

PRECISION ENGINEERING CONSORTIUM

MEMBERSHIP AGREEMENT

NCSU File No. _____

This Agreement is made by and between North Carolina State University at Raleigh, NC (hereinafter called "UNIVERSITY") and _____ (hereinafter called "COMPANY").

WHEREAS, the parties to this Membership Agreement ("Agreement") intend to join together in a cooperative effort to support a **Precision Engineering Consortium** (hereinafter called "CONSORTIUM") at UNIVERSITY to facilitate collaborative research and to foster interactions between industry and university researchers in the field of precision engineering. NOW, therefore, for the mutual benefits and considerations each to the other, the parties hereto agree to the following terms and conditions:

1. CONSORTIUM OPERATION

- A. CONSORTIUM will be a fully integrated UNIVERSITY program administered by UNIVERSITY through the College of Engineering and operated with the support of UNIVERSITY and members of the CONSORTIUM ("MEMBERS").
- B. CONSORTIUM will be operated in accordance with the CONSORTIUM Bylaws, which are incorporated herein by reference and which may be amended in accordance with the provisions set forth in the Bylaws. If any provisions stated in this Agreement are in conflict with the Bylaws, the terms and conditions of this Agreement shall prevail.

2. MEMBERSHIP

- A. Membership in the CONSORTIUM shall be open to all companies on an annual basis. Because research of the type to be done by the CONSORTIUM takes time and research results may not be obvious immediately, COMPANY should join CONSORTIUM with the intention of remaining a dues paying member for at least two (2) years, but there is no obligation to continue membership or make contributions beyond the first year.
- B. COMPANY agrees to pay nonrefundable annual membership dues of

Full Member \$30,000 Associate Member \$10,000

for the period of January 1, 2019 – December 31, 2020, in support of the CONSORTIUM and thereby becomes a MEMBER entitled to the privileges detailed in this Membership Agreement and the CONSORTIUM'S Bylaws. University shall submit an initial invoice to the COMPANY for the payment of the first year dues (prorated if applicable) within thirty (30) days after this Agreement is fully executed. For subsequent years, University shall invoice the COMPANY on or before December 31 of the current year of membership. Invoices will be due and payable in lump sum thirty (30) days after the COMPANY's receipt thereof and prior to Consortium annual meeting. Payment should be sent to Office of Contracts and Grants, 2701 Sullivan Drive, Administrative Services III, Suite 240, Box. 7514, Raleigh, NC 27695-7514, with reference to name of the Consortium clearly indicated.

If payment is not received within thirty (30) days from receipt of invoice, UNIVERSITY may terminate the COMPANY's membership by providing written notice of termination. If UNIVERSITY does not receive payment in full within thirty (30) days of sending notice of termination, COMPANY's membership will automatically terminate and COMPANY will have no further rights under this Membership Agreement.

- C. The COMPANY may terminate this Agreement by giving UNIVERSITY 90 day written notice prior to the contract renewal date. Membership in the CONSORTIUM shall become effective upon full execution of this Agreement and first payment of dues by the COMPANY.

3. PATENTS AND COPYRIGHTS

- A. CONSORTIUM RESEARCH is defined as research supported solely by membership dues and does not include research 1) carried out under separate contract; 2) supported by public funds; or 3) carried out independently by a MEMBER outside of the CONSORTIUM activities.
- B. Title to any invention or discovery made or conceived in the performance of CONSORTIUM RESEARCH ("UNIVERSITY INVENTION") shall remain with the University, provided, however, that the UNIVERSITY shall grant to each MEMBER whose membership dues are not over-due on the date such Invention is made a non- exclusive, royalty-free license for internal use (but not to make, use, or sell products or processes for commercial purposes) of such invention or discovery. This license may be extended to MEMBER'S Affiliates (defined in Article 3.H) without additional charge, and there shall be no right to grant sublicenses under this license.

- C. UNIVERSITY INVENTIONS shall be promptly disclosed to MEMBERS by UNIVERSITY in writing on a confidential basis. UNIVERSITY shall file for and prosecute patent applications on behalf of CONSORTIUM if patent protection is desired. UNIVERSITY shall consult with MEMBERS regarding the manner and extent of filing and prosecuting the patent and its subsequent maintenance. Each MEMBER shall have ninety (90) days from receipt of the UNIVERSITY'S invention disclosure to notify UNIVERSITY of that MEMBER'S interest in acquiring license rights beyond those provided under Article 3. B. and willingness to support the cost of patent filings. MEMBERS agreeing to share in the costs of patenting such inventions shall have certain rights and options as delineated in Articles 3. D. and E. of this agreement. If no MEMBERS provide notice to the University to acquire license rights and support patent filings within the ninety (90) day period after a UNIVERSITY INVENTION has been disclosed to MEMBERS, then the University shall be free to make such invention available to any company for an exclusive or nonexclusive, royalty-bearing license to make, use and sell products for commercial purposes.
- D. MEMBERS participating in the costs of filing, prosecuting and maintaining a patent application in respect of UNIVERSITY INVENTIONS ("PARTICIPATING MEMBERS") shall have an option for a period of twelve (12) months after filing of the patent application ("OPTION PERIOD") to acquire a royalty- bearing license to make, have made, use and sell products or processes for commercial purposes including the right to sublicense, said license to be exclusive among those PARTICIPATING MEMBERS electing to license the technology (hereinafter a "LIMITED EXCLUSIVE LICENSE"). PARTICIPATING MEMBERS may request that the LIMITED EXCLUSIVE LICENSE be offered to PARTICIPATING MEMBERS as field-exclusive licenses in fields of strategic interest to said PARTICIPATING MEMBERS. Any such request must be made unanimously in writing by the Participating Members within six months after the filing of a patent application. Any PARTICIPATING MEMBERS that do not execute the LIMITED EXCLUSIVE LICENSE during the OPTION PERIOD shall have no further rights to the UNIVERSITY INVENTION. If one or more LIMITED EXCLUSIVE LICENSE is executed, then UNIVERSITY shall offer no additional licenses as long as such LICENSE is in effect. The cost of filing, prosecution and maintenance of patent applications shall be paid equally by the LIMITED EXCLUSIVE LICENSEES. If no LIMITED EXCLUSIVE LICENSE is granted during the OPTION PERIOD then the University shall be free to make such invention available to any company for an exclusive or nonexclusive, royalty-bearing license to make, use and sell products for commercial purposes.
- E. In the event that all LIMITED EXCLUSIVE LICENSES described in section D terminate for a particular UNIVERSITY INVENTION, the University shall be free to make such invention available to any company for an exclusive or nonexclusive, royalty-bearing, license to make, use and sell products for commercial purposes.

- F. For the purposes of this Agreement, MEMBER'S "Affiliate" shall mean (1) any corporation or other legal entity owning, directly or indirectly, fifty percent (50%) or more of the voting capital shares of that MEMBER; (2) any corporation or other legal entity fifty percent (50%) or more of the voting capital shares (or equivalent control) of which is owned, directly or indirectly, by that MEMBER; or (3) any corporation or other legal entity fifty percent (50%) or more of the voting capital shares (or equivalent control) of which is owned, directly or indirectly, by a corporation or other legal entity owning, directly or indirectly, fifty percent (50%) or more of the voting capital shares of that MEMBER.

4. PUBLICATIONS

- A. A "publication" shall be deemed to mean any written, oral or other public disclosure of research results, including the public use or sale of an invention based on the research results, if that event could bar the availability of protection in foreign jurisdictions or trigger the one-year grace period in the U.S. within which a U.S. patent application must be filed, and "publish" shall have a corresponding meaning.
- B. UNIVERSITY shall provide each member a confidential copy of any presentation or manuscript containing results of CONSORTIUM RESEARCH that it intends to disclose or publish (whether by teaching or otherwise) at least four (4) weeks prior to the time of presentation or submission to any journal or other publication, including conference abstract collections. If within such period MEMBER requests redaction of any references to or data regarding MEMBER'S INVENTIONS or other MEMBER confidential information within such presentation or manuscript, UNIVERSITY shall redact such references, data and confidential information prior to presentation or submission. Subject to the foregoing and Article 3: UNIVERSITY shall be free to use the results of CONSORTIUM RESEARCH for its own teaching and educational purposes without payment of royalties or other fees provided that it does nothing which could bar the availability of patent protection in respect of a MEMBER'S INVENTION or joint invention. UNIVERSITY is free to publish at its own discretion the results of CONSORTIUM RESEARCH except those that would constitute an enabling disclosure of a MEMBER'S INVENTION on which a patent application has not been filed. In such cases, the UNIVERSITY may not publish without the prior written consent of the MEMBER concerned after having reviewed the full text proposed to be published. UNIVERSITY shall provide each MEMBER a confidential copy of any manuscript generated as a result of CONSORTIUM RESEARCH at the time of submission to any journal or other publication, including conference abstract collections.
- C. Under no circumstances will publication of a student's thesis, for which funds are derived from the CONSORTIUM, be delayed for longer than ninety (90) days after conferral of his or her degree; however, to the extent such thesis contains references to or data regarding MEMBER'S INVENTIONS or other MEMBER confidential information, UNIVERSITY shall provide MEMBER with a confidential copy of

such thesis and MEMBER may request to (and UNIVERSITY shall) redact such references, data and confidential information prior to publication.

5. CONFIDENTIALITY

In the normal and routine operation of the CONSORTIUM as detailed in this Agreement and the Consortium By-Laws, there may be the need for one party to disclose information that is proprietary and confidential to the disclosing party. All such information must be disclosed by the disclosing party in writing and designated as confidential or, if disclosed orally, must be identified as confidential at the time of disclosure and confirmed in writing as being confidential within thirty (30) days of such disclosure. Except as otherwise provided herein, for a period of five (5) years following the date of such disclosure, the receiving party agrees to use the confidential information only for purposes of this Agreement and further agrees that it will not publish or otherwise disclose such information. The restrictions of this §5(A) shall not apply to information:

- (i) which is or becomes publicly known through no fault of the receiving party;
- (ii) learned from a third party entitled to disclose it;
- (iii) already known to or developed by receiving party before receipt from disclosing party, as shown by receiving party's prior written records;
- (iv) for which receiving party obtains the disclosing party's prior written permission to publish;
- (v) required to be disclosed by court order or operation of law, including, but not limited to, the North Carolina Public Records Act; or
- (vi) that is independently developed by the receiving party's personnel who are not privy to the disclosing party's confidential information.

The receiving party must use a reasonable degree of care to prevent the inadvertent, accidental, unauthorized or mistaken disclosure or use by its employees of confidential information disclosed hereunder.

6. OTHER CONSORTIUM-RELATED PROJECTS

Nothing in this Agreement shall be deemed to prevent CONSORTIUM and any MEMBER or any group of MEMBERS from entering into a separate sponsored research agreement, as outlined in the By-Laws. In the event of any inconsistency between the terms of the separate agreement, the CONSORTIUM Bylaws and the Member Agreement, the terms of such separate agreement shall take precedence insofar as such separate agreement does not adversely affect the rights to intellectual property or confidentiality granted to the MEMBER companies under the terms of Sections 2, 3, 4 and 5 of this Agreement.

7. VARIATION

No addition to or variation of this Agreement shall be of any force or effect unless it is expressly recorded in writing signed by non-electronic hand-written signatures of both parties hereto.

8. GOVERNING LAW

This Agreement shall in all respects be exclusively governed by and interpreted according to the substantive laws of the State of North Carolina.

9. EXPORT CONTROL

The COMPANY does not anticipate exchanging any information, data or software that is Export Controlled under the Export Administration Regulations (EAR), Title 15, sections 730-774 of the Code of Federal Regulations (CFR) or the International Traffic in Arms Regulations (ITAR), 22 CFR §§ 120-130. COMPANY agrees that in addition to the requirements of paragraph (b), COMPANY will give UNIVERSITY 15 days advance written notice of their intention to deliver any information, data, software, technology, or material that is Export Controlled. COMPANY and UNIVERSITY each agree to take such measures as may be necessary to ensure that any Export Controlled information, data, software or materials provided to UNIVERSITY shall not be exported from the United States or re-exported to any other country without first complying with applicable Export Control laws and regulations.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first hereinabove written.

NORTH CAROLINA STATE UNIVERSITY

COMPANY

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Contact Information for NCSU:

Contact Information for the COMPANY:

Larisa Slark
Sr. Admin. Coordinator, Centers and Institutes
Telephone: 919-515-9333
e-mail: larisa_slark@ncsu.edu