

This draft is dated September 21, 2020 and is solely for purposes of negotiation. No contract shall exist until a final, written agreement is approved and signed by WARF and an authorized representative of Sponsor.

JOINT COMMERCIALIZATION AGREEMENT

THIS AGREEMENT, dated and effective as of _____, _____ (“Effective Date”), is between the Wisconsin Alumni Research Foundation (“WARF”), a nonstock, nonprofit Wisconsin corporation, and City of Racine (“City”), a Wisconsin Municipal Corporation of the State of Wisconsin.

WHEREAS, City, under a separate agreement with the University of Wisconsin-Madison (“University”), attached hereto as Appendix 5, has committed financial support to the University to conduct research that may provide an opportunity to pursue patents on Inventions resulting from the research that could benefit the City; and

WHEREAS, WARF will work with the City to identify capable businesses to develop and commercialize patents, licenses or other means of commercializing Inventions (as defined below);

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, the parties covenant and agree:

Section 1. DEFINITIONS.

For this Agreement, the Appendix 1 definitions shall apply.

Section 2. INTELLECTUAL PROPERTY.

A. Inventorship/Ownership. Inventorship will be determined in accordance with U.S. patent laws. University Researchers will assign all of their right, title and interest in all Inventions to WARF. Subject to Section 2C below, Racine and WARF will each have the independent right to license to third parties and otherwise exploit their respective interest in any Joint Invention without accounting to or consulting with each other.

B. Disclosure. WARF will promptly disclose to Racine in writing each Invention disclosed to it by University Researchers. Racine agrees to hold all details provided with such disclosure in confidence and to not disclose such details to others in a manner that would affect the patentability of the disclosed Invention. In addition, Racine agrees to promptly disclose to WARF any Joint Inventions disclosed to it by Racine Employees to the extent WARF has not already disclosed such Joint Invention to Racine.

C. City of Racine Licensee Preference. In an effort to use the Inventions to improve the quality of life of Racine citizens, build upon the community's North American Smart Cities designation, and attract new economic development and job creation, WARF, and City, subject to the terms below, will work collaboratively to find a City of Racine Business(es) to license any University Inventions or Joint Inventions. To the extent that either City or WARF identifies a Racine Business interested in licensing a University Invention or a Joint Invention, City and WARF will enter into good faith negotiations with the identified Racine Business regarding a

license agreement for the Invention, subject to (a) WARF and City being reasonably satisfied with the ability of identified Racine Business(es) to develop an early stage technology, and (b) the identified Racine Business providing to City and WARF an acceptable Development Plan which shall, at a minimum, address all issues itemized in Appendix 4. The terms of the license agreement shall contain reasonable commercial terms and shall be substantially the same in format as those generally used in WARF's agreements with companies concerning similar technology. WARF will not unreasonably refuse to enter a license agreement with a Racine Business identified by City, that otherwise meets the criteria and agrees to the terms set forth above. If, within one (1) year after WARF sending City notice of an Invention, City and/or WARF have not entered into a license agreement with any identified Racine Business, WARF may license patents pursued on University Inventions and Joint Inventions to others, including, for clarity, those other than Racine Businesses. However, if during this one (1) year period, WARF identifies a potential licensee other than a Racine Business, WARF may present such potential licensee to City and City can, at its sole option, agree that WARF may pursue a license with the non-Racine Business.

D. Patent Prosecution. WARF will evaluate each University Invention and may, in its sole discretion, take steps to seek patent protection thereof. Any and all resulting patents and patent applications will be owned solely by WARF. Although Racine and WARF each have the responsibility to manage inventions assigned to them in accordance with appropriate government regulations and their own institutional policies, effective patent protection and commercialization of Joint Inventions may require a unified approach. Shortly following the disclosure of a Joint Invention, technical and patent representatives of Racine and WARF will discuss details of handling such Joint Invention.

F. U.S. Government Interests; Reservation of Rights. It is understood that if the United States Government (through any of its agencies or otherwise) has funded research, during the course of or under which any of the Inventions of the Existing Patents or Inventions were or are conceived or made, the United States Government is entitled, as a right, under 35 U.S.C. § 200-212 and applicable regulations of Chapter 37 of the Code of Federal Regulations, to a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced the invention of such Existing Patents or Inventions for governmental purposes. For clarity, WARF reserves the right to grant non-profit research institutions and governmental agencies non-exclusive licenses to practice and use the Inventions and the Existing Patents for non-commercial research purposes and WARF, the University of Wisconsin and the inventors of the Inventions and the Existing Patents may publish any information included. Any license granted to City because of this Agreement shall be subject to such rights.

Section 3. CONSIDERATION

Consideration for the rights granted to City in Section 2 is the Financial Support, which is accepted by WARF in lieu of any separate option fees, which otherwise would have been required by WARF.

Section 4. CERTAIN WARRANTIES OF WARF.

WARF makes no warranty other than WARF warrants that the Principal Investigator ("PI") and Researchers signing Appendices 3A and 3B have agreed to assign to WARF all inventions

that any of them conceive and reduce to practice in the performance of the Research Program. The PI has further agreed to require each additional Researcher who may work on the Research Program to accept the same obligation to assign. (See Appendix 3A.) However, the PI and Researcher(s) are not employees or agents of WARF and WARF cannot guaranty their performance under the Research Program. Further, nothing in this Agreement shall be construed as an obligation by WARF to provide City with any know-how or materials not provided in the patents pursued on the Inventions.

Section 5. TERMINATION.

A. This Agreement shall commence on the Effective Date and terminate on September 30, 2022; however, it may be extended for a single additional one (1) year term in the event the City enters into a successor agreement with the University and provides WARF written notice of such successor agreement prior September 30, 2022.

B. This Agreement shall terminate if the University Agreement, or a successor agreement, is terminated.

C. City may terminate this Agreement at any time upon giving WARF thirty (30) days' written notice but only regarding its obligations to WARF and WARF's obligations to City.

Section 6. ASSIGNMENT.

This Agreement is not assignable by either party, whether under a change-of-control event or otherwise, without the prior written consent of the other party.

Section 7. NOTICES.

Any notice required to be given under this Agreement shall be in writing and shall be deemed to have been given at the earlier of the time when actually received as a consequence of any effective method of delivery, including but not limited to hand delivery, transmission by telecopier, electronic transmission, i.e., email, or delivery by a professional courier service or the time when sent by certified or registered mail addressed to the party for whom intended at the address below or at such changed address as the party shall have specified by written notice, provided that any notice of change of address shall be effective only upon actual receipt.

(a) Wisconsin Alumni Research Foundation
Attn: Contracts Manager
614 Walnut Street
Madison, Wisconsin 53726
Phone: (608) 263-2500
Facsimile: (608) 263-1064
Email: contracts@warf.org

(b) City of Racine _____
Attn: Office of the Mayor
Racine City Hall

730 Washington Avenue, Room 201
Racine, WI 53403
Phone: (262) 636-9111
Facsimile: (262) 636-9570
Email: Mayor@CityofRacine.org

Section 8. MISCELLANEOUS.

This Agreement shall be governed by and construed under the laws of the State of Wisconsin. The parties are independent contractors and not joint venturers or partners. This Agreement constitutes the full understanding and entire agreement between the parties and merges all prior agreements regarding the subject matter hereof and may be amended or extended only by express, written agreement between the parties which specifically states it is an amendment to this Agreement.

Section 9. CONFIDENTIALITY.

Both parties agree to keep any information identified as confidential by the disclosing party, confidential using methods at least as stringent as each party uses to protect its own confidential information. "Confidential Information" shall include the terms of this Agreement, City's development plan and development reports, the Inventions and all information about them, and any other information marked confidential or accompanied by correspondence indicating such information is confidential exchanged between the parties. Except as authorized in advance in writing by WARF, City shall grant access to the Confidential Information only to its own employees involved in research relating to the Inventions and City shall require such employees to be bound by this Agreement. City agrees not to use any Confidential Information to its advantage and WARF's detriment, including but not limited to claiming priority to any application serial numbers of patents pursued on the Inventions in City's patent prosecution. The confidentiality and use obligations set forth above apply to all or any part of the Confidential Information disclosed except if:

- (i) the receiving party can show by written record it possessed the information before its receipt from the disclosing party;
- (ii) the information was already available to the public or became so through no fault of the receiving party;
- (iii) the information is subsequently disclosed to the receiving party by a third party that has the right to disclose it free of any obligations of confidentiality; or
- (iv) five years have elapsed from the expiration of this Agreement.

Notwithstanding the foregoing, City and WARF may reveal confidential information to Racine Businesses and non-Racine Businesses that have entered into a Non-Disclosure Agreement with terms substantially similar to those set forth here.

Section 10. AUTHORITY.

The persons signing on behalf of WARF and City warrant and represent that they have authority to execute this Agreement on behalf of the party for whom they have signed.

IN WITNESS WHEREOF, the parties have duly executed this Agreement on the dates stated below.

WISCONSIN ALUMNI RESEARCH FOUNDATION

By: _____ Date: _____,
Michael Falk, Chief Intellectual Property and Licensing Officer

CITY OF RACINE

By: _____ Date: _____,
Cory Mason, Mayor

APPENDIX 1

1. “Development Plan” shall mean a summary overview of the activities believed necessary to commercialize the Inventions, similar in scope to the outline set forth in Appendix 4.
2. “Financial Support” shall mean the funds provided by City to the University in support of the Research Program in an amount of at least \$250,000 as required in the University Agreement.
3. “Invention” means any invention conceived and reduced to practice in the performance of the Research pursuant to this Agreement.
4. “Joint Invention” means any Invention wherein the inventorship consists of at least one University Researcher together with at least one Racine employee or agent.
5. “Licensed Field” shall be limited to the field of autonomous vehicles.
6. “Principal Investigator” shall mean the individual identified in the University of Wisconsin Principal Investigator Patent Agreement, attached hereto as Appendix 3A.
7. “Racine Business” shall mean a company with a business location in the City of Racine, or a business willing to locate a business location in the City of Racine within one year.
8. “Racine Employee” means one or more Racine employees or agents.
9. “Research Program” shall be limited to the ongoing program of research described in Appendix 2 during the period such program is funded by City pursuant to the University Agreement.
10. “Research Report” shall mean a written account of City’s activities, if any, under the Research Program.
11. “Researchers” shall be limited to those individuals performing research under the Research Program who have signed the University of Wisconsin Researcher Patent Agreement which is attached hereto as Appendix 3B.
12. “University Agreement” shall mean the separate, contemporaneous research agreement between City and the University, a copy of which is attached as Appendix 5.
13. “University Invention” means any Invention wherein the inventorship consists solely of University Researchers.
14. “University Researchers” means the Principal Investigator and other University employees working under his/her supervision performing Research pursuant to this Agreement.

APPENDIX 2

RESEARCH PROGRAM

(To be provided by City prior
to execution of this Agreement)

APPENDIX 3A

UNIVERSITY OF WISCONSIN

PRINCIPAL INVESTIGATOR PATENT AGREEMENT

_____ Principal Investigator

_____ City

I am the above Principal Investigator at the University of Wisconsin on the Research Program as described in Appendix 2 hereto. I understand that the Research Program is now or is soon to be supported, directly or indirectly, by funds supplied by the City.

In consideration for such support, I hereby agree and obligate myself to disclose promptly to the Wisconsin Alumni Research Foundation (WARF) any invention conceived and reduced to practice by me, whether solely or jointly with others, resulting in whole or in part from activity undertaken by me as a part of the Research Program. I so agree and obligate myself on the condition that WARF will consider the patentability and the licenseability of any such invention and advise me of WARF's interest in taking title to the invention and pursuing patent protection for it.

At the sole option of WARF and if WARF so requests, I hereby assign to WARF all my right, title and interest in each such invention in the United States, its territories and possessions and in all foreign countries. The making of this assignment shall be conditioned solely upon WARF's willingness to accord to me the benefit of its then-standard Memorandum Agreement for use with University inventors assigning inventions to WARF, a copy of such Agreement shall be executed both by me and WARF.

I also agree to require any other researchers working on the Research Program to similarly assign their rights in any such inventions to WARF. To fulfill this obligation, I will require that each investigator sign a copy of the University of Wisconsin Investigator Patent Agreement attached hereto as Appendix 3B, and forward the signed copy to WARF. All such inventors assigning to WARF will have the same opportunity for financial reward as any other University inventor who brings an invention to WARF under the terms of the then-standard Memorandum Agreement.

Principal Investigator: _____

Date: _____

APPENDIX 3B

UNIVERSITY OF WISCONSIN INVESTIGATOR PATENT AGREEMENT

_____ Researcher

_____ Principal Investigator(s)

_____ City

I am the University of Wisconsin researcher identified above. I am currently involved in or am about to enter into research forming part of the Research Program described in Appendix 2 conducted by the above Principal Investigator(s) at the University of Wisconsin that is covered by an Agreement between WARF and the above City. As a consequence, the research work I am undertaking, or about to undertake, may be supported, directly or indirectly, by a grant from the City.

In consideration for such support, I hereby agree and obligate myself to disclose promptly to the Wisconsin Alumni Research Foundation (WARF) any invention conceived and reduced to practice by me, whether solely or jointly with others, resulting in whole or in part from activity undertaken by me as part of the Research Program. I so agree and obligate myself on the condition that WARF will consider the patentability and the licenseability of any such invention and advise me of WARF's interest in taking title to the invention and pursuing patent protection for it.

At the sole option of WARF and if WARF so requests, I hereby assign to WARF all right, title, and interest in any such invention in the United States, its territories and possessions and in all foreign countries. The making of this assignment shall be conditioned solely upon WARF's willingness to accord to me the benefit of its then-standard Memorandum Agreement for use with University inventors assigning inventions to WARF, a copy of which Agreement shall be executed both by me and by WARF.

Researcher: _____

Date: _____

APPENDIX 4

DEVELOPMENT PLAN

Estimated	Estimated
<u>Start Date</u>	<u>Duration (Months)</u>

I. Development Plan

A. Studies to be Undertaken

(To be broken into 3-9 month subunits with major milestones dated)

- 1.
- 2.
- 3.
- 4.

To be provided prior to agreement execution

B. Total Estimated Development Time

II. Government Compliance

A. Types of submissions required

B. Government agency e.g. FDA, EPA, etc.

C. Projected date of compliance

III. Market Plan (sufficient to make royalty, preliminary pricing, distribution and volume projections)

IV. Competitive Information (two-three pages)

A. Potential Competitors

B. Potential Competitive Devices/Compositions

C. Known competitor's plans, developments, technical achievements

V. Trends in Industry

APPENDIX 5

UNIVERSITY AGREEMENT

(To be provided by City prior
to execution of this Agreement)