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Board of Managers Meeting  
June 28, 2001

# Meeting Agenda

## Topic

## Time

Introduction, Approval of Minutes

4:30 – 4:35

Financials

4:35 – 5:00

Corporate Activities and Operations

5:00 – 5:30

Corporate and Business Development

5:30 – 6:00

Industry Building

6:00 – 6:30

CEO Report and Other Matters

6:30 – 7:00



# Index of Proposed Board Resolutions

- Minutes \*
- New officers and equity issuances
- Possible change of banking institution\*
- Q3 capital call \*
- Formation of Ardesta Manufacturing?
- Creation of Board Committees

\* No slide

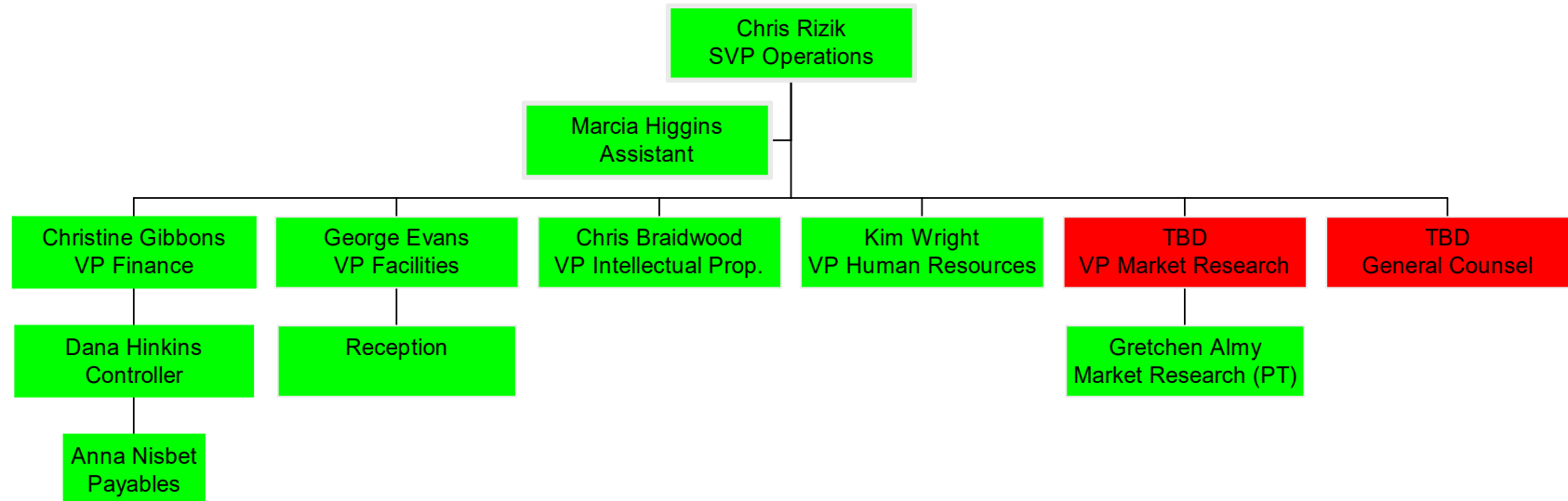


# Corporate Operations

- Finance
- Human Resources
- Facilities
- Legal / Intellectual Property
- Incubation Services



# Operations Organization Chart



C O N F I D E N T I A L



ARDESTA

# Finance

- Time tracking for incubation services begins 7/1.
- Hired new Controller (Dana Hinkins).
- Establishing internal controls for purchasing, etc., at Ardesta and start-ups.
- Created internal reporting book for dissemination to board, tracking portfolio progress



# Human Resources

- Established Deferred Bonus Plan
- Issued Restricted Unit grants.
  - Distinct advantages over pure stock options with regard to taxation and sharing in upside of Ardesta.
- Interviewing individuals and firms regarding formation of Ardesta Talent.
- Recent Hires:
  - Operations – Chris Braidwood, Dana Hinkle
  - CBD - Brian Brandel, Vinay Gupta
  - Small Times – Steve Crosby, Howard Lovy, Jeff Karoub



# Facilities

- Moving to 755 Phoenix on July 13.
- Sensicore moving into adjacent space by September 1.
- Discera and Translume moving into space next door by October 1.
- Option on 12,000 additional square feet next door.
  - Would likely be necessary for 4<sup>th</sup> and 5<sup>th</sup> start-ups.
- Beginning discussions on construction of possible long term home





# Legal / I.P.

- Interviewing General Counsel candidates
- Intellectual Property –
  - Chris Braidwood creating disclosure and patent processes for Sensicore, Translume.
  - Creating Patent counsel relationships for Ardesta and member companies.
- 40 Act – Currently at 43 members (100 limit).



## Incubation Services

- Hiring of Vinay Gupta as Interim President/COO of 3 Michigan start-ups (Steve Johns to discuss).
- Working on a la carte services for minority investments.
- Beginning to monitor experience for future pricing.
- Looking at future services:
  - Market research
  - Grant writing services

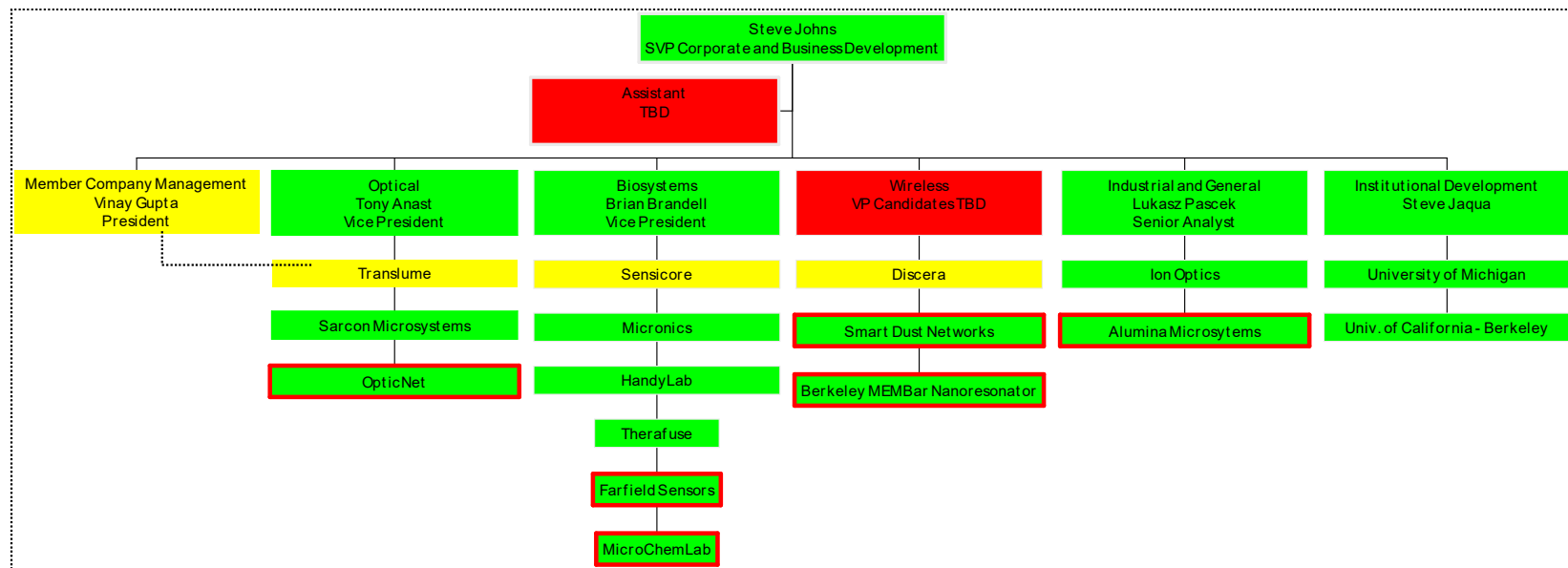


# Corporate and Business Development

- Organization
- Portfolio Companies
- Development Opportunities
- Pipeline
- Relationships
- Hiring



# CBD Organization Chart



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# Portfolio Companies

- Micronics
- HandyLab
- Ion Optics
- Sensicore
- Translume\*
- Discera\*
- Sarcon Microsystems\*
- Therafuse\*

\* - New since last Board meeting



# Top 5 Development Opportunities from last meeting and resolution

- “Nu-En”
  - Start-up wireless communications company
  - Closed all IP deals and professor Nguyen. Company started.
- InterScience
  - Start-up/Investment in tunable laser optical applications company
  - Passed due to IP and management issues
- Alloptel
  - Start-up/Investment in Optical telecom components company
  - Closed \$1 million investment. Company re-named Translume.
- Sarcon Microsystems
  - Investment in Infrared applications company
  - Closed \$7.75 million round. \$2 million from Ardesta
- Therafuse
  - Investment in monitoring and drug delivery company
  - Closed \$200,000 seed financing

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# Top 5 Development Opportunities

- Farfield Sensors
  - U.K.-based bioanalytical sensor development
  - Technology very exciting
  - Sorting out business model and valuation
- Smart Dust Networks
  - Wireless sensors for detection and monitoring of temperature, humidity, light, motion, etc.
  - Start-up opportunity with Professor Kris Pister
  - Goal is size and cost reduction
- MicroChemLab
  - “Lab-on-a-chip” spinout from Sandia National Labs
  - Chemical detection in gases
  - Applications in early disease detection and drug efficacy [Power or capacity to produce a desired effect; effectiveness]
- EndoBionics
  - Spinout from UC Berkeley
  - Catheter-mounted microneedles for drug delivery



# Pipeline

## Commercial

- Alumina Micro
  - Microvalves
- OpticNet
  - Spinout from BEI (leading MEMS fabricator) specializing in optical MEMS fabrication techniques
- MicroPower
  - Micro Wankel engine
    - Under development at Berkeley – Al Pisano
- BioForce Laboratory
  - Nanotools for analysis of cellular proteins
- Protopharm
  - MEMS-Proteomics. Referral from Roger Howe.
- Motion Sense
  - Intelligence for MEMS-accelerometers. Referral from Roger Howe





# Relationships

- Sandia
  - Finalizing Summit V license
  - Three-way deal with Sandia and Intel for Summit V prototyping and fabrication
- University of Michigan
  - Assessing license for Polymer Microfluidics IP
  - Steve Jaqua to assume relationship role similar to Berkeley
- University of California – Berkeley
  - Pisano and Liepmann added to consultants
  - Evaluating Endobionics, Micro Wankel, Smart Dust, MEMBar for commercialization prospects





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