

University of Minnesota

**NON-BINDING BUSINESS TERM SHEET**  
**TRY AND BUY LICENSE**  
**FOR DISCUSSION PURPOSES ONLY**

**Title:** Plasma Portfolio - Try and Buy  
**Company:**  
**Marketing Manager:**

COMPANY INFORMATION			
	<b>Name and Address</b>	<b>Attn:</b>  Entity Type: Registered In: <b>Phone:</b> <b>Email:</b>	
TECHNOLOGY			
<b>Title:</b>	<b>Z07107 - Plasma-initiated In-flight Grafting of Silicon Nanoparticles with Organ</b>		
<b>Issued Patents</b>			
<b>Patent No.</b>	<b>Country</b>	<b>Issue Date</b>	<b>Title</b>
8,945,673	United States	02/03/2015	Nanoparticles with Grafted Organic Molecules
<b>Title:</b>	<b>Z03212 - Atmospheric Pressure Plasma Process to Produce Semiconductor Quantum Do</b>		
<b>Issued Patents</b>			
<b>Patent No.</b>	<b>Country</b>	<b>Issue Date</b>	<b>Title</b>
7,446,335	United States	11/04/2008	Process and Apparatus for Forming Nanoparticles Using Radiofrequency Plasmas
8,016,944	United States	09/13/2011	Process and Apparatus for Forming Nanoparticles Using Radiofrequency Plasmas
<b>Title:</b>	<b>20160397 - Nonthermal Plasma Synthesis of Core/Shell Nanocrystals by Afterglow</b>		
<b>Patent Applications</b>			
<b>Application No.</b>	<b>Country</b>	<b>Filing Date</b>	<b>Title</b>
62/365,692	United States	07/22/2016	Nonthermal Plasma Synthesis
TRY Terms			
<b>1.</b>	<b>Effective Date</b>		
<b>2.</b>	<b>TRY Period</b>	6 Months	
<b>3.</b>	<b>TRY Fee</b>	\$10,000/6 Months Paid at time of Effective Date of the TRY Period Fee waived if MN-based company or if sponsoring \$50,000+ research with the University	
<b>4.</b>	<b>Equity</b>	Start-up companies must work with the University on equity terms	
<b>5.</b>	<b>Patent Related Expenses (During</b>	<b>US Patent Expenses:</b> Company is not responsible for reimbursing the University for US Patent Related Expenses during the TRY Period.	

	<b>TRY Term)</b>	<b>Foreign Patent Expenses:</b> Company is responsible for reimbursing the University for Foreign Patent Related Expenses during the TRY Period.
<b>BUY Terms</b> (if converted from TRY to BUY)		
<b>A.</b>	<b>License Type</b>	<b>Exclusivity:</b> Exclusive <b>License Type:</b> Try & Buy - Patent <b>Distribution Type:</b> Distribution
<b>B.</b>	<b>Field(s) of Use</b>	All - Except for Lithium Ion Batteries
<b>C.</b>	<b>Territory</b>	All territories where the University has licensable IP.
<b>D.</b>	<b>Term</b>	Life of the University's licensable IP (patents or copyrights).
<b>E.</b>	<b>Sublicense Rights</b>	Yes
<b>F.</b>	<b>Federal Government Rights</b>	Yes
<b>G.</b>	<b>Milestones</b>	- Product Available for commercial sale within 3 years from the Effective Date of the BUY Agreement
<b>H.</b>	<b>Commercialization Reports</b>	Annually
<b>I.</b>	<b>Payments</b>	
	<b>Conversion Payment</b>	\$ 40,000, due at time of conversion from TRY to BUY license. Conversion request must be received by the University prior to the expiration of the TRY period.
	<b>Annual Administration Fee</b>	- \$5000 annual minimum credited against royalties thereafter.
	<b>Running Royalty / Royalty Holiday / Minimums</b>	- 3% of net sales of licensed products. This is reduced to 2% for a MN-based company. Paid Quarterly. No Running Royalty is due until \$1 million of Cumulative Net Commercial Sales of Licensed Product have been reached. - \$0 credited to annual royalties, until \$1,000,000 of Cumulative Net Commercial Sales of Licensed Products have been reached.
	<b>Sublicense Fees</b>	- Paid Quarterly. - 3% of all Sublicensee's net sales of licensed products. - 30% of all Sublicense Revenues.*  *These are payments made by the Sublicensee(s) that are not royalties based on Net Sales. For example, Sublicense Revenues would include Upfront Fees paid by the Sublicensee.
	<b>Equity</b>	Start-up companies must work with the University on equity terms
	<b>Change of Control / Assignment / Transfer</b>	Greater of \$25000 or 0.5% of Gross Distributable Proceeds upon Qualified Sale.
	<b>Interest Rate</b>	12%
	<b>Other</b>	
<b>J.</b>	<b>Patent Related Expenses (During BUY Term)</b>	<b>US Patent Expenses:</b> As of the Effective Date of the agreement, Licensee is responsible for paying all Patent Related Expenses once patent issues.  Actual Patent Related Expenses incurred as of 09/06/2017 are as follows: U.S. \$ 69,418 Foreign \$ 0
<b>Term Sheet Expiration</b>	The terms set forth in this Term Sheet are valid for discussion purposes for 30 days from the initial contact with the University.	

### **READ CAREFULLY**

This term sheet summarizes the principal terms with respect to a possible license of University technology to the entity listed in section 1 as Potential Licensee. This term sheet is intended solely as a basis for further discussion and is not intended to be and does not constitute a legally binding obligation. No other legally binding obligations will be created, implied, or inferred until a license agreement (e.g. 'Exclusive Patent License Agreement', 'Non-Exclusive Patent License Agreement', 'Plant License Agreement', 'Software License Agreement', etc.) in final form is executed and delivered by all the parties. Without limiting the generality of the foregoing, it is the parties intent that, until that event, no agreement shall exist among them and there shall be no obligations whatsoever based on such things as parol evidence, extended negotiations, "handshakes," exchanges of emails, oral understandings, or courses of conduct (including reliance and

changes of position), except as may be outlined in a non-disclosure agreement with respect to the confidentiality obligations of the parties regarding any exchange of confidential information. Nothing in this term sheet is to be construed to prevent the University from discussing similar terms with other potential licensees.