University Science, Engineering and Technology, Inc.
8000 Westpark Drive, McLean, VA 22102
Tel: 703/821-2030 Fax 703/821-2049

Reply to:
1465 Post Road East
Westport, CT 06880
Tel: 203/255-6044 Fax: 203/254-1102

VIA AIR MAIL

September 16, 1988

Mr. Claas Schröder
GKSS
Forschungszentrum Geesthacht GMBH
Postfach 1160
2054 Geesthacht
West Germany

Re: Technology Transfer Agreement

Dear Claas:

Thank you very much for your fax of July 9, 1988, indicating that you believe the proposal made during our meeting was reasonable. As requested, I am enclosing herewith the first draft of an Agency Agreement drafted along the lines of our discussion in Washington. I look forward to your comments and suggestions for any changes you feel GKSS might desire.

Please note that, since our meeting, it was decided UTC should move here to Westport, Connecticut instead of relocating to Washington D.C., and I can be reached at the Westport, Connecticut address on the letterhead. Please note the telephone and fax numbers here.

I look forward to hearing from you and should any of the parts of the draft agreement need any clarification, please don't hesitate to let me know.

Best regards,

Carl

CARL B. WOOTTEN
Vice President

CBW:sb
Enclosure
cc: Norman J. Latker, Esq.
(with enclosure)

DRAFT CBW: 9/14/88

AGENCY SERVICING AGREEMENT

AGREEMENT made this day of , 1988, between GKSS FORSCHUNGSZENTRUM GEESTHACHT GMBH, with offices at Max-Planck StreBe, 2054 Geesthacht, West Germany, (hereinafter called "GKSS"), and USET, INC., a Delaware corporation, with principal offices at 1465 Post Road East, Westport, Connecticut 06880 (hereinafter called "USET") (GKSS and USET being sometimes hereinafter referred to as the "Parties").

W I T N E S S E T H:

WHEREAS, GKSS is a public establishment of the Republic of West Germany for the purposes of research in the areas of energy, environmental protection, marine sciences and marine engineering, and for exploitation of the results of such research in West Germany and throughout the World; and

WHEREAS, it is understood by the Parties hereto that GKSS owns present rights and will own future rights to inventions and discoveries made by its employees and others in accordance with its charter, policies, and procedures and that GKSS has and will have the full and exclusive right to license or have licensed on its behalf said inventions and discoveries; and

WHEREAS, GKSS desires that certain of the inventions and discoveries which GKSS presently owns or may hereinafter obtain during the term of this AGREEMENT be utilized in such a manner as to develop their commercial utility and to develop the maximum reasonably obtainable income from them in the interests of West Germany and GKSS, and that such rights be administered in an effective manner; and

WHEREAS, USET has been organized under the laws of the State of Delaware and has the capabilities for the exploitation and administration of patents and inventions and is willing to undertake such functions under the terms set forth in this AGREEMENT.

NOW, THEREFORE, for good and valuable consideration, the receipt whereof is hereby acknowledged, and the mutual performance of the undertakings herein, it is agreed by the Parties hereto as follows:

Section 1. Definitions

A. "INVENTORS" shall mean GKSS's researchers, and staff members, and other persons from whom GKSS may acquire title to inventions in accordance with its invention policy.

B. "ACQUIRED RIGHTS" shall mean technology, inventions, invention disclosures, know-how, trade secrets, patents and

patent applications heretofore or hereafter acquired by GKSS from its INVENTORS or from other sources which GKSS chooses to submit to USET for evaluation and election pursuant to Section 4 hereof.

C. "INVENTIONS COVERED BY THIS AGREEMENT" or "INVENTIONS" shall mean ACQUIRED RIGHTS which USET elects to subject to this AGREEMENT.

D. "TERRITORY" shall mean anywhere in the world where INVENTIONS have not already been licensed by GKSS.

Section 2. Duties of USET

USET, from and after the date of this AGREEMENT, shall perform the following services for GKSS:

A. USET shall enter into a program of licensing INVENTIONS COVERED BY THIS AGREEMENT, in the TERRITORY, to the extent warranted in USET's opinion by the commercial potential and patentability or other legal protectability of such INVENTIONS COVERED BY THIS AGREEMENT, and within the limits of reasonable corporate prudence. USET shall consult, as appropriate, with GKSS administrative personnel to plan licensing strategies for such INVENTIONS COVERED BY THIS AGREEMENT. USET shall consult with appropriate GKSS administrative personnel prior to granting licenses under any

of USET, execute any license or take any other action contrary to the rights granted or to be granted to USET in accordance with the terms of this AGREEMENT.

B. Nothing contained herein shall authorize either USET, or any of its licensees to use GKSS's name in any advertising or advertising of products or processes licensed hereunder without the prior specific written authorization of GKSS; however, USET will advise others of the sources of INVENTIONS COVERED BY THIS AGREEMENT and will disclose the existence of this AGREEMENT. USET further agrees that each Option and/or License agreement shall include the following language: "The source of the invention(s) licensed herein is GKSS Forschungszentrum Geesthacht GMBH, Geesthacht, West Germany."

Section 4. Acquired Rights

A. It is recognized by the Parties hereto that prior to and subsequent to the execution of this AGREEMENT, pursuant to its patent policy, GKSS has obtained and shall obtain ACQUIRED RIGHTS as a result of the activities of various GKSS INVENTORS.

B. (1) At the time of submitting an ACQUIRED RIGHT to USET, GKSS shall advise USET of any outstanding commitments

C. GKSS grants to USET the right to disclose to actual or potential licensees within the TERRITORY, information regarding ACQUIRED RIGHTS, upon condition that the disclosure is accomplished in a manner and form sufficient to protect and safeguard the prospective patent rights thereto. Attached hereto, and marked "Exhibit 'A'", is a copy of USET's standard Confidential Disclosure Agreement ("CDA"). GKSS agrees that the execution of a CDA by a prospective disclosee shall generally constitute sufficient protection and safeguarding, as aforesaid. At the time it submits an ACQUIRED RIGHT to USET, GKSS may request modification(s) by USET to the standard CDA prior to distribution to potential optionees, licensees and/or sponsors, and/or GKSS may request that no confidential information relating to the ACQUIRED RIGHT be disseminated by USET unless and until such ACQUIRED RIGHT has been elected by USET as an INVENTION SUBJECT TO THIS AGREEMENT, under Section 4D.

D. USET shall evaluate such ACQUIRED RIGHTS at its own expense with all reasonable diligence and shall notify GKSS in writing whether or not USET elects to include such ACQUIRED RIGHTS as INVENTIONS SUBJECT TO THIS AGREEMENT.

(1) With respect to complete disclosures, within ninety (90) days from receipt of an ACQUIRED RIGHT from GKSS, USET will notify GKSS in writing, whether or not USET elects to subject such ACQUIRED RIGHT to this AGREEMENT.

(2) With respect to incomplete disclosures, USET will notify GKSS within thirty (30) days of the receipt of the disclosure of the information required for completing the disclosure (and its evaluation), and such disclosures will be held in abeyance pending receipt of such information, at which time the ninety (90) day period of Section 4D(1) shall commence.

(3) With respect to complete or incomplete disclosures, in the event USET believes that an ACQUIRED RIGHT is unsuitable for presentation, patenting or exploitation at the time an election decision is required under Subsections (1) or (2) of this Section 4D, but believes that the invention contained therein is of potential value to GKSS, USET may request that the disclosure be placed in suspense for such period as USET and GKSS mutually find acceptable. USET understands and agrees that GKSS is under no obligation to consent to the suspension of election of an ACQUIRED RIGHT. ACQUIRED RIGHTS which become subject to this subsection shall be known as "4-D-3 disclosures".

E. In the event USET does elect to subject an ACQUIRED RIGHT to this AGREEMENT, GKSS agrees to grant and hereby does grant to USET an exclusive agency in the TERRITORY to perform the duties and enjoy the rights which devolve upon USET under the terms of this AGREEMENT, subject to any previous commitments made or limitations incurred by GKSS to the government of West Germany or under the laws or regulations of West

Germany (which commitments and/or limitations have been conveyed to USET pursuant to Section 4B(1) hereof), and such ACQUIRED RIGHT shall thereafter become an INVENTION COVERED BY THIS AGREEMENT. Any licenses granted for such INVENTIONS COVERED BY THIS AGREEMENT shall be granted in the name of USET, with attribution of the source thereof to GKSS pursuant to Section 3B.

F. In the event an ACQUIRED RIGHT is elected by USET and becomes an INVENTION COVERED BY THIS AGREEMENT, no sooner than twelve (12) months from the date of such election, upon GKSS's request, USET shall release such INVENTION to GKSS and USET's agency as to that INVENTION shall terminate, unless:

(1) USET has granted an exclusive license to said INVENTION which was accepted by GKSS pursuant to Section 2A. Then, said license shall constitute a conclusive presumption that USET has produced maximum utilization of the said INVENTION, and USET's agency as to that INVENTION shall not be terminable by GKSS under Section 4G.

(2) USET has granted one or more nonexclusive licenses to said INVENTION which were accepted by GKSS pursuant to Section 2A. Then, no sooner than two (2) years from the date upon which such INVENTION was elected by USET under Section 4D hereof, GKSS may initiate the actions described in Section 4G.

(3) USET has granted one or more options to obtain a

license to said INVENTION which were accepted by GKSS pursuant to Section 2A. Then, no sooner than two (2) years from the date upon which the first option covering the INVENTION is granted by USET, GKSS may initiate the actions described in Section 4G.

(4) USET has obtained sponsored research and/or development funding under research and/or funding agreement(s) which was accepted by GKSS pursuant to Section 2A hereof. Then, no sooner than one (1) year following the expiration or other termination of such research and/or development funding agreement(s), GKSS may initiate the actions described in Section 4G.

(5) USET is engaged in a bona fide negotiation for an option or license or sponsored research and/or development agreement covering said INVENTION. Then, at any time after one (1) year from the commencement of said negotiation, GKSS may initiate the actions described in Section 4G.

G. If, subsequent to the time periods described in Section 4F(2) through (5), GKSS determines that USET has failed to produce the maximum utilization or return which might be expected from commercial development of an INVENTION, GKSS shall, upon sixty (60) days written notice to USET, have a right to terminate the agency granted to USET hereunder with respect to such INVENTION and demand recovery of such INVENTION.

If USET desires to dispute the reasonableness of such determination by GKSS, and the dispute is not settled by negotiation between the Parties, such dispute shall be settled pursuant to Section 9A hereof.

In the event of such termination of agency, USET shall receive and retain a royalty or funding share for the life of said INVENTION arising directly from any license or agreement consummated prior to the demand for the recovery of said INVENTION, in the amount it would have received and retained had the INVENTION not been recovered by GKSS.

H. In the event USET does not elect to subject an ACQUIRED RIGHT to this AGREEMENT, or fails to give timely notice of its election to subject such ACQUIRED RIGHT to this AGREEMENT, then USET shall obtain no agency right hereunder in such ACQUIRED RIGHT and GKSS shall be entitled to pursue any and all activities related to such ACQUIRED RIGHT without involvement of USET.

I. USET agrees to hold in confidence all information, concepts, ideas, processes, methods, techniques, products, formulas, know-how and improvements incorporated in ACQUIRED RIGHTS and disclosed by GKSS to USET and identified at the time of submission as being confidential (the "INFORMATION") and not to disclose such INFORMATION to anyone except such of USET's employees as may be necessary, or in accordance with

Section 4C hereof, and not to use such INFORMATION for a purpose not covered by this Agreement for a period of five (5) years from the date of receipt of such ACQUIRED RIGHT unless:

(1) Such INFORMATION is or was a part of the public domain prior to the date upon which it was disclosed to USET; or

(2) Such INFORMATION becomes a part of the public domain not due to some unauthorized act by or omission of USET after this Agreement is executed; or

(3) USET can demonstrate that it theretofore independently obtained knowledge of such INFORMATION; or

(4) Such INFORMATION is disclosed to USET by a third party who has the right to make such disclosure; or

(5) Permission to disclose said INFORMATION or to make use thereof is obtained by USET from GKSS in writing.

It is understood that the INFORMATION to be disclosed upon the execution of this Agreement shall be furnished by GKSS to USET in furtherance of the expressed purposes of this Agreement, and for no other purpose.

Section 5. Patents and Patent Costs

A. (1) GKSS shall, when it deems necessary, promptly file or cause to be filed patent applications in any country or countries in the TERRITORY, including the United States, in the name of GKSS. Such patent applications shall be filed

and prosecuted, and any patents issuing thereunder covering INVENTIONS COVERED BY THIS AGREEMENT shall be maintained at no cost to USET.

(2) In the event GKSS, or an optionee or licensee of GKSS, decides to abandon a filed patent application or issued patent covering an INVENTION COVERED BY THIS AGREEMENT, it will notify USET of such decision within adequate time for USET to, at its option, continue the prosecution of such application or maintenance of such issued patent, paying the costs therefore. In such event, USET may first deduct such expenses from royalty or other income (but not from research and/or development funding) derived from the licensing of the INVENTION(S) involved, and the remaining royalties or other income shall be shared as set forth in this AGREEMENT.

B. (1) In the event GKSS does not exercise the right expressed in Paragraph A of this Section 5, and subject to the provisions of Section 4, USET shall, when it deems necessary, promptly file or cause to be filed patent applications in any country or countries in the TERRITORY, including the United States, in the name of GKSS. In the event USET shall file counterpart patent applications in the TERRITORY which differ in text from direct English translations of German patent applications theretofore filed by GKSS, USET will submit copies of such counterpart patent applications to GKSS. It is understood that USET will conform such counterpart patent applications to legal, grammatical and/or

stylistic requirements of the country or countries of filing within the TERRITORY. Such patent applications shall be filed and prosecuted, and any patents issuing thereunder covering INVENTIONS COVERED BY THIS AGREEMENT shall be maintained at no cost to GKSS. GKSS agrees to sign or cause to be signed all documents or papers and take any other action necessary to effect such filing and prosecution.

(2) In the event USET, or an optionee or licensee of USET, decides to abandon a filed patent application or issued patent covering an INVENTION COVERED BY THIS AGREEMENT, it will notify GKSS of such decision within adequate time for GKSS to continue the prosecution of such application or maintenance of such issued patent, as the case may be, and will promptly transfer all of USET's rights therein to GKSS, thereby deleting same from the scope of this AGREEMENT; or

(3) If USET files for patents as aforesaid, USET may first deduct the filing, prosecution, and maintenance costs from royalties or other income (but not from research and/or development funding) derived from the licensing or other handling of the particular INVENTION or INVENTIONS involved, and the remaining royalties or other income shall be shared as set forth in this AGREEMENT.

C. In the event any INVENTIONS COVERED BY THIS AGREEMENT become involved in litigation initiated by GKSS or a

licensee of GKSS or USET in the TERRITORY, GKSS will pay the expense of same. Notwithstanding the foregoing, USET may transfer some or all of the power of litigation and the costs thereof to a licensee under an INVENTION COVERED BY THIS AGREEMENT and permit the licensee to set-off its litigation costs from royalties otherwise due. In no event shall USET be required to become a party to any such suit initiated by GKSS without USET's express permission unless so required by law or court action.

Section 6. Representation and Warranty by GKSS

GKSS represents and warrants that it has the right to enter into this AGREEMENT and intends hereafter to comply with the terms thereof.

Section 7. Payments and Consideration

A. USET shall collect and receive in its own name all royalties, fees or other remuneration hereafter to be due or accruing by reason of the licensing, sale, litigation or other exploitation of INVENTIONS COVERED BY THIS AGREEMENT and shall also collect and receive in its own name all sponsored research and/or development funding payments to be due or accruing by reason of sponsored research and/or development agreements which USET negotiates on behalf of GKSS.

B. (1) With respect to the royalties or other income received by USET for the licensing, sale, litigation or other exploitation of any INVENTIONS COVERED BY THIS AGREEMENT in any country in the TERRITORY in which GKSS has filed for or has obtained patent protection, subject to Section 5C, USET shall retain thirty percent (30%) thereof and shall pay over to GKSS the remaining seventy percent (70%).

(2) With respect to any royalties or other income received by USET for the licensing, sale, litigation or other exploitation of any INVENTIONS COVERED BY THIS AGREEMENT in any country in the TERRITORY in which USET or a licensee of USET has filed for or obtained patent protection, but subject to Sections 5B and 5C, USET shall retain forty percent (40%) thereof and shall pay over to GKSS the remaining sixty percent (60%).

(3) GKSS recognizes and agrees that subsequent to the date first written above, USET has the exclusive agency to seek optionees, licensees and/or sponsors for INVENTIONS COVERED BY THIS AGREEMENT in the TERRITORY, subject to the terms of Section 4F and G. USET recognizes that GKSS may negotiate and enter into option, license, and/or sponsored research, and/or development agreements with German or multinational business entities located outside the TERRI-

TORY, and that such business entities may desire, and GKSS may wish to grant to them, rights to INVENTIONS in the TERRITORY.

(i) With respect to agreements, as aforesaid, between GKSS and business entities entered into prior to the date first written above, USET shall be entitled to no share of royalties, sponsored research funding or other income derived therefrom.

(ii) With respect to agreements, as aforesaid, between GKSS and business entities, the negotiation of which commence after the date first written above, USET agrees to negotiate for GKSS or assist GKSS, upon request, in negotiations affecting the TERRITORY. GKSS agrees that USET shall retain from funds received by USET or shall receive from GKSS from funds which GKSS receives from such optionees, licensees or sponsors, as the case may be, fifteen percent (15%) of royalties or other income derived from obtaining, licensing, sale or other exploitation of the subject INVENTIONS and/or three and three-quarters percent (3-3/4%) of monies USET or GKSS receives from sponsors under sponsored research and/or development agreements covering such INVENTIONS.

(4) With respect to any monies which USET receives from a sponsor under a research and/or development agreement negotiated by USET on GKSS's behalf, USET shall retain ten percent (10%) thereof, and shall pay over to GKSS the remaining ninety percent (90%).

(5) From its share of royalties or other income, GKSS shall compensate the INVENTORS of GKSS in accordance with its applicable policy and USET shall have no obligation with respect thereto.

(6) Every time a license agreement has been successfully concluded by USET on an INVENTION COVERED BY THIS AGREEMENT, an additional exhibit to the present AGency Agreement will be signed by GKSS and USET to specify the partition of all royalties and other payments resulting from said license agreement between GKSS and USET, in accordance with the present Agency Agreement.

C. GKSS may, at its option, elect to list technologies other than INVENTIONS on the USET Technology Transfer Data Base, which is expected to be ready for receiving data approximately March, 1989. Should a prospective licensee find GKSS technology through use of the data base, GKSS may:

(1) Elect to retain the right to negotiate with the licensee and, in such case, will remit to USET seven and

one-half percent (7-1/2%) of all income generated from the negotiation of an option, license, research and/or development contract and any follow-on agreements on the subject technology; or

(2) Elect to have USET negotiate with the licensee on behalf of GKSS and, in such case, USET shall remit to GKSS eighty-five percent (85%) of all income generated from an option or license, and ninety percent (90%) of any research and/or development contract negotiated by USET.

D. In the event GKSS shall recover an INVENTION COVERED BY THIS AGREEMENT from USET pursuant to Section 4G, and within six (6) months after said recovery GKSS shall grant an option to license, or a license, or shall receive sponsored research and/or development funding from a business entity with which USET was in active negotiation within six (6) months prior to said recovery, then GKSS shall pay over to USET from royalties or other income, or research and development funds, one-half (1/2) of the amounts which would have been retained by USET under Section 7B(a), had the INVENTION not been recovered and the aforementioned option, license or funding had been negotiated to a successful conclusion by USET.

E. (1) All royalties or other payments received by USET or attributable to the licensing of INVENTIONS COVERED BY THIS AGREEMENT shall be accumulated by USET and amounts due

to GKSS shall be paid to GKSS semi-annually each year on or about each January 15 and July 15, together with an accounting of the source of such amounts and a copy of the statement of sales and/or other documentation as received from the licensee.

(2) All monies received by USET and attributable to sponsored research and/or development funding agreements shall be paid to GKSS no later than fifteen (15) days after receipt by USET.

F. USET shall keep accurate books and records of its income and receipts hereunder and of disbursements, and GKSS shall have the right to inspect such books and records, at reasonable intervals and at reasonable times.

Section 8. Term

A. The term of this AGREEMENT shall be from the date hereof for a period of five (5) years and shall be automatically renewed for additional one (1) year periods thereafter; provided, however, that either party shall have the right to terminate this AGREEMENT at the end of the initial five (5) year period or any subsequent one (1) year period thereafter by providing written notice of termination to the other party at least thirty (30) days prior to the end of any such period. Notwithstanding the expiration of this AGREE-

MENT or earlier termination as provided hereunder, with respect to any INVENTION COVERED BY THIS AGREEMENT, the provisions hereof relating to such INVENTIONS shall survive such expiration or earlier termination, unless recovered by GKSS under Section 4G, until the expiration of the last to expire of any patents issuing on each such INVENTION.

B. In the event of receivership or bankruptcy of USET, or in the event USET shall make an assignment for the benefit of creditors or shall go out of business, this AGREEMENT shall terminate and, in such event all right, title and interest in and to all INVENTIONS COVERED BY THIS AGREEMENT then represented by USET as agent pursuant to and under the terms of this AGREEMENT shall automatically revert to GKSS. In the event of such reversion, USET shall receive and retain royalties and/or funding shares from and for the full term of any licenses or similar agreements consummated prior to the receivership, bankruptcy, assignment or cessation of business of USET, in the amount it would have received and retained had the INVENTIONS not reverted to GKSS.

C. If either party shall at any time during the term hereof commit any breach of any material covenant or agreement herein contained, and shall fail to remedy any such breach within sixty (60) days after written notice thereof by the other party, such other party may at its option terminate

this AGREEMENT by notice in writing to such effect, in addition to such other remedies as are provided by law.

D. The termination of this AGREEMENT for any cause or the cessation of the agency as to any INVENTION COVERED BY THIS AGREEMENT shall not affect the terms of any options, licenses, sales, research and/or development agreements or other grants theretofore entered into by USET, and no termination shall relieve USET or its successors of its obligation to pay GKSS its share of royalties or sponsored research and/or development funding due or to become due or accrued under Section 7B hereof, or shall relieve GKSS of the obligation set forth in Sections 4G, 7B, 7C, 7D, and 8B to pay a continuing royalty or funding share attributable to services of USET, the right to which continuing royalty or funding share accrued prior to such termination.

Section 9. Miscellaneous

A. If a dispute is not settled by negotiation between the Parties, such dispute shall be settled by an independent third party expert, mutually agreeable to both GKSS and USET, at the joint expense of the Parties. The expert shall have the right to request the Parties to provide relevant documents and to present oral evidence, but shall not be bound by the rules of evidence, and shall seek to resolve the dispute

in an expeditious and informal manner. The expert shall agree that the information made available to him and the conclusion he reaches shall be kept confidential. The determination of such third party expert shall be final and binding upon both GKSS and USET. Such arbitration will be subject to the rules of the International Chamber of Commerce. The expert will determine, in accordance with the matter of the dispute, whether the West German legislation or the laws of the State of Connecticut shall be applicable to settle the dispute. If the Parties disagree with the expert determination of the application legislation, the ICC will decide that point.

B. Any payment, notice or other communication required or permitted to be made to either party hereunder shall be sufficiently made or given on the date of mailing if sent to such party at its address given below, or such other address as it shall hereafter designate in writing, as follows:

In the case of USET:

President
University Science, Engineering
and Technology, Inc.
1465 Post Road East
Westport, Connecticut 06880

In the case of GKSS:

Mr. Claas Schroder
GKSS Forschungszentrum Geesthacht GMBH
Max-Planck StreBe
2054 Geesthacht
West Germany

C. This Agency Agreement shall be executed simultaneously in two counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

D. This AGREEMENT shall be binding upon and shall inure to the benefit of the successors or assigns of GKSS, but USET may not assign this AGREEMENT nor any interest under this AGREEMENT without the prior written consent of GKSS, except that USET may assign its rights to monies due or to become due hereunder.

IN WITNESS WHEREOF, the Parties hereto have caused this AGREEMENT to be signed hereinbelow.

USET, INC.

WITNESS:

_____ _____

L. W. MILES, President

GKSS FORSCHUNGSZENTRUM
GEESTHACHT GMBH

WITNESS:

_____ By:_____

Title:_____

WAYNE SWANN'S VERSION

DRAFT

SERVICING AGREEMENT

AGREEMENT made this 30th day of September, 1988, between the Smithsonian Institution (hereinafter "SMITHSONIAN"), and University Science, Engineering and Technology , a Delaware corporation, with principal offices at 1465 Post Road East, Westport, Connecticut 06880 (hereinafter called "USET");

WITNESSETH:

WHEREAS, it is contemplated by the parties hereto that SMITHSONIAN will own rights to technology made by its employees and others in accordance with its policies and procedures and that SMITHSONIAN will have the full and exclusive right to license or have licensed on its behalf such technology;

WHEREAS, SMITHSONIAN desires that certain technologies which SMITHSONIAN may hereinafter obtain during the term of this AGREEMENT be utilized in such a manner as to develop their commercial utility both in the interests of SMITHSONIAN and the public;

WHEREAS, USET is an organization having experience and expertise in the development of patent programs and in administration, marketing and licensing of technology and is willing to undertake such functions under the terms set forth in this AGREEMENT.

NOW, THEREFORE, for good and valuable consideration, the receipt whereof is hereby acknowledged, and the mutual performance of the undertakings herein, it is agreed by the parties hereto as follows:

Section 1. Definitions

A. The term "Inventors" shall mean SMITHSONIAN employees (including research investigators), and staff members, and other persons from whom SMITHSONIAN may acquire title to Technology in accordance with its policies.

B. The Term "Technology" shall mean inventions, invention disclosures, know-how, trade secrets, software, biological, chemical and engineering materials, whether or not subject to intellectual property protection, patents and patent applications all acquired by the SMITHSONIAN after the date of this AGREEMENT but excluding divisions, continuation, or continuations-in-part of patents or patent applications or reissues of patents acquired by the SMITHSONIAN prior to the date of this AGREEMENT. In addition, the term shall include disclosures of specific research projects that the SMITHSONIAN believes may result in any of the above categories of technology and for which project the SMITHSONIAN is seeking funding from the private sector.

C. The term "Intellectual Property" shall mean patents, trade secrets and the protection of semiconductor chip products.

D. "Technology covered by this AGREEMENT" shall mean Technology which arises during the term of this AGREEMENT which USET elects to administer in accordance with this AGREEMENT and other Technology which the parties hereafter mutually agree to administer in accordance with this AGREEMENT.

E. The term "Consultant" shall mean persons serving in a consulting capacity under the terms of this Agreement and specifically includes the consulting services of Mr. Wayne E. Swann.

Section 2. Obligations of USET

A. USET shall develop, or have developed on its behalf by a Consultant, Policy, Documentation and Educational Tools for Smithsonian. Specifically, a "Patent Policy Statement", "Invention Disclosure Form" and an "Invention Handbook for the Inventor" will be prepared in draft form and submitted to Smithsonian for review and approval. The documents will be similar in scope, style and quality to those currently used by the University of Maryland, College Park. A final copy of the materials will be prepared for Smithsonian to use in the preparation of printed documents.

B. USET shall identify and document, or have identified and documented on its behalf by a Consultant, Smithsonian Technology. Specifically (1) the status and recent progress of Technology in individual research units will be reviewed, (2) specific programs and projects with invention potential will be identified by consulting with Smithsonian personnel, (3) research laboratories will be toured and inventors interviewed to determine novelty and utility of Technology candidates, and (4) inventions will be documented, if necessary, by providing hands-on assistance to inventors.

C. USET shall evaluate and license Smithsonian Technology candidates. Specifically, USET will (1) perform a patent search on each ~~pre-screened~~ elected Technology candidate as described in Section 5 herein, (2) when appropriate prepare an invention marketing strategy and actively engage in a marketing effort, (3) negotiate and close option, license and technology transfer agreements, subject to Smithsonian approval of all major terms and conditions, and (4) where appropriate identify third party sources for technology development funding.

if patentability is in question

D. USET shall seek to assure licensee diligence and performance under the terms of license agreements. Specifically, USET will (1) collect option/license/technology payments, technology development funds, and royalty payments and distribute to the Smithsonian for allocation according to standard practice and policy, and (2) monitor licensee diligence in bringing inventions to the market place and take appropriate action when necessary.

E USET will assess, or have assessed on its behalf by a consultant, the progress and accomplishments of the program and propose any modifications or additions to this Agreement.

Section 3. Obligations of SMITHSONIAN

A. SMITHSONIAN will strongly support the activities of USET and Consultant at the SMITHSONIAN and create an environment to promote the purpose of this Agreement by making SMITHSONIAN personnel, including Inventors, available at suitable times and

personnel, including Inventors, available at suitable times and places.

B. SMITHSONIAN will include in its patent policy a clause which will provide for the SMITHSONIAN acquiring rights to Technology developed by Inventors.

C. SMITHSONIAN will provide a "Technology Transfer Agent Fee" of Twenty-four Thousand Dollars ($24,000) per each year to USET. The first payment of $24,000 is due upon execution of this Agreement. The second payment is due upon extension of this Agreement as provided in Section 8A. If this Agreement is terminated by either party during the first or second year, SMITHSONIAN will be reimbursed at the rate of $2,000 for each full month remaining in the AGREEMENT for the particular year during which service has been terminated.

D. SMITHSONIAN agrees to pay for SMITHSONIAN approved direct travel expenses of Consultant and USET employees in cases where SMITHSONIAN requires: (1) Consultant to travel outside of the Baltimore/Washington metropolitan area and (2) USET employees to travel outside of Westport, Connecticut. Approval for such expenses will be sought in advance, subject to the usual SMITHSONIAN policies regarding such matters.

E. SMITHSONIAN agrees to review and consider additional requests for financing and assistance to enhance the success of this AGREEMENT.

Section 4. Commitment of Effort

A. USET Consultant(s) will spend an average of one day per month at SMITHSONIAN facilities, for a total of twelve (12) days per year, in performance of the obligations set forth under Section 2B. above.

B. USET Consultant(s) will spend an average of one day per month of effort, for a total of twelve (12) days per year, in performance of the obligations set forth under Sections 2A., 2B. and 2E. above.

C. USET will provide the services of its employees as needed in performance of the obligations set forth under Sections 2C. and 2D. above.

D. SMITHSONIAN will provide the services of its employees as needed in performance of the obligations set forth under Section 3A. - 3E. above.

Section 5. Management of Technology

A. It is recognized by the parties hereto that subsequent to the execution of this AGREEMENT and thereafter that the SMITHSONIAN will receive disclosure of Technology from SMITHSONIAN Inventors. All such disclosures of Technology shall be promptly submitted in writing to USET during the term of the AGREEMENT for evaluation of its commercial potential. By virtue of the activities of USET's Consultants and employees, USET will receive Technology disclosures directly from SMITHSONIAN employees. In such event, USET shall provide copies of such disclosures to SMITHSONIAN.

B. USET will notify SMITHSONIAN in writing within six (6) months from receipt of complete disclosure of Technology from SMITHSONIAN, whether or not USET elects to administer such Technology in accordance with this AGREEMENT. USET will notify SMITHSONIAN within sixty (60) days of the receipt of an incomplete disclosure of Technology on the information needed to complete the disclosure, and such disclosures will be held in abeyance pending receipt of such information, at which time such six (6) month period shall commence.

C. SMITHSONIAN grants to USET the right to disclose to actual or potential licensees, information regarding Technology, upon condition that the disclosure is accomplished in a manner and form sufficient to protect and safeguard the prospective intellectual property rights thereto, and, subject to the aforesaid condition, SMITHSONIAN waives any claim relating to USET's disclosures made during attempts to license said inventions.

D. If USET elects to administer a disclosed Technology in accordance with this AGREEMENT, within six (6) months USET will: (i) complete a patent novelty search for the Technology, elect to file a patent application thereon without conducting a patent novelty search or pursue other means of intellectual property protection, or (ii) notify SMITHSONIAN of USET's termination of interest therein. Within approximately one (1) year after the six (6) month period referred to in this Section 5D., USET will either (i) complete the timely filing of a U.S. patent application for invention, establish other means of intellectual property protection, or (ii) notify SMITHSONIAN of USET's termination of interest therein.

E. In the event USET does not elect to administer the disclosed Technology in accordance with this AGREEMENT, or fails to give timely notice of its election to administer a disclosed Technology in accordance with this AGREEMENT, then SMITHSONIAN shall be entitled to pursue any and all activities related to such disclosed Technology without involvement of USET.

F. SMITHSONIAN retains the right to enter contracts and receive grants in support of research to be performed at SMITHSONIAN. If USET elects to administer any Technology in accordance with this AGREEMENT which arises from research supported by a contract or grant containing terms providing preferential treatment of licenses to the contractor or grantor, USET agrees to perform all servicing obligations with respect thereto in accordance with such terms.

Section 6. Patents and Patent Costs

A. Subject to the provisions of Section 5, USET shall, when it deems necessary, promptly file or cause to be filed patent applications in any country or countries of the world, including the United States. Such patent applications shall be owned by SMITHSONIAN and will be filed and prosecuted, and any patents issuing thereunder to Technology covered by the AGREEMENT received from SMITHSONIAN shall be maintained, at no cost to SMITHSONIAN. SMITHSONIAN agrees to sign or cause to be signed all documents or papers and take any other action necessary to effect such filing and prosecution.

B. As to foreign patent rights on Inventions covered by this Agreement, if USET pays for the cost of filing, prosecution and maintenance of foreign patents, USET may first deduct these costs from royalties or other income derived from the licensing or other handling of the particular Technology involved, and the remaining royalties or other income shall be shared as set forth in this AGREEMENT.

C. In the event any Technology covered by this AGREEMENT becomes involved in litigation, SMITHSONIAN will be responsible for such litigation costs and will pay the expense of same. Notwithstanding the foregoing, USET may transfer some or all of the power of litigation and the costs thereof to an exclusive licensee under a license covered by this AGREEMENT and permit the licensee to set-off its litigation costs from royalties otherwise due.

Section 7. Royalty Payments and Other Considerations

A. USET shall collect and receive on behalf of SMITHSONIAN all royalties, fees or other renumeration hereafter to be due or accruing by reason of the licensing, sale, or other exploitation of Technology covered by this AGREEMENT.

B. With respect to any royalties or other income received by USET for the licensing, sale or other exploitation of Technology covered by this AGREEMENT subject to the provisions of Section 6B., USET shall retain fifty percent (50%) thereof and shall pay over to SMITHSONIAN the remaining fifty percent (50%). From its share of such royalties or other income, SMITHSONIAN shall compensate the Inventors of SMITHSONIAN in accordance with its applicable policy, and USET agrees to pay to SMITHSONIAN the sum of Two Hundred Dollars ($200) at the time a U. S. patent application is filed for each Technology covered by this AGREEMENT, provided that only one such payment shall be made with respect to a series of patent applications covering a number of related Technologies made by a common Inventor(s), and SMITHSONIAN agrees to forward said sum to such Inventor(s) on behalf of USET. Excluded from this Section 7B. are invention development contracts and grants identified by and arranged through USET. On these contracts and grants, USET will

receive a fee based on an additional fifteen percent (15%) increase indirect (overhead) rate charged by the SMITHSONIAN. USET will retain this fee and transfer the balance (research funds and SMITHSONIAN indirect costs to the SMITHSONIAN.

C. All royalties or other payments received by USET and attributable to the licensing of Technology covered by this AGREEMENT shall be accumulated by USET and amounts due to SMITHSONIAN shall be paid to SMITHSONIAN semiannually each year on or about each January 15 and July 15, together with an accounting of the source of such amounts except for payments received for invention development contracts or grants which will be paid within forty-five (45) days of receipt.

D. USET shall keep accurate books and records of its income and receipts hereunder and of disbursements, and SMITHSONIAN shall have the right to inspect such books and records, at reasonable intervals and at reasonable times.

Section 8. Term

A. The term of this AGREEMENT shall be from the date hereof for a period of one (1) year. This AGREEMENT shall be automatically renewed for an additional one (1) year period unless either party notifies the other party in writing of termination at least thirty (30) days prior to the end of a one (1) year period. Notwithstanding the expiration of this AGREEMENT or earlier termination as provided hereunder, and with respect to any Technology covered by this AGREEMENT, this provision hereof relating to such Technologies shall survive such expiration or earlier termination until the expiration of the last to expire of any patents issuing on each such Technology.

B. If either party shall at any time during the term hereof commit any breach of any material covenant or agreement herein contained, and shall fail to remedy any such breach within sixty (60) days after written notice there of by the other party, such other party may at

its option terminate this AGREEMENT by notice in writing to such effect, in addition to such other remedies as are provided by law.

C. The termination of this AGREEMENT for any cause shall not affect the terms of any licenses, sales or other grants theretofore entered into by USET, and no termination shall relieve USET or its successors of its obligation to pay SMITHSONIAN its share of royalties due or to become due or accrued under Section 7 hereof, or shall relive SMITHSONIAN of the financial obligations accrued prior to termination.

Section 9. Miscellaneous

A. This AGREEMENT shall be interpreted and enforced under the laws of the State of Connecticut.

B. Any payment, notice or other communication required or permitted to be made to either party hereunder shall be sufficiently made or given on the date of mailing if sent to such party at its address given below, or such other address as it shall hereafter designate in writing, as follows:

USET

_____

_____

1465 Post Road East
Westport, Connecticut 06881

SMITHSONIAN

Mr. Peter Powers
General Counsel
Smithsonian Institution
Washington, D.C. 20560
202-357-2583

Consultant

Mr. Wayne E. Swann
5392 Storm Drift
Columbia, Maryland 21045
301-995-0331

C. Nothing contained herein shall authorize either USET, or any of its licensees to use SMITHSONIAN's name in advertising of products or processes licensed hereunder without the prior specific written authorization of SMITHSONIAN; however, USET may advise others of the sources of Technology covered by this AGREEMENT and may disclose the existence of this AGREEMENT.

D. This AGREEMENT shall be binding upon and shall inure to the benefit of the successors or assigns of SMITHSONIAN, but USET may not assign this AGREEMENT nor any interest under this AGREEMENT without the prior written consent of SMITHSONIAN, except that USET may assign its rights to monies due or to become due hereunder.

E. The effective date of this AGREEMENT is September 30, 1988.

Section 10. Signatures

USET	SMITHSONIAN INSTITUTION
By _____	By _____
	Dean W. Anderson
Title _____	Title Undersecretary
Date _____	Date _____

SERVICING AGREEMENT

AGREEMENT made this_____ day of_____, 1988, between_____(hereinafter called "University"), and University Science, Engineering and Technology, a Delaware corporation, with principal offices at 1465 Post Road East, Westport, Connecticut 06880 (hereinafter called USET);

W I T N E S S E T H:

WHEREAS, it is contemplated by the parties hereto that UNIVERSITY will own rights to technology made by its employees and others in accordance with its policies and procedures and that UNIVERSITY will have the full and exclusive right to license or have licensed on its behalf such technology;

WHEREAS, UNIVERSITY desires that certain technologies which UNIVERSITY may hereinafter obtain during the term of this AGREEMENT be utilized in such a manner as to develop their commercial utility and to develop the maximum reasonably obtainable income both in the interests of UNIVERSITY and the public, and that such rights be administered in an effective manner;

WHEREAS, USET has been organized under the laws of the State of Delaware for the purpose of commercial exploitation and administration of technology and is willing to undertake such functions under the terms set forth in this AGREEMENT.

NOW, THEREFORE, for good and valuable consideration, the receipt whereof is hereby acknowledged, and the mutual performance of the undertakings herein, it is agreed by the parties hereto as follows:

Section 1. Definitions

A. The term "Inventors" shall mean UNIVERSITY's faculty (including Research Investigators), and staff members, and other persons from whom UNIVERSITY may acquire title to technology in accordance with its policies.

B. The Term "Technology" shall mean inventions, invention disclosures, know-how, trade secrets, software, biological, chemical and engineering materials, whether or not subject to intellectual property protection, patents and patent applications all acquired by the UNIVERSITY after the date of this AGREEMENT but excluding divisions, continuation, or continuations-in-part of patents or patent applications or reissues of patents acquired by the UNIVERSITY prior to the date of this AGREEMENT. In addition, the term shall include disclosures of specific research projects that the UNIVERSITY believes may result in any of the above categories of technology and for which project the UNIVERSITY is seeking funding from the private sector.

C. The term "Intellectual Property" shall mean patents, copyrighted technology, trade secrets or the protection of semiconductor chip products.

D. "Technology covered by this AGREEMENT" shall mean technology which arises during the term of this AGREEMENT which USET elects to administer in accordance with this AGREEMENT and other technology which the parties hereafter mutually agree to administer in accordance with this AGREEMENT.

Section 2. Obligations of USET

USET, from and after the date of the AGREEMENT, shall perform the following services for UNIVERSITY:

A. USET shall begin, with reasonable diligence and with the cooperation of UNIVERSITY, and thereafter shall pursue, at its expense an educational program for University staff and Research Investigators describing the USET services available to the University, the benefits of managing University technology and the process of identifying, protecting and licensing such technology. USET shall also, upon request by UNIVERSITY provide consulting services to University on intellectual property issues in connection to specific University technology or research grants and contracts.

B. USET shall enter into a program of licensing (and when appropriate assignment of) technology covered by this AGREEMENT, on the basis of the technology's commercial potential, the availability of intellectual property protection and reasonable

corporate prudence. USET shall consult, as appropriate, with UNIVERSITY administrative personnel and the Inventor(s) in order to plan such licensing strategies for such technology. USET shall further consult with appropriate UNIVERSITY administrative personnel prior to assignment or grant of exclusive licenses on technology covered by this AGREEMENT; provided, that USET shall have final authority to implement license strategies and grant licenses.

C. USET shall provide licensees, prospective licensees and assignees with information obtained from UNIVERSITY in order to permit more profitable return to UNIVERSITY from the administration of technology covered by this AGREEMENT.

D. USET employees and/or consultants shall visit UNIVERSITY and interview Inventors at the UNIVERSITY within the framework of UNIVERSITY's present administrative procedures on a regular basis, and UNIVERSITY agrees fully to cooperate with such USET employees and consultants.

E. USET shall provide periodic written status reports regarding its activities hereunder to UNIVERSITY during the term hereof.

Section 3. USET's Rights

A. UNIVERSITY agrees that it will not hereafter, during the term of this AGREEMENT, without the express written consent of USET execute any license or take any other action contrary to the rights granted or to be granted to USET in accordance with the terms of the AGREEMENT.

B. Nothing contained herein shall authorize either USET, or any of its licensees to use UNIVERSITY's name in any advertising or advertising of products or processes licensed hereunder without the prior specific written authorization of UNIVERSITY; however, USET may advise others of the sources of technology covered by this AGREEMENT and may disclose the existence of this AGREEMENT.

Section 4. Management of Technology

A. It is recognized by the parties hereto that subsequent to the execution of this AGREEMENT and thereafter that the UNIVERSITY will receive disclosure of technology from UNIVERSITY Inventors in compliance with University policy. All such disclosures of technology shall be promptly submitted in writing to USET during the term of the AGREEMENT for evaluation of its commercial potential.

The parties recognize that, by virtue of the activities of USET's employees, that USET may from time-to-time receive technology disclosures directly from UNIVERSITY's employees. In such event, USET shall provide copies of such disclosures to UNIVERSITY and will evaluate them as described above.

B. At the time of submitting a disclosure of technology disclosure to USET, or within thirty (30) days after USET notifies UNIVERSITY that USET has received same from UNIVERSITY's inventors, UNIVERSITY shall advise USET of any outstanding commitments or obligations which might prevent such technology from being subjected to this AGREEMENT or might limit USET's ability to license or otherwise convey rights thereto, and shall advise USET of any publication (including the date thereof) pertaining to such technology (and shall provide USET with a copy of such publication if reasonably possible.)

C. UNIVERSITY grants to USET the right to disclose to actual or potential licensees, information regarding a technology, upon condition that the disclosure is accomplished in a manner and form sufficient to protect and safeguard the prospective intellectual property rights thereto, and, subject to the aforesaid condition, UNIVERSITY waives any claim relating to USET's disclosures made during attempts to license said inventions.

D. USET will notify UNIVERSITY in writing within six (6) months from a complete disclosure of a technology from UNIVERSITY, whether or not USET elects to administer such technology in accordance with this AGREEMENT.

USET will notify UNIVERSITY within sixty (60) days of the receipt of an incomplete disclosure of a technology on the information needed for complete the disclosure, and such disclosures will be held in abeyance pending receipt of such information, at which time such six (6) month period shall commence.

E. In the event USET does elect to administer a technology in accordance with this AGREEMENT, UNIVERSITY agrees to assign and hereby does assign to USET its entire right, title, and interest in and to such technology, subject to any previous commitments made or limitations incurred by UNIVERSITY, as for example, under certain United States Government grants and/or contracts (but no commitments or limitations incurred by virtue of UNIVERSITY's regulations or agreements with its Inventors).

F. In the event USET does not elect to administer a technology in accordance with this AGREEMENT, or fails to give timely notice of its election to administer a technology in accordance with this AGREEMENT, then USET's entire right, title, and interest in such technology shall terminate and the UNIVERSITY shall be entitled to pursue any and all activities related to such technology without involvement of USET.

G. UNIVERSITY retains the right to enter contracts and receive grants in support of research to be performed at UNIVERSITY. If USET elects to administer any technology in accordance with this AGREEMENT which arises from research supported by such a contract or grant containing terms providing preferential treatment of licenses to the contractor or grantor, USET agrees to perform all servicing obligations with respect thereto in accordance with such terms.

H. Within six (6) months following notice by USET of its election to administer a technology in accordance with this AGREEMENT, USET will: (i) complete a patent novelty search for the technology, elect to file a patent application thereon without conducting a patent novelty search or pursue other means of intellectual property protection, or (ii) notify UNIVERSITY of USET's termination of interest therein. Within approximately one (1) year after the six (6) month period referred to in this Section 4(H), USET will either (i) complete the timely filing of a U.S. patent application for the invention, establish other means of intellectual property protection, or (ii) notify UNIVERSITY of USET's termination of interest therein.

Section 5. Patents and Patent Costs

A. Subject to the provisions of Section 4, USET shall, when it deems necessary, promptly file or cause to be filed patent applications in any country or countries of the world, including the United States. Such patent applications shall be filed and prosecuted, and any patents issuing thereunder to Inventions covered by the AGREEMENT received from UNIVERSITY shall be maintained, at no cost to UNIVERSITY. UNIVERSITY agrees to sign or cause to be signed all documents or papers and take any other action necessary to effect such filing and prosecution. In the event USET decides not to file a patent application on an Invention covered by this AGREEMENT, or to abandon a filed patent application or issued patent, it will notify UNIVERSITY of such decision within adequate time for UNIVERSITY to file a patent application or such Invention or continue the prosecution of such application or maintenance of such issued patent, as the case may be, and will promptly transfer all of USET's rights therein to UNIVERSITY, thereby deleting the same from the scope of this AGREEMENT.

B. As to foreign patent rights on Inventions covered by this AGREEMENT, if USET files for foreign patents, USET may first deduct the foreign filing, prosecution, and maintenance cost from royalties or other income derived from the licensing or other handling of the particular Invention or Inventions involved, and the remaining royalties or other income shall be shared as set forth in this AGREEMENT

C. In the event any technology covered by this AGREEMENT becomes involved in litigation, USET will pay the expense of same. USET shall be entitled to deduct its litigation expenses from any recovery or royalties related to the technology that is the subject of the suit, with the balance of the recovery, if any, or the remainder of such royalties, as the case may be, to be shared in accordance with the royalty sharing provisions of this AGREEMENT. Notwithstanding the foregoing, USET may transfer some or all of the power of litigation and the costs thereof to an exclusive licensee under a technology covered by this AGREEMENT and permit the Licensee to set-off its litigation costs from royalties otherwise due. In no event shall UNIVERSITY be required to become a party to any such suit initiated by USET or any licensee without its express permission.

Section 6. Representations and Warranties by UNIVERSITY

UNIVERSITY represents and warrants:

A. That pursuant to its existing intellectual property protection policy of (a copy of which is attached hereto and marked "Schedule A".) it will acquire all rights to the technology, inventions, invention disclosures, know-how, trade secrets, patents and patent application made by Inventors and that it has the full right and power to assign such subject matter to USET hereunder.

B. That it now has the right to enter into this AGREEMENT and intends hereafter to comply with the terms thereof (including without limitation that it will not change its policies in derogation of the rights conveyed and to be conveyed to USET hereunder).

Section 7. Payments and Considerations

A. USET shall collect and receive in its own name all royalties, fees or other remuneration hereafter to be due or accruing by reason of the licensing, sale, litigation or other exploitation of technology covered by this AGREEMENT.

B. With respect to any royalties or other income received by USET for the licensing, sale, litigation or other exploitation of any technology covered by this AGREEMENT, subject to the provisions of Section 5B and C, USET shall retain forty percent (40%) thereof and shall pay over to UNIVERSITY the remaining sixty percent (60%). From its share of such royalties or other income, UNIVERSITY shall compensate the Inventors of UNIVERSITY in accordance with its applicable policy, and USET agrees to pay to UNIVERSITY the sum of Two Hundred Dollars ($200.00) at the time a United States patent application is filed for each Invention covered by this AGREEMENT, provided that only one such payment shall be made with respect to a series of patent applications covering a number of related inventions made by a common Inventor(s), and UNIVERSITY agrees to forward said sum to such Inventor(s) on behalf of USET.

C. All royalties or other payments received by USET and attributable to the licensing of Inventions covered by this AGREEMENT shall be accumulated by USET and amounts due to UNIVERSITY shall be paid to UNIVERSITY semiannually each year on or about each January 15 and July 15, together with an accounting of the source of such amounts.

D. USET shall keep accurate books and records of its income and receipts hereunder and of disbursements, and UNIVERSITY shall have the right to inspect such books and records, at reasonable intervals and at reasonable times.

Section 8. Term

A. The term of this AGREEMENT shall be from the date hereof for a period of five (5) years and shall be automatically renewed for additional one (1) year periods thereafter; provided, however, that either party shall have the right to terminate this AGREEMENT at the end of the initial five (5) year period or any subsequent period thereafter by providing written notice of termination to the other party at least thirty (30) days prior to the end of any such period. Notwithstanding the expiration of this AGREEMENT or earlier termination as provided hereunder, and with respect to any technology covered by this AGREEMENT, this provision hereof relating to such technologies shall survive such expiration or earlier termination until the expiration of the last to expire of any patents issuing on each such technology.

B. If, after three (3) years from the issue date of any patent issuing on an technology covered by this) AGREEMENT, it shall be reasonably determined by UNIVERSITY that USET has failed to produce the maximum utilization or return which might be expected from commercial development of such technology, UNIVERSITY shall, upon sixty (60) days written notice to USET, have a right to reassignment of such technology (including the patent or patents relating thereto). During said sixty (60) day period the parties agree to negotiate concerning alternate procedures to such reassignment, but during said time USET shall not grant any license under the technology covered by said notice without the consent of UNIVERSITY.

If USET desires to dispute the reasonableness of such determination by UNIVERSITY, such dispute shall be shall be settled by arbitration in accordance with the rules of the American Arbitration Association then in effect. The arbitrator's decision as to such reasonableness shall be final and binding upon the parties. Upon maturation of the right to reassignment, USET shall, in fact, reassign to UNIVERSITY by written instrument. The demand for arbitration must be make within thirty (30) days after expiration of said sixty (60) day period and the costs of such arbitration shall be borne by the party who does not prevail.

In the event of such reassignment, USET shall receive and retain a royalty for the life of said technology arising from any license or similar agreement consummated prior to the demand for the recapture of said technology, in the amount it would have received and retained had the technology not been reassigned to UNIVERSITY.

C. In the event of receivership or bankruptcy of USET, or in the event USET shall make an assignment for the benefit of creditors or shall go out of business, this AGREEMENT shall terminate and, in such event all right, title and interest in and to all technologies covered by this AGREEMENT then owned by USET pursuant to and under the terms of this AGREEMENT shall automatically revert to UNIVERSITY. In the event of such reversion, USET shall receive and retain royalties from and for the full term of any licenses or similar agreements consummated prior to the received and retained had the technologies not reverted to UNIVERSITY.

D. If either party shall at any time during the term hereof commit any breach of any material covenant or agreement herein contained, and shall fail to remedy any such breach within sixty (60) days after written notice thereof by the other party, such other party may at its option terminate this AGREEMENT by notice in writing to such effect, in addition to such other remedies as are provided by law.

E. The termination of this AGREEMENT for any cause shall not affect the terms of any licenses, sales or other grants theretofore entered into by USET, and no termination shall relieve USET or its successors of its obligation to pay UNIVERSITY its share of royalties due or to become due or accrued under Section 7 hereof, or shall relieve UNIVERSITY of the obligation set forth in Section 8 B to pay a continuing royalty

attributable to services of USET, the right to which continuing royalty accrued prior to such termination.

Section 9. Miscellaneous

A. This AGREEMENT shall be interpreted and enforced under the laws of the State of Connecticut.

B. Any payment, notice or other communication required or permitted to be made to either party hereunder shall be sufficiently made or given on the date of mailing if sent to such party at its address given below, or such other address as it shall hereafter designate in writing, as follows:

In the case of USET

President
USET
1465 Post Road East
Westport, Connecticut 06881

In the case of UNIVERSITY

President

C. This AGREEMENT shall be binding upon and shall inure to the benefit of the successors or assigns of UNIVERSITY, but USET may not assign this AGREEMENT nor any interest under this AGREEMENT without the prior written consent of UNIVERSITY, except that USET may assign its rights to monies due or to become due hereunder.