

INTELLECTUAL PROPERTY AGREEMENT

THIS INTELLECTUAL PROPERTY AGREEMENT (this “Agreement”) is made and entered into as of the date that the last party executes the Agreement (the “Effective Date”), by and between the **Board of Education of Oregon Community Unit School District #220** (the “District”), and **Adam P. Larsen**, individually (“Larsen”).

Recitals

WHEREAS, Larsen is a valued long-time employee of the District and has exceptional computer programming skills, far in excess of those necessary to competently perform his employment duties for the District; and

WHEREAS, as an inducement to retain Larsen in his position with the District, the District has agreed to transfer to Larsen any ownership rights that it may have in any software prepared by Larsen, without regard to whether some portion or all of the software was created while Larsen was working in his capacity as an employee of the District, while ensuring the District retains beneficial rights of use to said software, as well as a royalty on any fees received by Larsen (or any affiliated entity of Larsen) on said software, all pursuant to the terms of this Agreement.

Agreement

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged and agreed, the parties hereby ratify and incorporate the above Recitals and further agree as follows:

1. **Release of Rights by District.**

(a) Subject to the balance of the terms of this Agreement, the District hereby waives, assigns and releases unto Larsen any rights the District may have due to the employer-employee relationship or otherwise, and irrevocably assigns to Larsen, any rights of the District to or in connection with any Larsen Invention (as defined below). Further, the District agrees to assign in the future and does hereby assign to Larsen any rights it may come into ownership of, pursuant to law or otherwise, in any Larsen Invention.

(b) As used in this Agreement, “Larsen Invention” means any software, trade secrets, copyrights, patents and other intellectual property rights created, written, compiled or otherwise created by or under the direction of Larsen (provided that Larsen must obtain the prior written approval of the District’s Superintendent before working with another employee of the District on a Larsen Invention) at any time during his tenure as employee of the District, including the time prior to the execution of this Agreement; provided, however, under no circumstances shall the term “Larsen Invention” include any personal information of any individual, including but not limited to, any student, employee or Board member of the District, nor any trademark or service mark specific to the District.

(c) In acknowledgement that each Larsen Invention was created either exclusively by or under the close direction of Larsen personally, the foregoing waiver and release by the District is intended to and shall be construed as a complete release not only of the District’s rights, but also to release the District from any liability relating to or potentially arising out of the creation, assignment or use of any Larsen Invention.

2. **Grant of License back to the District.**

(a) Larsen hereby grants to the District a non-exclusive, perpetual and irrevocable, non-transferable, fully-paid and royalty-free, and worldwide license to utilize any Larsen Invention for the internal business purposes of the District consistent with the respective intended use of a given Larsen Invention (the “District License”). For avoidance of doubt, such District License shall include the right to share any Larsen Invention with the District’s employees, students, volunteers, agents, parents, and community members, and Board members, for use in conjunction with the District’s educational purposes, but not to license or permit use thereof by any third party.

(b) EXCEPT AS EXPRESSLY SET FORTH HEREIN TO THE CONTRARY, THE DISTRICT LICENSE IS MADE ON A STRICTLY “AS IS/WHERE AS” BASIS, WITHOUT ANY WARRANTY OR REPRESENTATION OF ANY KIND, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

3. **District Royalty.** Larsen, personally and on behalf of any related “person” (as defined in §267(b) of the Internal Revenue Code) (each, a “Licensor Party”), hereby agrees to pay the District 20% of the gross revenue actually received by a Licensor Party from the sale, license or other assignment of any Larsen Invention (the “District Royalty”), with said payment to be remitted within one month after Licensor Party’s receipt thereof, or if later, within one month of the close of any window during which a customer may “return” the Larsen Invention for a full or partial refund but in no case later than 120 days after Licensor Party’s receipt of funds. Larsen will, at the request of the District, permit access to Licensor Party’s books and records to the limited extent necessary to audit the 24-month period preceding said audit. The District Royalty shall survive the termination of this Agreement for a period of five (5) years, at which point, the District Royalty shall expire without further action by either party.

4. **Ownership of the Intellectual Property.** The District acknowledges that, as between the District and Larsen, Larsen is the sole and exclusive owner of any Larsen Invention with full rights to further develop, creative derivative works, assign, license, etc., and the District will do nothing inconsistent with such ownership. The District further agrees that it will not claim ownership rights to any Larsen Invention, or any derivative thereof.

5. **Limited Representation of the District.** The District hereby represents and warrants to Larsen that the School Board of the District has the authority to approve and direct the execution of this Agreement on behalf of this District as a binding and enforceable agreement in accordance with the express terms hereof and this Agreement has, in fact, been duly authorized to be entered into on behalf of this District. Except for the narrow statement in the immediately preceding sentence, the District makes no representations or warranties to Larsen, and shall have no liability in connection herewith.

6. **Indemnification and Insurance.**

(a) Except for a claim arising under an alleged breach by the District or any agent thereof of Section 5 above, for which Larsen shall have no liability, Larsen shall fully indemnify, defend, and hold harmless the District, its individual Board members, employees, and agents (“Indemnitees”) from and against any and all breaches of this

Agreement or third-party claims and associated losses, damages, expenses, and liability related to, connected with, or arising from any Larsen Invention, including any use, sale or license thereof by or to any third-party, including by way of example but not limitation, a claim of infringement upon a third-party's intellectual property rights. Larsen shall assume all responsibility for all costs and expenses related to such claims or lawsuits. The indemnification obligations under this Section 6 shall survive termination of this Agreement.

(b) Larsen shall obtain or cause to be obtained and maintained in effect during the term hereof and for five (5) years thereafter, at his own expense, general liability insurance coverage and provide the District with a certificate of insurance verifying coverage of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Larsen shall have the District and the members of its Board, its employees and agents named as additional insureds on the general liability insurance required hereunder. All insurance of Larsen shall be primary and noncontributory.

7. **Use of Larsen Inventions.**

(a) Larsen represents and warrants that no Larsen Invention infringes on the rights of any third parties. Larsen shall comply with all applicable laws, rules, and regulations concerning its use and any license of the Larsen Inventions.

(b) If requested by the District, Larsen shall provide copies of all contracts entered into by Larsen relating to the Larsen Inventions.

8. **Notices.** Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing and delivered personally or by registered or certified mail, return receipt requested, with postage prepaid and addressed to the following persons and addresses, or to such other addresses or persons as any party may request by notice in writing to the other such party, or by email effective upon confirmation of receipt by the intended recipient:

School District #220

Oregon Community Unit School District No. 220
Attn: Superintendent
206 S. 10th Street
Oregon, IL 61061
tmahoney@ocusd.net

With a copy to:

Hodges, Loizzi, Eisenhammer, Rodick & Kohn LLP
Attn: Kerry Burnet Pipal
3030 Salt Creek Lane, Suite 202
Arlington Heights, Illinois 60005
kpipal@hlerk.com

Larsen

Adam P. Larsen
805 Lafayette St.
Oregon, IL 61061
adam@auroraedtech.com

With a copy to:

C. Ander Smith, Attorney at Law, PC
Attn: C. Ander Smith
6653 Weaver Road, Suite 106
Rockford, IL 61114
ander@andersmithlaw.com

9. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of Illinois, without regard to principals governing conflicts of law. Venue for any claims arising out of this Agreement shall be in the state or federal courts situated in Ogle County, Illinois.

10. **Independent Business Relationship.** Larsen and the District are separate and independent parties and are not and shall not be construed as joint venturers, partners, or agents of the other simply by virtue of this Agreement, and neither shall have the power to bind or obligate the other by any authority granted under this Agreement.

11. **Term and Survival.** This Agreement shall continue to remain in full force and effect until such time as Larsen is no longer an employee of the District or any successor entity of the District, at which point, this Agreement shall terminate by its own terms; this Agreement shall otherwise be irrevocable and may not be terminated nor modified absent the mutual written consent of each party, in their respective sole and absolute discretion. Notwithstanding the foregoing, the termination of this Agreement shall not serve to unwind or diminish in any manner each party's respective benefits and obligations under Sections 1, 2, 3, 6(a) and (b), and 7 or any other term intended to survive the termination of this Agreement.

12. **Miscellaneous.**

(a) This Agreement constitutes the entire Agreement and understanding of Larsen and the District with respect to the subject matter hereof, superseding any and all prior agreements, understandings, negotiations, and discussions. No amendment, alteration, modification, or waiver of this Agreement shall be binding unless evidenced by an instrument in writing signed by the party against whom enforcement thereof is sought.

(b) If any provision of this Agreement, or the application thereof to any person or circumstance should, for any reason and to any extent, be deemed invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by applicable law.

(c) This Agreement has been structured for Larsen specifically and shall not be deemed precedential for any future opportunity presented to Larsen or any other employee of the District.

(d) Neither party may assign its rights and obligation under this Agreement without the prior written consent of the other party, which consent may be withheld in such party's sole discretion; provided, however, that the foregoing shall not be deemed to limit Larsen's right to license or sell any rights, including ownership, of any Larsen Invention, subject to any other applicable provisions hereof.

[Signature page to follow.]

IN WITNESS WHEREOF, the undersigned have executed this Intellectual Property Agreement as of the Effective Date.

“District”

**Oregon Community Unit
School District No. 220**

“Larsen”

By: _____

Name: _____

Title: _____

Adam P. Larsen

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