Equity Partnership ("EP") Concept

Target:
For high-potential Early-Stage Life Sciences Companies with no current license to Cornell IP, but interested in becoming McGovern Center resident Clients and receiving Center Client services and benefits.

Selection Process/Criteria:
As with all prospective McGovern Center Clients, candidate EP companies must first execute a Mutual Nondisclosure Agreement with the University, pass the McGovern Center Prospective Client Screen, successfully undergo a Center Management Team Interview, a Center Business Plan Review, and a Multidepartment pre-occupancy review/clearance. The sole proposed program-related exception from current McGovern Center screening/acquisition practice is that prospective EP companies will be exempted from the “Cornell IP only” exclusion rule.

Implementation
As with all prospective McGovern Center Clients, all candidate EP companies will be subject to presentation to the Advisory Council, and entrance will be contingent upon a majority Advisory Council Admission Recommendation Vote. Upon passage of the Council Resolution, Center staff will finalize and execute a standardized McGovern Center Space License Agreement with the company. Once admitted to the Center’s Program and Facility, the EP Client company will be subject to all terms, conditions and fees associated with Space Licenses, just like any other McGovern Center Client.

Consideration
EP Companies will issue a “membership unit” equivalent to a negotiated percentage of their equity to Cornell. The assigned Cornell share of EP Company equity will be nondilutable during the term.

Term/Termination
5 years, unless either party terminates early. If EP terminates early, consideration survives the full term. If Cornell terminates early, Cornell returns EP company shares not yet “vested” on a 5-year vesting schedule.