

University of Minnesota

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

Title: Try & Buy - Asphalt binder - 20140157

Company:

Marketing Manager:

COMPANY INFORMATION			
	Name and Address	Attn: Entity Type: Registered In: Phone: Email:	
TECHNOLOGY			
Title:	20140157 - Asphalt pavement formulation		
Patent Applications			
Application No.	Country	Filing Date	Title
14/682,136	United States	04/09/2015	Compositions Including Asphalt Component and Graphite Component
TRY Terms			
1.	Effective Date		
2.	TRY Period	6 Months	
3.	TRY Fee	\$5,000/6 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	
4.	Equity	Start-up companies must work with the University on equity terms	
5.	Patent Related Expenses (During TRY Term)	US Patent Expenses: Company is not responsible for reimbursing the University for US Patent Related Expenses during the TRY Period. Foreign Patent Expenses: Company is responsible for reimbursing the University for Foreign Patent Related Expenses during the TRY Period.	
BUY Terms (if converted from TRY to BUY)			
A.	License Type	Exclusivity: Exclusive License Type: Try & Buy - Patent Distribution Type: Distribution	
B.	Field(s) of Use	All	
C.	Territory	All territories where the University has licensable IP.	
D.	Term	Life of the University's licensable IP (patents or copyrights).	
E.	Sublicense Rights	Yes	
F.	Federal	Yes	

	Government Rights	
G.	Milestones	- Product Available for commercial sale within 3 years from the Effective Date of the BUY Agreement
H.	Commercialization Reports	Annually
I.	Payments	
	Conversion Payment	\$ 30,000, 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.
	Annual Administration Fee	- \$5000 annual minimum credited against royalties thereafter.
	Running Royalty / Royalty Holiday / Minimums	- 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.
	Sublicense Fees	- 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.
	Equity	Start-up companies must work with the University on equity terms
	Change of Control / Assignment / Transfer	Greater of \$25000 or 0.5% of Gross Distributable Proceeds upon Qualified Sale.
	Interest Rate	12%
	Other	
J.	Patent Related Expenses (During BUY Term)	US Patent Expenses: 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 01/01/1900 are as follows: U.S. \$ 0 Foreign \$ 0
Term Sheet Expiration	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.