notify LEHIGH within thirty (30) days of the first commercial sale of each LEHIGH LICENSED PRODUCT.

3.2.3 Other diligence and return of FIELDS OF USE -- Milestones, milestone payments, and automatic consequences for failure to meet milestones and payments; e.g. automatic return of license grants or FIELDS OF USE

3.2.4 COMPANY must pay to LEHIGH annual license maintenance fees of (insert annual maintenance fee amount) dollars (\$(insert annual maintenance fee amount)) due and payable on each anniversary of the EFFECTIVE DATE until minimum royalties are due. If the COMPANY sponsors research under the SPONSORED RESEARCH AGREEMENT during that year, the full amount of research funding paid may be applied as a credit against license maintenance fees due that year.

3.3 MINIMUM ROYALTIES

3.3.1 COMPANY must pay to LEHIGH a non-refundable minimum royalty for each LEHIGH LICENSED PRODUCT for the following periods in the corresponding amounts:

[NOTE: Add timing of payments]

Period	Due Date	Minimum Royalty
First CALENDAR YEAR following the first commercial sale of a LEHIGH LICENSED PRODUCT.	1 January following the first commercial sale.	\$ (insert year 1 min. royalty)
Second CALENDAR YEAR following the first commercial sale of a LEHIGH LICENSED PRODUCT.	1 January of the second year following the first commercial sale.	\$ (insert year 2 min. royalty)
Third CALENDAR YEAR following the first commercial sale of a LEHIGH LICENSED PRODUCT and each CALENDAR YEAR thereafter.	1 January of the third year and each successive year following the first commercial sale.	\$ (insert year 3 min. royalty)

3.3.2 A minimum royalty payment paid under Section 3.3.1 shall serve as an advance payment against royalties due under Section 3.1 during the period for which such minimum royalty payment was paid.

3.4 REPORTS AND RECORDS

3.4.1 COMPANY must deliver to LEHIGH within forty-five (45) days after the end of each CALENDAR QUARTER a report, certified by the chief financial officer of COMPANY, setting forth the calculation of the royalties due to LEHIGH for such CALENDAR QUARTER, including, without limitation:

- 3.4.1.1 Number of LEHIGH LICENSED PRODUCTS involved in SALES, listed by country.
- 3.4.1.2 Gross consideration for SALES of LEHIGH LICENSED PRODUCTS, including all amounts invoiced, billed, or received.
- 3.4.1.3 Qualifying costs, as defined in Section 1.6, listed by category of cost.
- 3.4.1.4 NET SALES of LEHIGH LICENSED PRODUCTS listed by country.
- 3.4.1.5 Royalties owed to LEHIGH, listed by category, including without limitation earned, sublicensee-derived, and minimum royalty categories.
- 3.4.1.6 Earned royalty amounts credited against minimum royalty payments.

3.4.2 COMPANY must pay the royalties due under Sections 3.1 and 3.3 within forty-five (45) days following the last day of the CALENDAR QUARTER in which the royalties accrue. COMPANY must send with the royalties the report described in Section 3.4.1.

3.4.3 COMPANY must maintain and cause its sublicensees to maintain, complete and accurate books and records which enable the royalties payable under this AGREEMENT to be verified. The records for each CALENDAR QUARTER must be maintained for three years after the submission of each report under Article 3. Upon reasonable prior notice to COMPANY, COMPANY must provide LEHIGH with access to all books and records relating to the SALES of LEHIGH LICENSED PRODUCTS by COMPANY and its sublicensees to conduct a review or audit of those books and records. Access to COMPANY's books and records must be available at least once each CALENDAR YEAR, during normal business hours, and for each of three years after the expiration or termination of this AGREEMENT. If LEHIGH determines that COMPANY has underpaid royalties by five percent (5%) or more, COMPANY must pay the costs and expenses of LEHIGH and its accountants in connection with their review or audit.

3.5 CURRENCY, PLACE OF PAYMENT, INTEREST

3.5.1 All dollar amounts referred to in this AGREEMENT are expressed in United States dollars. All payments to LEHIGH under this AGREEMENT must be made in United States dollars by check payable to "LEHIGH UNIVERSITY." If COMPANY receives revenues from SALES of LEHIGH LICENSED PRODUCTS in currency other than United States dollars, revenues shall 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 applicable CALENDAR QUARTER.

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

4. CONFIDENTIALITY.

4.1 CONFIDENTIAL INFORMATION means and includes all technical information, inventions, developments, discoveries, software, know-how, methods, techniques, formulae, data, processes and other proprietary ideas, whether or not patentable or copyrightable, that LEHIGH identifies as confidential or proprietary at the time it is delivered or communicated to COMPANY.

4.2 COMPANY agrees to maintain in confidence and not to disclose to any third party any CONFIDENTIAL INFORMATION of LEHIGH. COMPANY agrees to ensure that its employees have access to CONFIDENTIAL INFORMATION only on a need-to-know basis and are obligated in writing to abide by COMPANY's obligations under this AGREEMENT. The foregoing obligation shall not apply to:

4.2.1 information that is known to COMPANY or independently developed by COMPANY prior to the time of disclosure, in each case, to the extent evidenced by written records promptly disclosed to LEHIGH upon receipt of the CONFIDENTIAL INFORMATION;

4.2.2 information disclosed to COMPANY by a third party that has a right to make such disclosure;

4.2.3 information that becomes patented, published or otherwise part of the public domain as a result of acts by LEHIGH or a third person obtaining such information as a matter of right; or

4.2.4 information that is required to be disclosed by order of United States governmental authority or a court of competent jurisdiction; provided that COMPANY must use best efforts to obtain confidential treatment of such information by the agency or court.

4.3 LEHIGH shall not be obligated to accept any confidential information from COMPANY except for the reports required in Sections 3.2.2 and 3.4. LEHIGH shall use best efforts not to disclose those reports to any third party (subject to the exceptions of Section 4.2). LEHIGH bears no institutional responsibility for maintaining the confidentiality of any other information of COMPANY.

4.4 The placement of a copyright notice on any CONFIDENTIAL INFORMATION shall not be construed to mean that such information has been published and will not release COMPANY from its obligation of confidence hereunder.

5. TERM AND TERMINATION

5.1 This AGREEMENT, unless sooner terminated as provided in this AGREEMENT, terminates upon the later of: (a) expiration of the last to expire or become abandoned of the LEHIGH PATENT RIGHTS; or (b) twenty (20) years after the EFFECTIVE DATE, whichever is later.

5.2 COMPANY may, upon sixty (60) days written notice to LEHIGH, terminate this AGREEMENT by doing all of the following:

5.2.1 ceasing to make, have made, use, import, sell and offer for sale all LEHIGH LICENSED PRODUCTS; and

5.2.2 terminating all sublicenses, and causing all sublicensees to cease making, having made, using, importing, selling and offering for sale all LEHIGH LICENSED PRODUCTS; and

5.2.3 paying all monies owed to LEHIGH under this AGREEMENT and the SPONSORED RESEARCH AGREEMENT.

5.3 LEHIGH may terminate this AGREEMENT if any of the following occur:

5.3.1 COMPANY is more than sixty (60) days late in paying to LEHIGH royalties, expenses, or any other monies due under this AGREEMENT and COMPANY does not immediately pay LEHIGH in full upon demand; or

5.3.2 COMPANY enters bankruptcy proceedings, voluntarily or involuntarily; or

5.3.3 COMPANY breaches this AGREEMENT and does not cure the breach within sixty (60) days after written notice of the breach.

5.4 If COMPANY enters bankruptcy proceedings, voluntarily or involuntarily, all duties of LEHIGH and all rights (but not duties) of COMPANY under this AGREEMENT immediately terminate without the necessity of any action being taken either by LEHIGH or by COMPANY.

5.5 Upon termination of this AGREEMENT, COMPANY must, at LEHIGH's request, return to LEHIGH all CONFIDENTIAL INFORMATION as well as any data generated by COMPANY during the term of this AGREEMENT which will facilitate the development of the technology licensed under this AGREEMENT.

5.6 COMPANY's obligation to pay all monies owed accruing under this AGREEMENT shall survive termination of this AGREEMENT. In addition, the provisions of Articles 4 – Confidentiality; Article 5 - Term and Termination; Article 8 - Disclaimer of Warranties; Indemnification; Article 9 - Use of LEHIGH's Name; and Article 10 - Additional Provisions shall survive such termination.

6. PATENT MAINTENANCE AND REIMBURSEMENT

LEHIGH controls the prosecution and maintenance of LEHIGH PATENT RIGHTS. COMPANY must reimburse LEHIGH for all documented attorneys fees, expenses, official fees and other charges incident to the preparation, prosecution and maintenance of LEHIGH PATENT RIGHTS within thirty (30) days after COMPANY'S receipt of invoices for such fees, expenses and charges.

7. INFRINGEMENT AND LITIGATION

7.1 LEHIGH and COMPANY are responsible for notifying each other promptly of any infringement of LEHIGH PATENT RIGHTS which may come to their attention, [including notice to the other of any certification filed under the United States "Drug Price Competition and Patent Term Restoration Act of 1984"]. LEHIGH and COMPANY shall consult one another in a timely manner concerning any appropriate response to the infringement.

7.2 COMPANY may prosecute such infringement at its own expense. COMPANY must not settle or compromise any such suit in a manner that imposes any obligations or restrictions on LEHIGH or grants any rights to the LEHIGH TECHNICAL INFORMATION or the LEHIGH PATENT RIGHTS, without LEHIGH'S prior written permission. Financial recoveries from any such litigation will first be applied to reimburse COMPANY for its litigation expenditures with additional recoveries being paid to COMPANY, subject to a royalty due LEHIGH based on the provisions of Article 3.

7.3 COMPANY's rights under Section 7.2 are subject to the continuing right of LEHIGH to intervene at LEHIGH's own expense and join COMPANY in any claim or suit for infringement of the LEHIGH PATENT RIGHTS. Any consideration received by COMPANY in settlement of any claim or suit shall be shared between LEHIGH and COMPANY in proportion with their share of the litigation expenses in such infringement action.

7.4 If COMPANY fails to prosecute any infringement, LEHIGH may prosecute such infringement at its own expense. In such event, financial recoveries will be entirely retained by LEHIGH.

7.5 In any action to enforce any of the LEHIGH PATENT RIGHTS, either party, at the request and expense of the other party shall cooperate to the fullest extent reasonably possible. This provision shall 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.

8. DISCLAIMER OF WARRANTIES; INDEMNIFICATION

8.1 THE LEHIGH PATENT RIGHTS, LEHIGH TECHNICAL INFORMATION, LEHIGH LICENSED PRODUCTS AND ALL OTHER TECHNOLOGY LICENSED UNDER THIS AGREEMENT ARE PROVIDED ON AN "AS IS" BASIS AND LEHIGH MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT THERETO. BY WAY OF EXAMPLE BUT NOT OF LIMITATION, LEHIGH MAKES NO REPRESENTATIONS OR WARRANTIES (i) OF COMMERCIAL UTILITY; (ii) OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE; OR (iii) THAT THE USE OF THE LEHIGH PATENT RIGHTS, LEHIGH TECHNICAL INFORMATION, LEHIGH LICENSED PRODUCTS AND ALL TECHNOLOGY LICENSED UNDER THIS AGREEMENT WILL NOT INFRINGE ANY PATENT, COPYRIGHT OR TRADEMARK OR OTHER PROPRIETARY RIGHTS OF OTHERS. LEHIGH SHALL NOT

BE LIABLE TO COMPANY, COMPANY'S SUCCESSORS OR ASSIGNS OR ANY THIRD PARTY WITH RESPECT TO: ANY CLAIM ARISING FROM COMPANY'S USE OF THE LEHIGH PATENT RIGHTS, LEHIGH TECHNICAL INFORMATION, LEHIGH LICENSED PRODUCTS AND ALL TECHNOLOGY LICENSED UNDER THIS AGREEMENT OR FROM THE MANUFACTURE, USE OR SALE OF LEHIGH LICENSED PRODUCTS; OR ANY CLAIM FOR LOSS OF PROFITS, LOSS OR INTERRUPTION OF BUSINESS, OR FOR INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY KIND.

8.2 COMPANY must defend, indemnify and hold harmless LEHIGH, its trustees, officers, agents and employees (individually, an "Indemnified Party", and collectively, the "Indemnified Parties"), from and against any and all liability, loss, damage, action, claim or expense suffered or incurred by the Indemnified Parties (including attorney's fees) (individually, a "Liability", and collectively, the "Liabilities") that results from or arises out of: (a) the development, use, manufacture, promotion, sale or other disposition of any LEHIGH TECHNICAL INFORMATION, LEHIGH PATENT RIGHTS, or LEHIGH LICENSED PRODUCTS by COMPANY, its assignees, sublicensees, vendors or other third parties; (b) any breach by COMPANY of this AGREEMENT; and (c) the enforcement by an Indemnified Party of this Section. Without limiting the foregoing, COMPANY must defend, indemnify and hold harmless the Indemnified Parties from and against any Liabilities resulting from:

8.2.1 any product liability or other claim of any kind related to the use by a third party of a LEHIGH LICENSED PRODUCT that was manufactured, sold or otherwise disposed by COMPANY, its assignees, sublicensees, vendors or other third parties;

8.2.2 a claim by a third party that the LEHIGH TECHNICAL INFORMATION or LEHIGH PATENT RIGHTS or the design, composition, manufacture, use, sale or other disposition of any LEHIGH LICENSED PRODUCT infringes or violates any patent, copyright, trademark or other intellectual property rights of such third party; and

8.2.3 clinical trials or studies conducted by or on behalf of COMPANY relating to the LEHIGH TECHNICAL INFORMATION, LEHIGH PATENT RIGHTS or LEHIGH LICENSED PRODUCTS, including, without limitation, any claim by or on behalf of a human subject of any such clinical trial or study.

8.3 COMPANY is not permitted to settle or compromise any claim or action giving rise to Liabilities in a manner that imposes any restrictions or obligations on LEHIGH or grants any rights to the LEHIGH TECHNICAL INFORMATION, LEHIGH PATENT RIGHTS or LEHIGH LICENSED PRODUCTS without LEHIGH's prior written consent. If COMPANY fails or declines to assume the defense of any such claim or action within thirty (30) days after notice thereof, LEHIGH may assume the defense of such claim or action for the account and at the risk of COMPANY, and any Liabilities related thereto shall be conclusively deemed a liability of COMPANY. The indemnification rights of LEHIGH or other Indemnified Party contained herein are in addition to all other rights which such Indemnified Party may have at law or in equity or otherwise.

8.4 INSURANCE

8.4.1 COMPANY must procure and maintain a policy or policies of comprehensive general liability insurance, including broad form and contractual liability, in a minimum amount of \$2,000,000 combined single limit per occurrence and in the aggregate as respects personal injury, bodily injury and property damage arising out of COMPANY's performance of this AGREEMENT.

8.4.2 COMPANY must, upon commencement of clinical trials involving LEHIGH LICENSED PRODUCTS, procure and maintain a policy or policies of product liability insurance in a minimum amount of \$3,000,000 combined single limit per occurrence and in the aggregate as respects bodily injury and property damage arising out of COMPANY's performance of this AGREEMENT.

8.4.3 The policy or policies of insurance described in this Section 8.4 must be issued by an insurance carrier with an A.M. Best rating of "A" or better and must name LEHIGH as an additional insured with respect to COMPANY's performance of this AGREEMENT. COMPANY must provide LEHIGH with certificates evidencing the insurance coverage required herein and all subsequent renewals thereof. Such certificates must

provide that COMPANY's insurance carrier(s) notify LEHIGH in writing at least 30 days prior to cancellation or material change in coverage.

8.4.4 LEHIGH may periodically review the adequacy of the minimum limits of liability insurance specified in this Section and LEHIGH reserves the right to require COMPANY to adjust the liability insurance coverages. The specified minimum insurance amounts do not constitute a limitation on COMPANY's obligation to indemnify LEHIGH under this AGREEMENT.

9. USE OF LEHIGH'S NAME

COMPANY and its employees and agents must not use and COMPANY must not permit its sublicensees to use LEHIGH's name or any adaptation thereof, or any LEHIGH seal, logotype, trademark, or service mark, or the name, mark, or logotype of any LEHIGH representative or organization in any way without the prior written consent of LEHIGH.

10. ADDITIONAL PROVISIONS

10.1 Nothing in this AGREEMENT shall be deemed to establish a relationship of principal and agent between LEHIGH and COMPANY, nor any of their agents or employees for any purpose whatsoever, nor shall this AGREEMENT be construed as creating any other form of legal association or arrangement which would impose liability upon one party for the act or failure to act of the other party.

10.2 COMPANY is not permitted to assign this AGREEMENT or any part of it, either directly or by merger or other operation of law, without the prior written consent of LEHIGH. Any prohibited assignment of this AGREEMENT or the rights hereunder shall be null and void. No assignment relieves COMPANY of responsibility for the performance of any accrued obligations which it has prior to such assignment.

10.3 A waiver by either party of a breach of any provision of this AGREEMENT will not constitute a waiver of any subsequent breach of that provision or a waiver of any breach of any other provision of this AGREEMENT.

10.4 Notices, payments, statements, reports and other communications under this AGREEMENT shall be in writing and shall be deemed to have been received as of the date sent if sent by public courier (e.g. Federal Express) or by Express Mail, receipt requested, and addressed as follows:

If to LEHIGH:

Office of Technology Transfer
Lehigh University
5 East Packer Ave.
Bethlehem, PA 18015-3046

with a copy to:

Office of the General Counsel
Lehigh University
27 Memorial Drive West
Bethlehem, PA 18015-3092
Attention: General Counsel

If to COMPANY:

Either party may change its official address upon written notice to the other party.

10.5 This AGREEMENT shall be construed and governed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to conflict of law provisions. In the event that a party to this AGREEMENT perceives the existence of a dispute with the other party concerning any right or duty provided for herein, the parties shall, as soon as practicable, confer in an attempt to resolve the dispute. If the parties are unable to resolve such dispute amicably, then the parties hereby submit to the exclusive jurisdiction of and venue in the courts located in the Eastern District of the Commonwealth of Pennsylvania with respect to any and all disputes concerning the subject of this AGREEMENT.

10.6 LEHIGH and COMPANY shall not discriminate against any employee or applicant for employment because of race, color, sex, age, religion, national or ethnic origin, disability, or because he or she is a disabled veteran or a veteran of the Vietnam Era.

10.7 COMPANY must comply with all prevailing laws, rules and regulations that apply to its activities or obligations under this AGREEMENT. Without limiting the foregoing, it is understood that this AGREEMENT may be subject to United States laws and regulations controlling the export of technical data, computer software, laboratory prototypes and other commodities, articles and information, including the Arms Export Control Act as amended in the Export Administration Act of 1979, and that the parties' obligations are contingent upon compliance with applicable United States export laws and regulations. The transfer of certain technical data and commodities may require a license from the cognizant agency of the United States Government and/or written assurances by COMPANY that COMPANY shall not export data or commodities to certain foreign countries without prior approval of such agency. LEHIGH neither represents that a license is not required nor that, if required, it will issue.

10.8 This AGREEMENT and the SPONSORED RESEARCH AGREEMENT (Attachment 2 hereto) are being entered into simultaneously and each is related to the other in setting forth the entire agreement of the parties. Any modification of this AGREEMENT must be in writing and signed by an authorized representative of each party.

IN WITNESS WHEREOF, the parties, intending to be legally bound, have caused this AGREEMENT to be executed by their duly authorized representatives.

LEHIGH UNIVERSITY

BY: _____

TITLE: _____

DATE: _____

COMPANY

BY: _____

TITLE: _____

DATE: _____

ADDITIONAL LANGUAGE OPTIONS

[LEHIGH and COMPANY have entered into a STOCK AGREEMENT (Attachment 4) providing for the issuance to LEHIGH of shares of COMPANY's Common Stock in partial consideration of the exclusive license granted hereunder];

10.9 JOINT PATENT RIGHTS means those United States patent applications and foreign counterparts including continuation, divisional and re-issue applications thereof and continuation-in-part applications thereof amended to this AGREEMENT under the terms of the SPONSORED RESEARCH AGREEMENT, based upon intellectual property discovered by LEHIGH through Dr. X jointly with one or more inventors of COMPANY, as a result of the SPONSORED RESEARCH AGREEMENT between the parties, together with any and all patents issuing thereupon.

[NET SALES means the consideration or FAIR MARKET VALUE attributed to the SALE of any LEHIGH LICENSED PRODUCT(S), in each case, in finished package form suitable to distribution to physicians, pharmacies, hospitals or other final users, less qualifying costs directly attributable to such SALE borne by COMPANY or its sublicensee.]

[10.9.1 In the event that a LEHIGH LICENSED PRODUCT is sold in the form of a combination product containing one or more active ingredients which are themselves not LEHIGH LICENSED PRODUCTS, the NET SALES shall be calculated by multiplying the sales price of such combination product by the fraction $A/(A+B)$ where A is the invoice price or FAIR MARKET VALUE of the LEHIGH LICENSED PRODUCT and B is the total invoice price or FAIR MARKET VALUE of the other active ingredients. In the case of a combination product which includes one or more LEHIGH LICENSED PRODUCTS, the NET SALES upon which the royalty due LEHIGH is based shall not be less than the normal aggregate NET SALES for such LEHIGH LICENSED PRODUCTS.]

[10.10 LEHIGH may also, upon sixty (60) days written notice to COMPANY, terminate this AGREEMENT if five years have elapsed from the EFFECTIVE DATE of this AGREEMENT and:

10.10.1 COMPANY has not submitted a LEHIGH LICENSED PRODUCT for FDA regulatory approval; or

10.10.2 COMPANY has not made a SALE of a LEHIGH LICENSED PRODUCT or has no sublicensees doing so; or

10.10.3 COMPANY has not met milestones specified in Section 3.2.]

10.11 In the event that the parties elect to file one or more patent applications comprising JOINT PATENT RIGHTS, the parties shall confer on how the preparation and prosecution of such applications shall be accomplished. COMPANY shall reimburse LEHIGH for all attorneys' fees, expenses, official fees and other charges incident to the prosecution and maintenance of JOINT PATENT RIGHTS incurred by LEHIGH.