

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

**Title:** Magnetization Transfer Using Inversion Recovery  
**Company:**  
**Marketing Manager:** Dale Nugent

<b>COMPANY INFORMATION</b>			
	<b>Name and Address</b>	<p style="text-align: center;"><b>Attn:</b></p> <p>Entity type: (e.g. corp, LLC, ...)            Registered in: (which country or state)  <b>Phone :</b> (     )     -  <b>Email:</b></p>	
<b>TECHNOLOGY</b>			
<b>Case No:</b>	20100117		
<b>Title:</b>	<b>Magnetization Transfer Using Inversion Recovery</b>		
<b>Description:</b>	An improved MRI pulse sequence and post processing technique have been developed that dramatically improve MT imaging while improving safety by reducing specific absorption rate (SAR), which is a measure of tissue heating.		
<b>Issued Patents</b>			
<b>Patent No.</b>	<b>Country</b>	<b>Issue Date</b>	<b>Title</b>
<b>Patent Applications</b>			
<b>Application No</b>	<b>Country</b>	<b>File Date</b>	<b>Title</b>
13/641440	US	10/15/2012	Magnetization transfer and off-resonance protocols in NMR
PCT/US2011/032485	PCT	4/14/2011	Magnetization transfer and off-resonance protocols in NMR
<b>Other (Copyright Info, etc.)</b>			

<b>TRY Terms</b>	
<b>1.</b>	<b>Effective Date</b> Month Day, Year or <input type="checkbox"/> (other)
<b>2.</b>	<b>TRY Period</b> 18 months.
<b>3.</b>	<b>TRY Fee</b> \$15,000 for 18 months. Paid up front. Fee eliminated for MN-based companies or if sponsoring \$50,000+ research at the University.
<b>4. Patent Related Expenses</b>	
<input checked="" type="checkbox"/>	Company is not responsible for reimbursing the University for Patent Related Expenses during the TRY period.
<input type="checkbox"/>	Other
<b>BUY Terms</b> (if converted from TRY to BUY)	
<b>A.</b>	<b>License Type</b> <input type="checkbox"/> Exclusive; specify Exclusivity Term beyond TRY Period (NA if same as Term (D.)) <input checked="" type="checkbox"/> Non-Exclusive <input type="checkbox"/> Patent <input checked="" 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
<b>B.</b>	<b>Field(s) of Use</b> All uses claimed in the patent.
<b>C.</b>	<b>Territory</b> Any country or territory where active and enforceable Intellectual Property exists.
<b>D.</b>	<b>Term</b> Last active and enforceable Patent or Pending Patent Application <input type="checkbox"/> Other:
<b>E.</b>	<b>Sublicense Rights</b> <input type="checkbox"/> Yes ( <input type="checkbox"/> End User Sublicense Required) <input checked="" type="checkbox"/> No
<b>F.</b>	<b>Federal Government Rights</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>G.</b>	<b>Performance Milestones</b> First Commercial Sale three years from Effective date.
<b>H.</b>	<b>Commercialization Reports</b> Yes, every 12 months.
<b>I.</b>	<b>Payments</b>
	<b>Conversion Payment</b> \$5,000, due at time of conversion from TRY to BUY license. \$5,000, of the Conversion Payment is to pay for Patent Related Expenses.
	<b>Annual Maintenance Fee</b> \$10,000, payable on each anniversary of the Effective Date.
	<b>Running Royalty Royalty Holiday &amp; Minimums</b> \$1500/unit for new MRI system installation, \$1000/unit for MRI system upgrade. Discount for MN-based companies. Paid quarterly. No Running Royalty is due until \$1,000,000 of Cumulative Net Commercial Sales of Licensed Product have been reached.
	<b>Sublicense Fees</b> Paid quarterly. Thirty percent (30%) of all Sublicense Royalties, or equivalent of Running Royalty Rate, whichever is greater. (1.15) Thirty percent (30%) of all Sublicense Revenues (1.14) These are payments made by the Sublicensee(s) to the Licensee that are not royalties based on Net Sales. For example, Sublicense Revenues would include Upfront Fees paid by the Sublicensee.
	<b>Financial</b>

	<b>Milestones</b>	
	<b>Equity</b>	Licenses to start-up companies will require equity; consult University.
	<b>Document Fee</b>	\$10,000.00, due on the Effective Date. (One Time Fee) This fee may be waived at the University's discretion if only minor modifications are made to the University's standard Terms and Conditions. If this is imposed, payment is due prior to continuation of license negotiations.
	<b>Change of Control/ Assignment/ Transfer Fee</b>	\$25,000 or 0.5% of Gross Distributable Proceeds upon Qualified Sale, whichever is greater.
	<b>Interest Rate</b>	12%
	<b>Other</b>	
<b>J.</b>	<b>Patent Related Expenses (During Term of BUY License Agreement)</b>	
	<input type="checkbox"/>	Licensee is responsible for reimbursing University for all U.S. Patent Related Expenses incurred before and after the Effective Date of this Agreement, however no payment is due until the U.S. patent has issued. Foreign Patent Related Expenses incurred <u>before</u> the Effective Date of this agreement are due upon License Conversion. Foreign Patent Related Expenses incurred <u>on or after</u> the Effective Date are due as incurred.
	<input checked="" type="checkbox"/>	Licensee is not responsible for reimbursing the University for Patent Related Expenses beyond the amount included in conversion payment.
	<input type="checkbox"/>	Other
<b>Term Sheet Expiration</b>		The terms set forth in this Term Sheet are valid for discussion purposes through:

**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.