

UNIVERSITY OF MINNESOTA
NON-BINDING BUSINESS TERM SHEET
 FOR DISCUSSION PURPOSES ONLY

Title:
Marketing Manager:
Date:
Potential Licensee:

Definitions			
1.	Potential Licensee (1.8)	[Enter Entity Name], a [Enter Corporation, LLC, etc.] under the laws of the [Enter jurisdiction type country or state] of [Enter Name of Jurisdiction of Entity Registration] having a place of business at [Enter Address], [Enter City], [Enter State] [Enter Zip].	
2.	Effective Date (2)	<input type="checkbox"/> Date of the Last Signature of the Agreement or _____,	
3.	License Type	<input type="checkbox"/> Exclusive <input type="checkbox"/> Non-Exclusive <input type="checkbox"/> Exclusive Opportunity <input type="checkbox"/> Patent <input type="checkbox"/> Software <input type="checkbox"/> Plant <input type="checkbox"/> Copyright <input type="checkbox"/> Distribution <input type="checkbox"/> Non-Distribution <input type="checkbox"/> End User	
4. Technology to be Licensed (1.7)			
Case No:			
Title:		[Enter Docket Title as it Appears in TIMS]	
Description:		[Enter a General Description]	
Issued Patents To Be Licensed (1.5) [Please note any patents that contain methods of use claims]			
Patent No.	Country	Issue Date	Title
Patent Applications To Be Licensed (1.9) [Please note any patent applications that contain methods of use claims]			
Application No	Country	File Date	Title
Other (Copyright Info, etc.)			
Patent Related Expenses (1.10)			
<input type="checkbox"/>	Yes	Licensee is responsible for reimbursing University for Patent Related Expenses before the Effective Date of this Agreement. If Yes, Patent Related Expenses incurred by the University as of the Effective Date of this Agreement are as follows:	
<input type="checkbox"/>	Yes	Licensee is responsible for reimbursing University for all Patent Related Expenses incurred before and after the Effective Date of this Agreement. Patent Related Expenses incurred before the Effective Date of this Agreement are as follows:	
<input type="checkbox"/>	Yes.	Licensee is responsible for reimbursing University for all Patent Related Expenses	

	<input type="checkbox"/>		incurred after the Effective date of this Agreement, but not for Patent Related Expenses incurred before the Effective Date of this Agreement.
	<input type="checkbox"/>	No	Licensee is not responsible for reimbursing the University for Patent Related Expenses.
	<input type="checkbox"/>	No [Delete -- This option is for Opportunity Licenses ONLY]	Licensee is not responsible for reimbursing the University for Patent Related Expenses. Licensee may be responsible for such Patent Related Expenses under a subsequent license agreement.
5.	Field(s) of Use (1.3)		
6.	Territory (1.16) Any country or territory where active and enforceable Intellectual Property exists.		
7.	Term (2) <input type="checkbox"/> Last active and enforceable Patent or Pending Patent Application <input type="checkbox"/> Other: Opportunity License Only - No more than X years. The Licensee may terminate the Agreement at any time during this X year term.		
8.	Sublicense Rights (3.1.2)	<input type="checkbox"/>	Yes (<input type="checkbox"/> End User Agreement Required)
		<input type="checkbox"/>	No
9.	Federal Government Rights (3.2)	<input type="checkbox"/>	Yes
		<input type="checkbox"/>	No
10.	Performance Milestones (5.1) [If the Technology is Federally Funded and its an Exlcusive License these are REQUIRED]		
11.	Commercialization Reports (5.4) Semi-Annual written reports describing Licensee's research and development activities and steps towards commercialization.		
12.	Payments (6.1, EPLA 11) All amounts are non-refundable, and payable as defined below or as specified in Universities Invoice:		
	Upfront Payment _____, due on the Effective Date.		
	Annual Maintenance Fee \$5000.00, payable on each anniversary of the Effective Date.		
	Running Royalty & Minimums		
	Sublicense Fees Within thirty (30) days after the last day of the calendar quarter, during the term of this Agreement and the Post-Termination Period, the Licensee shall pay to the University the following as earned by the Licensee during such quarter: [Generally the same as the Running Royalty] of all Sublicense Royalties (1.15) _____ percent (_____ %) of all Sublicense Revenues (1.14)		
	Financial Milestones		
	Equity Not Applicable.		
	Document Fee \$10,000.00, due on the Effective Date. (One Time Fee)		
	Transfer/Change of Control Fee (14) \$150,000.00		
	Administrative Handling Fee (8.1.1) \$10,000.00		
	Interest Rate (6.2) 18%		
	Other None.		
	13.	Licensee's Address for Notice (23, 12 EPLA) Attn: Phone : () -	

		Facsimile: () - Email:
14.	Term Sheet Expiration	The terms set forth in this Term Sheet are valid for discussion purposes through:

Please note that the numbers in the parentheses refer to specific terms or conditions set forth in the University's standard Exclusive Patent License Agreement, Exhibit A Terms and Conditions and/or if noted as EPLA within the parenthetical, the terms or conditions set forth in the Exclusive Patent License Agreement. Please refer to these documents for a specific definition of the relevant term or condition. Also, if this Term Sheet is marked to be another type of agreement (e.g. not the Exclusive Patent License Agreement) the reference numbers indicated may vary and/or may not be applicable to the applicable license agreement.

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.