

SBIR/STTR SPONSORED RESEARCH AGREEMENT

THIS **SBIR/STTR** SPONSORED RESEARCH AGREEMENT (the “Agreement”) is entered into this the ___ day of _____ *{Effective Dates must match SBIR/STTR award letter}* 2012 (the “Effective Date”) by and between _____, having an address at _____ (together with its subsidiaries and Affiliates, hereinafter “Company”) and the University of North Carolina at Chapel Hill (“University”) having a business address at The Office of Sponsored Research, University of North Carolina at Chapel Hill, 104 Airport Drive, Suite 2200, Chapel Hill, NC 27599-1350

WHEREAS, Company is a “Small Business Concern” within the meaning of 13 CFR Part 121; and

WHEREAS, consistent with the goals and objectives of the SBIR/STTR proposal and the terms and conditions of the Prime Agreement (the “Research”), Company desires to subcontract a portion of the work to be performed as part of the overall **SBIR/STTR** project to the University, as set forth below; and

WHEREAS, the University has the necessary technical and professional expertise and is willing to support the Research as described in Exhibit A (“Project Proposal”), through _____ (“Principal Investigator”), a faculty member in the University’s Department of _____; and

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, University and Company hereby agree as follows:

1. As the Company has been awarded a funding agreement (<insert award number>) for a research project entitled “ _____ ” (the “Research”) that includes approval for University’s performance of the Research as a sub-awardee. Company desires to collaborate with University to perform the Project Proposal as described in Exhibit A attached hereto and incorporated by reference herein.
 - 1.1 Upon execution of this Agreement Company will provide a copy of its proposal and notice of award, which encompass the prime **SBIR/STTR** program funding agreement to the University.
 - 1.2 To the extent University engages any consultants, subcontractors, independent contractors, or other individuals for the purposes of the Research, University shall seek to have such agreement contain terms similar to or substantially similar to the provision of this Agreement as appropriate for the engagement.
 - 1.3 The Project Proposal shall be performed in accordance with the terms of this Agreement.
2. **Definitions.** Capitalized terms shall have the respective meanings ascribed to such terms herein or as set forth below:
 - 2.1 **Affiliates.** “Affiliate” means, as to a Person, any other Person that, directly or indirectly, controls, is controlled by, or is under common control with, such Person. For the purposes of

this definition, the term “control” means: (a) beneficial ownership of more than fifty percent (50%) of the voting securities of a corporation, business organization or any other entity with voting securities, (b) an interest of more than fifty percent (50%) in the net assets or profits of a partnership, business organization or any other entity without voting securities, (c) having the right to direct, appoint or remove a majority of members of the board of directors (or equivalent), or (d) the possession, direct or indirect, of the power to direct or cause the direction of the management or policies of a Person by voting shares, contract or otherwise. For clarity, the Parties acknowledge and agree that the following are not bound by this Agreement and are not “Affiliates” of University under this Agreement: The University of North Carolina Health Care System; The University of North Carolina System; and universities or schools in the University of North Carolina System other than the University of North Carolina at Chapel Hill.

2.2 Background Intellectual Property. “Background Intellectual Property” means any inventions, designs, information, know-how, specifications, formulae, data, processes, methods, techniques, technology or other intellectual property and a Party’s intellectual property rights therein, existing prior to the Effective Date.

2.3 Intellectual Property Rights. “Intellectual Property Rights” means all rights in any patents, patent applications, copyrights, trademarks, trade secrets, know-how and other proprietary property rights.

2.4 Inventions. “Inventions” means all inventions and discoveries (whether or not protectable as Intellectual Property Rights), excluding Background Intellectual Property, that are conceived and reduced to practice by or on behalf of Company or University and/or their respective employees alone or jointly with others, during the Term and otherwise arising out of the Project Proposal, and any patent rights in the foregoing. Inventorship shall be determined in accordance with United States patent laws.

2.5 Party/Parties. “Party” means Company or University; “Parties” means Company and University.

2.6 “Person” means an individual and all other forms of legally recognized entity, including, without limitation, a partnership, corporation, limited liability company, association, joint stock company, trust, joint venture, unincorporated organization or governmental entity or any department, agency or political subdivision thereof.

3. Material. “Material” means proprietary, tangible materials provided by one Party to another Party for use in performance of the Research or Project Proposal. Title to Material shall remain with the Party providing the Material. The receiving Party shall retain control of the Material and shall not distribute or release Material outside of its organization, or consultants, subcontractors, independent contractors, or other individuals engaged for the purposes of the Research or Project Proposal, without the prior written permission of providing Party. Neither Party shall use the Material of the other Party except in performance of the Research or Project Proposal. Upon the termination of this Agreement, any remaining Material shall be returned to providing Party at the

providing Party's expense or destroyed at the request of providing Party with written certification of such destruction provided.

4. Conduct of the Research. The Project Proposal shall set forth the work to be performed by the University relating to the Research. The University shall perform its work consistent with the Project Proposal and the terms of this Agreement. University shall complete the Project Proposal prior to the expiration date as specified therein.

5. Principal Investigator. In the event that the Principal Investigator leaves University or substantially changes his field of research or is unavailable for any reason to carry out his or her duties as a principal investigator, University may terminate this contract upon providing thirty (30) days' notice to Company or, within ten (10) days of the date University becomes aware of such event, propose by written notice to Company a nominee to serve in his place as Principal Investigator, and upon written approval thereof by Company the nominee shall become and serve as a Principal Investigator for all purposes hereunder, and this Agreement shall continue with full force and effect. However, in the event Company does not so approve the nominee within thirty (30) days after the departure, change of field or unavailability of the Principal Investigator, Company may terminate this Agreement upon written notice to University.

6. Records and Reports.

6.1 Complete and Accurate Records. University maintain records of the status and progress of the Research as required by the applicable Project Proposal with sufficient detail for use in reports to regulatory agencies.

6.2 Final Report. University will provide Company with a reasonably detailed final report on the work performed under the Project Proposal describing work performed by University.

7. Compensation.

In accordance with the financial arrangement and budget attached as Exhibit B ("Project Budget"), Company will reimburse University for all costs and expenses incurred by University in performing the Project Proposal calculated in accordance with the University's usual and customary practices. Reimbursement for overhead and other indirect costs will be as described in the Project Budget. Company understands and agrees that the Project Budget is a good faith estimate only and that as a result University may make deviations from the budget, providing that in the judgment of the University the deviations are consistent with and reasonably necessary to achieving the aims and goals of the Project Proposal. The parties acknowledge and agree that the University, at its sole discretion, may allocate payments provided by Company as it determines necessary to facilitate performance of the Project Proposal. The Parties understand and agree that any purchase order or similar document issued by Company will be for the sole purpose of establishing a mechanism for payment of any sums due and owing hereunder and that the parties shall not be bound by or liable for any statement, writing, representation, promise, inducement, or understanding as may be set forth in such purchase order or similar document.

8. Inventions.

8.1 Disclosure. If University conceives and reduces to practice any Invention, University shall promptly and in any case within thirty (30) days after becoming aware of the Invention, fully disclose in writing to Company such Invention.

8.2 Company Inventions. Any Inventions solely invented by Company shall be the sole and exclusive property of Company (“Company Inventions”). University and Principal Investigator agree to cooperate, at Company’s expense, with Company to execute and deliver any and all documents that Company deems reasonably necessary to perfect and enforce its rights in Company Inventions.

8.3 University Inventions. Any Inventions, whether patentable or not, solely invented by University shall be the sole and exclusive property of University (“University Inventions”).

8.4 Joint Inventions. Inventions that are jointly invented by University and Company personnel (“Joint Inventions”) shall be jointly owned, and each Party shall have an undivided one-half interest in the Joint Inventions. Subject to Section 7.5, University and Company shall each be free to assign its interest in such Joint Inventions or enter into a licensing arrangement under such Joint Inventions with any person or persons without accounting to, or requiring the consent of, the other Party.

8.5 License and Option. University grants to Company an exclusive option to obtain an exclusive (if available) worldwide license, with the right to grant sublicenses in the case of an exclusive license, to any or all of University's interests in the University Inventions and Joint Inventions under this Agreement. The terms of the exclusive license will be negotiated in good faith by the Parties, such option to exist for ninety (90) days following Company’s receipt of disclosure of such Invention. Such license will include commercially reasonable financial consideration, including reimbursement of patent costs.

8.6 For the avoidance of doubt, the parties mutually acknowledge that the United States government, as a matter of statutory right, may hold a nonexclusive license and certain other rights in and to Inventions made as a consequence of funding supplied by the United States government. In the event the United States government has such rights with respect to any Inventions, any conveyance or transfer of rights to Inventions shall be understood by the Parties to be subject to the rights of the United States government, without any effect on the Parties’ remaining obligations as set forth in this Agreement.

9. Confidentiality. It is anticipated that each Party will share information it deems to be confidential or proprietary with the other Party during the Term of this Agreement. Such information may include, but not be limited to, Material and other information a Party considers confidential (the “Confidential Information”.) A Party is a “Disclosing Party” with respect to its own Confidential Information and is a “Receiving Party” with respect to the Confidential Information of the other Party.

All Confidential Information must clearly be marked as “confidential” by the Disclosing Party at the time of exchange between the Parties or promptly identified as confidential in writing when furnished in intangible form or disclosed orally.

The Parties agree to disclose only such Confidential Information that is relevant to the University’s performance of the Project Proposal attached hereto as an Exhibit to this Agreement. Neither Party will directly or indirectly publish, disseminate or otherwise disclose, deliver or make available to any third party any Confidential Information of the other Party, other than in furtherance of the purposes of this Agreement, and only then with the prior written consent of the other Party.

Each Party shall exercise reasonable precautions to physically protect the confidentiality of the other Party’s Confidential Information. Upon the sooner of the expiration or termination of this Agreement, each Party shall, in accordance with the other Party’s instructions, return to the other Party, or destroy at the other Party’s option with written certification of such destruction sent to the other Party’s mailing address for correspondence, all Confidential Information of the other Party in its possession. Notwithstanding the foregoing, University may retain one (1) record or copy of Company Confidential Information associated with deliverables and other work product generated from the Project Proposal or such copies that are required by law or regulation. Notwithstanding any provision of this Agreement to the contrary, if required by law, regulation, or legal process, each Party may disclose Confidential Information to a governmental authority or by order of a court of competent jurisdiction, provided that reasonable advance notice is given to the other Party. The Parties acknowledge and agree that University is subject to and will comply with the North Carolina Public Records Act, and any action taken by University or inaction of University in compliance therewith shall not be a violation of this Agreement.

The confidentiality obligations of the parties under this Agreement shall remain in effect during the term of this Agreement and for a period of three (3) years thereafter. The protections applicable to Confidential information hereunder do not apply to any information which the Receiving Party can demonstrate by competent proof is:

- (i) known by the Receiving Party at the time of disclosure prior to its receipt from or on behalf of the Disclosing Party;
- (ii) was at the time of its disclosure or hereafter becomes generally available to the public or otherwise part of the public domain through no act or omission of the Receiving Party;
- (iii) was rightfully received by the Receiving Party from a third party, as a matter of right and without restriction on further disclosure; or
- (iv) was independently developed by or on behalf of the Receiving Party by the employees or agents of such Party without any knowledge of, or direction or guidance from someone with knowledge of, the Confidential Information of the Disclosing Party.

10. Publication.

10.1 University Publication. University shall have the right to publish and disclose the results of the Project Proposal. University shall provide Company with the right to review proposed publications or disclosures for the sole purpose of Company requesting removal of its Confidential Information. Company shall have no more than thirty (30) days to review. If, during its thirty (30) day review period, Company notifies University that it desires patent applications to be filed on any Inventions disclosed or contained in the proposed publication or disclosure, University will defer publication or other disclosure for a period, not to exceed thirty (30) additional days, sufficient to permit filing of any desired patent applications.

10.2 Acknowledgement and Authorship. University shall acknowledge Company's contributions in any publication or disclosure made by University based on the results of the Project Proposal. Moreover, both Parties shall follow customary principles related to scientific publications in determining and attributing authorship of any proposed publication that is prepared with the other Party's personnel.

10.3 Copyright. University shall retain title in and to all works of copyright identified in a Statement of Work and provided to Company. University grants to Company an irrevocable, royalty-free, nontransferable, non-exclusive right and license to use and reproduce all such material for its internal, non-commercial purposes.

11. Publicity; Advertising. Neither Party will use the other Party's name, trademark, logo or the name of any member of that Party's personnel in any publicity (including press releases) or in any advertising, packaging or other promotional material, without the prior written approval of the other Party, except as may be required by law, regulation or legal process. In no event shall the sponsoring of the Research be considered to be an endorsement by the University of any commercial product which may result, indirectly or directly, from the Research.

12. Disclaimer of Warranties, Indemnification

12.1 No Express Warranty. Other than as set forth herein, University makes no warranties, express or implied, as to any matter whatsoever, including, without limitation, warranties with respect to the conduct, success or particular results of the Project Proposal, or the condition, ownership, merchantability, or fitness for a particular purpose of the results of the Project Proposal or any University intellectual property. University shall not be liable for any indirect, consequential, punitive or non-actual damages arising within the scope of this Agreement or the use of any University intellectual property product.

12.2 Indemnification by University. To the extent permitted by the North Carolina Tort Claims Act (N.C. Gen. Stat. 143-291 *et seq.*) University agrees to indemnify Company, at University's expense, from and against any damages incurred by the Company resulting from a claim against the Company by a third party, awarded by a court of competent jurisdiction, and actually paid by the Company, that arise directly from negligent acts of the University in performance of the Project Proposal (each a "Claim"); provided that the forgoing indemnity will not apply to the extent that any harm is attributable to the negligence or willful misconduct of Company.

12.3 Indemnification by Company. Company agrees to indemnify, and hold harmless University, at Company's expense, from and against any damages incurred by the University resulting from a claim against the University by a third party, awarded by a court of competent jurisdiction, and actually paid by the University, that arise directly from negligent acts of the Company in performance of the Project Proposal (each a "Claim"); provided that the foregoing indemnity will not apply to the extent that any harm is attributable to the negligence or willful misconduct of University..

12.4 Notice of Claims; Cooperation. In the event, a Claim of indemnity may be sought, the Party seeking such indemnity shall provide notice to the indemnifying Party of the Claim within ten (10) days of receipt. Failure to notify indemnitor by that deadline shall not waive the right to indemnification if such failure does not prejudice indemnitor's ability to defend such Claim. Such notice must include a reasonable identification of the alleged facts giving rise to the Claim. The indemnitor shall have the option to assist in the defense of the Claim, at its cost.

13. Term and Termination.

13.1 Term. This Agreement will commence on the Effective Date and continue until the later of (a) the two (2) year anniversary of the Effective Date; or (b) the expiration or termination of the last to expire or terminate of the Project Proposals (the "Term"), unless sooner terminated in accordance with this Agreement.

13.2 Termination without Cause. Either Party shall have the right to terminate this Agreement at any time without cause upon not less than sixty (60) days prior written notice to the other Party.

13.3 Termination for Cause. Either Party may terminate this Agreement at any time for cause upon forty-five (45) days prior written notice to the other Party. "Cause" includes (a) material breach by either Party where such breach, if curable, is not remedied to the nonbreaching Party's reasonable satisfaction within the forty-five (45) day period.

13.4 Effect of Termination. Upon termination, all rights and obligations of the Parties shall cease, except that (a) the liabilities accrued through the date of termination; and (b) Sections 2, 7, 8, 9, 10, 11 and 12 shall survive termination of this Agreement. Upon receipt of notice of termination, the University shall use its prompt and best efforts to limit or terminate any outstanding commitments and to conclude the Research. All costs associated with such termination shall be reimbursable, including, without limitation, all non-reimbursed costs and non-cancellable commitments incurred prior to the receipt of the notice of termination, such reimbursement together with other payments not to exceed the total estimated cost specified in Exhibit B.

14. Insurance.

Company shall obtain and maintain an adequate self-insurance or insurance program to protect against potential liabilities and risk, including coverage for the indemnity obligations herein. Upon reasonable request by University, Company shall provide a certificate of insurance verifying the existence of the self-insurance or insurance program. The University is self-insured and maintains a program of insurance sufficient to support the liability obligations assumed herein. Upon request, University shall provide a certificate of coverage verifying the existence of the self-insurance or insurance program.

15. Miscellaneous.

15.1 Independent Contractor. The relationship between the Parties is that of independent contractors and not of partners, joint venturers, employers, employees or any other kind of relationship. University does not have nor will it represent that it has any power, right or authority whatsoever to bind Company in any transaction with third parties, or to assume or create any obligation or responsibility, express or implied, on behalf of, or in the name of, Company, or the Company's employees or contractors. Company does not have nor will it represent that it has any power, right or authority whatsoever to bind University in any transaction with third parties, or to assume or create any obligation or responsibility, express or implied, on behalf of, or in the name of, University, or the University's employees or contractors.

15.2 Notice. All notices from one Party to the others will be in writing and sent by mail or by facsimile if promptly confirmed by mail, and will be given by addressing the same to the other at the address or facsimile number set forth in this Agreement, or at such other address or facsimile number as either may specify in writing to the other. All notices will become effective upon sending.

If to Company:

Attention:

If to University:

Office of Sponsored Research
University of North Carolina at Chapel
Hill
104 Airport Drive, Suite 2200
Chapel Hill, NC 27599-1350
Fax: 919-962-3352
Email: resadminsr@unc.edu

15.3 Assignment. This Agreement, and the rights and obligations hereunder, may not be assigned or transferred, in whole or in part, by either Party without the prior written consent of the other Party, except that Company may assign this Agreement without the consent of University to an Affiliate or in connection with the merger, consolidation or sale of all or substantially all of its assets, stock or business to which this Agreement relates.

- 15.4 Entire Agreement.** This Agreement, including all exhibits hereto, constitutes the entire agreement of the Parties with regard to its subject matter, and supersedes all previous written or oral representations, agreements and understandings between the Parties.
- 15.5 Force Majeure.** No Party shall be responsible for any failure to perform or delay in performing any of its obligations under this Agreement where and to the extent that such failure or delay results from circumstances beyond its control, including, but not limited to fire, flood, civil commotion, riot, embargoes.. Each Party agrees to notify the other Party promptly of any factor, occurrence or event coming to its attention that may affect its ability to meet its obligations under this Agreement.
- 15.6 Counterparts and Facsimile Signature.** This Agreement and any amendment may be executed in two or more counterparts (including by way of facsimile or electronic transmission), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. When executed by the parties, this Agreement shall constitute an original instrument. For clarity, facsimile signatures and signatures transmitted via PDF shall be treated as original signatures.
- 15.7 No Modification/Amendments.** This Agreement, including the Exhibits, may be modified or amended only by written agreement of the Parties in writing and signed by authorized representatives of the Parties. The Parties acknowledge the Principal Investigator for the University does not have authority to bind the University under this Agreement.
- 15.8 No Waiver.** No waiver by a Party of any right or remedy hereunder shall be valid unless the same shall be in writing and signed by the Party giving such waiver. No waiver by a Party with respect to any default, misrepresentation, or breach of warranty or covenant hereunder shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.
- 15.9 Severability.** Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or provision hereof is invalid or unenforceable, the Parties agree that the court making the determination of invalidity or unenforceability shall have the power to limit the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified.
- 15.10 English Language.** The Parties hereto have required that this Agreement and all documents relating thereto be drawn in the English language, and that the English language version shall control over all translations thereof.

15.11 Applicable Law. This Agreement will in all events and for all purposes be governed by and construed in accordance with the laws of the State of North Carolina without regard to any choice of law principle that would dictate the application of the law of another jurisdiction.

15.12 No Strict Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event of an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any of the Parties by virtue of the authorship of any of the provisions of this Agreement.

15.13 Similar Research. Nothing in this Agreement shall be construed to limit the freedom of the University or its employees from engaging in similar research made under other grants, contracts or agreements with parties other than the Company provided the performance of such research does not compromise University's compliance with the terms and obligations of this Agreement or its performance hereunder.

15.14 Exhibits. Any Exhibit to this Agreement is hereby incorporated into and made a part of this Agreement. In the event of a conflict between the provisions contained in this Agreement and any such Exhibit, the terms of this Agreement will control, except to the extent an Exhibit specifically states that one of its provisions supersedes a similar provision in this Agreement.

15.15 Access to Persons and Records. The North Carolina State Auditor and the University's internal auditor shall have access to persons and records as a result of all contracts or grants entered into by the University in accordance with [N.C. Gen. Stat. §147-64.7](#) (i.e., the State Auditors and the University's internal auditor may audit the records of the contractor during the term of the Agreement to verify accounts and data affecting fees or performance).

Signatures follow on next page

The remainder of this page is left intentionally blank

IN WITNESS WHEREOF, duly authorized representatives of the Parties have executed this Agreement as of the Effective Date.

FOR COMPANY:

**FOR UNIVERSITY OF NORTH
CAROLINA AT CHAPEL HILL:**

By:

By:

Print Name: Title:

Terry Magnuson, Ph.D.
Vice Chancellor for Research

(Duly authorized)

(Duly authorized)

Date: _____

Date: _____

Principal Investigator Acknowledgement

By signing in the space provided below, the Principal Investigator indicates that he or she has read and understands the requirements, obligations, and restrictions of this program of research as set forth in this Agreement; such signature, however, is not intended to, and shall not make, the Principal Investigator a separate Party to this Agreement.

Principal Investigator: _____

Exhibit A

Research / Project Proposal

Performance Period: _____ to _____

Primary Investigator: _____

Description of STATEMENT OF WORK:

Implementation Schedule:

Deliverables:

The corresponding delivery dates,

All relevant performance standards, services levels, specifications, acceptance criteria applicable to any Deliverable

Exhibit B

FINANCIAL ARRANGEMENTS AND PROJECT BUDGET

University of North Carolina at Chapel Hill Federal Tax (EIN) ID Number: 56-600-1393

Company agrees to provide funding to the University for Research provided pursuant to this Agreement as follows:

Company shall reimburse the University not more often than monthly for its allowable costs incurred by University in its performance of the Research up to a maximum of \$ _____ (inclusive of University's direct and indirect costs). All invoices shall be submitted using the University's standard invoice.

* Company will provide appropriate payment contact and address information to University.

** Company shall provide payment to University within 45 days upon receipt of any undisputed invoices.

PAYMENT REQUIREMENTS:

All checks shall specify the University's Primary Investigator and the title of the Research Project as described in Exhibit A.

Company agrees to remit all payments for the Research performed hereunder to the following address:

University of North Carolina at Chapel Hill
Office of Sponsored Research
C/O Bank of America Lock Box Service
P.O. Box 402420
Atlanta, GA 30384-2420

PROJECT BUDGET

<ATTACH BUDGET HERE>

Exhibit C

CERTIFICATIONS

Company hereby certifies to the best of its knowledge and belief, that:

- 1) Company is registered in North Carolina to do business and searchable on the NC Secretary of State website with a non- UNC-CH address. If this changes during the period of performance of this agreement, the company agrees to immediately notify UNC-CH in writing.
- 2) Company contact person, negotiation/ legal contact, responsible party for prime award fiscal, purchasing, and grant processing, and authorized signature authority on all notices related to this project are non-UNC-CH employees or spouse/ partner of UNC employees.

These individuals are listed below:

| <u>COMPANY CONTACTS:</u> | <u>NAME/CONTACT INFORMATION:</u> |
|--|---|
| General Inquiry: | Name: Title: Email: Phone: |
| Negotiation/ Legal: | Name: Title: Email: Phone: |
| Fiscal Agent: | Name: Title: Email: Phone: |
| Purchasing: | Name: Title: Email: Phone: |
| Grant Processing: | Name: Title: Email: Phone: |
| Authorized Signature Authority: | Name: Title: Email: Phone: |

Exhibit D

<ATTACH PRIME AWARD HERE>