

MICHIGAN STATE
U N I V E R S I T Y

November 28, 2011

MEMORANDUM

To: Trustee Policy Committee
From: Kim A. Wilcox, Provost
Re: Approval of Contract Terms: *Technova Corporation*

Recommendation:

BE IT RESOLVED that the Trustee Policy Committee recommends to the Board of Trustees that it approve the execution of three research contracts with *Technova Corporation*, consistent with earlier public notice given at a Board meeting and with the "Research Contract Term Sheets" now presented to the Board for inclusion in its minutes.

Background:

In compliance with State law, public notice of the University's intent to negotiate contracts with *Technova Corporation*, a Michigan corporation based in Okemos, Michigan, was given at the Board of Trustees' meeting on September 13, 2002. The terms of three research contracts are now being presented for approval.

Dr. Parviz Soroushian, a Professor in the Department of Civil and Environmental Engineering, and his family own or have options to buy an ownership interest of more than 1% of the company. Dr. Soroushian is also the president of *Technova Corporation*.

The attached "Research Contract Term Sheets" summarize the agreements that MSU has negotiated with *Technova Corporation*.

Cc: Trustee Finance Committee
President Lou Anna K. Simon
Vice President Fred Poston
Vice President J. Ian Gray
Vice President Robert A. Noto
Secretary Bill Beekman
Dr. Terry May
Deputy General Counsel Kristine Zayko
Assistant General Counsel Lee Bollinger



**OFFICE OF THE
PROVOST**

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RESEARCH CONTRACT TERM SHEET

Party: Technova Corporation

Contracts: Sponsored Research Agreement
"Adhesive Materials"

Term: December 12, 2011 to November 30, 2017

Payment Terms: \$37,900

Services Provided: By MSU to Technova: research, testing and evaluation
related to improving adhesives

By Technova to MSU: none

Use of University Facilities/Personnel:
Use of MSU facilities/personnel by Technova provided at
prevailing rates for industrial research

Organization Type: Incorporated Michigan-based small business

Personnel Interest: Dr. Parviz Soroushian, a Professor in the Department of
Civil and Environmental Engineering, and his family own
or have options to buy an ownership interest of more than
1% of the company. Dr. Soroushian is also the president
of Technova Corporation.

RESEARCH CONTRACT TERM SHEET

Party: Technova Corporation

Contracts: Sponsored Research Agreement
"Materials for Improved Adhesion"

Term: December 12, 2011 to November 30, 2017

Payment Terms: \$27,059

Services Provided: By MSU to Technova: research, testing and evaluation related to improving adhesives using conformable solids

By Technova to MSU: none

Use of University Facilities/Personnel:
Use of MSU facilities/personnel by Technova provided at prevailing rates for industrial research

Organization Type: Incorporated Michigan-based small business

Personnel Interest: Dr. Parviz Soroushian, a Professor in the Department of Civil and Environmental Engineering, and his family own or have options to buy an ownership interest of more than 1% of the company. Dr. Soroushian is also the president of Technova Corporation.

RESEARCH CONTRACT TERM SHEET

Party: Technova Corporation

Contracts: Sponsored Research Agreement
"Joining high-temperature materials"

Term: December 12, 2011 to November 30, 2017

Payment Terms: \$8,338

Services Provided: By MSU to Technova: research, testing and evaluation related to improving adhesives

By Technova to MSU: none

Use of University Facilities/Personnel:
Use of MSU facilities/personnel by Technova provided at prevailing rates for industrial research

Organization Type: Incorporated Michigan-based small business

Personnel Interest: Dr. Parviz Soroushian, a Professor in the Department of Civil and Environmental Engineering, and his family own or have options to buy an ownership interest of more than 1% of the company. Dr. Soroushian is also the president of Technova Corporation.

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MEMORANDUM

To: Trustee Policy Committee
From: Kim A. Wilcox, Provost
Re: Approval of Contract Terms: *Opti O₂, LLC*

Recommendation:

BE IT RESOLVED that the Trustee Policy Committee recommends to the Board of Trustees that it approve the execution of an option agreement with *Opti O₂, LLC* consistent with earlier public notice given at a Board meeting and with the "Option Agreement Term Sheet" now presented to the Board for inclusion in its minutes.

Background:

In compliance with State law, public notice of the University's intent to negotiate contracts with *Opti O₂, LLC*, a Michigan limited liability company based in Pinckney, Michigan, was given at the Board of Trustees' meeting on October 21, 2011. The terms of an option agreement are now being presented for approval.

Dr. Ruby Ghosh, a Research Associate Professor in the Department of Physics & Astronomy, and her family own or have options to buy an ownership interest of more than 1% of the company. Dr. Ghosh is also an officer of *Opti O₂, LLC*.

The attached "Option Agreement Term Sheet" summarizes the agreement that MSU has negotiated with *Opti O₂, LLC*.

Cc: Trustee Finance Committee
President Lou Anna K. Simon
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OPTION AGREEMENT TERM SHEET

- Party:** Opti O₂, LLC
- License:** Option agreement with opportunity for Opti O₂, LLC to license technologies in the field of dissolved oxygen optical sensors.
- Term:** Beginning on the effective date of the agreement for a period of twelve (12) months or upon delivery of an acceptable business/technology development plan to MSU, whichever is sooner.
- The term of the license to begin upon MSU's receipt of an acceptable business/technology development plan from Opti O₂, LLC and extending to the expiration of the last to expire of the patents.
- Technology:** If the license option is exercised under the agreement, the following technology will be licensed on an exclusive basis to Opti O₂, LLC: provisional US Patent Serial No. 61/410,254 filed Nov. 4, 2010, "Optical Sensor and Sensing System for Oxygen Monitoring in Aqueous Media using Molybdenum Cluster Phosphorescence" (MSU TEC2010-0068) and US Patent Regis. No. 7,858,380 B2, "Sol-gel Encapsulated Hexanuclear Cluster for Oxygen Sensing by Optical Techniques" (MSU TEC2004-0137).
- Any invention conceived in the performance of improving the licensed technologies shall be owned by MSU if all the inventors are MSU employees; shall be co-owned by MSU and Opti O₂, LLC if the inventors include employees of both parties; and shall be owned by Opti O₂, LLC if all the inventors are employees of Opti O₂, LLC. Opti O₂, LLC shall have the right to add any such inventions to the licensed technologies for a period of 5 years from the effective date of the license.
- Technology's Potential Commercial Utilization:** To measure dissolved oxygen in bioreactors, aquaculture, water treatment plants and medical equipment and other environments.
- Payment Terms:** Option Agreement fee to MSU: \$5000, due upon signing.
- If the license option is exercised under the agreement, the license will include a running royalty of 5% of net sales, including sublicensing revenues of 50%; MSU Foundation will hold an ownership interest in Opti O₂, LLC of 12% that will not be diluted

to less than 2% of the company; Opti O₂, LLC to pay costs of legal review and editing of Provisional Patent Serial No. 61/410,254; option fee of \$5000 to be waived upon Opti O₂, LLC's payment of all fees involved in preparing Provisional Patent Serial No. 61/410,254; Opti O₂, LLC to reimburse MSU for all patent costs incurred after the effective date of agreement; Opti O₂, LLC to reimburse MSU for patent costs incurred prior to the effective date of the agreement in annual installments of \$25,000 with the first annual installment due upon Opti O₂, LLC's receipt of cumulative grant funding exceeding \$750,000, an equity investment exceeding \$500,000, or annual revenues exceeding \$500,000, or any combination of grant funding, equity, and annual revenue which totals more than \$1,000,000.

Services Provided: By MSU to Opti O₂, LLC: None under contemplated option agreement and none under contemplated license agreement, if exercised.

By Opti O₂, LLC to MSU: None under contemplated option agreement and none under contemplated license agreement, if exercised.

Use of University Facilities/Personnel:

No use of MSU facilities/personnel by Opti O₂, LLC under the contemplated option agreement or under the contemplated license agreement, if exercised.

Organization Type: Limited Liability Company, Michigan-based small business.

Personnel Interest: Dr. Ruby Ghosh, a Research Associate Professor in the Department of Physics & Astronomy, and her family own or have options to buy an ownership interest of more than 1% of the company. Dr. Ghosh is also an officer of Opti O₂, LLC.