



NOTE: All provisions contained in this document are expressly non-binding and are provided for discussion purposes only. There is no legal or other commitment by any party as to any of the provisions in this document unless and until the necessary internal approvals have been given and a formal written agreement has been signed by authorized signatories of both parties.

NON-EXCLUSIVE LICENSE AGREEMENT

This **Non-Exclusive License Agreement** (hereinafter referred to as the "Agreement"), is made on this the ___ day of _____, 20___, by and between, the **National Institute of Aerospace Associates, d/b/a the National Institute of Aerospace**, (hereinafter referred to as "NIA" or "LICENSOR") a 501(c)3 Virginia Corporation, located at 100 Exploration Way, Hampton, VA 23666, and _____, (hereinafter referred to as "LICENSEE") having a business office located at _____ (each, individually referred to as the "Party", and, collectively referred to as the "Parties") for the purpose of entering into a non-exclusive license agreement for the following: _____.

RECITALS

WHEREAS, LICENSOR the right to grant licenses under specific inventions that are covered by certain patents and patent applications (hereinafter defined and referred to as "Patent Rights") and wishes to have the Licensed Products used in the public interest;

WHEREAS, LICENSOR has certain patent rights as hereinafter defined and which is identified by LICENSOR as NIA Technology Number: _____ and entitled, "_____".

WHEREAS, LICENSEE wishes to obtain a **non-exclusive right to license** the Licensed Products, and utilize the patent rights of the LICENSOR to make, use, sell, have made and offer for sale the Licensed Products (hereinafter defined) for commercial use in accordance with the terms and conditions set forth below.

WHEREAS, LICENSOR is willing to grant a **non-exclusive license** to LICENSEE subject to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth herein, and for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE 1 - DEFINITIONS

1.01 - "Field" or "Field of Use" means for purposes of this Agreement _____.

1.02 "Patent Rights" means (a) the patents and patent applications listed in Appendix A (hereafter referred to as "Patent Applications"); (b) any patent issuing on any such Patent Applications; and (c) all divisions, continuations, continuations-in-part (but only to the extent that the subject matter of each such continuation-in-part application is described in and enabled by the disclosure of the Patent Applications), re-examinations, reissues, substitutions, or extensions thereof and patent issuing from those things described in (a) or (b) above. Notwithstanding the foregoing, Patent Rights does not include those patents and/or patent applications that, during the term of this Agreement, cease to be Patent Rights pursuant to Article 6.01 or 6.04. It is understood and agreed that subject matter that is patentably distinct from the subject matter described within the Patent Applications is not within the scope of the



Patent Rights even though that patentably distinct subject matter may fall within the scope of one or more claims of the Patent Applications. For avoidance of doubt, patentably distinct improvements relating to the subject matter of the Patent Applications are not Patent Rights under this Agreement.

1.03 - "Licensed Product" means _____.

1.04 - "Net Sales" means LICENSEE's gross receipts for the sale, use and transfer of Licensed Products, less the sum of the following:

- (a) Discounts allowed in amounts customary in the trade;
- (b) Sales, tariff duties and/or use taxes directly imposed and with reference to particular sales;
- (c) Outbound transportation prepaid or allowed; and
- (d) Amounts allowed or credited on returns.

No deductions may be made for commissions paid to individuals whether they are independent sales agents or regularly employed by LICENSEE and on its payroll, or for the cost of collections. Licensed Products are considered "sold" when billed out or invoiced. Net Sales in the case of Licensed Products used or transferred by LICENSEE means the fair market value of Licensed Products as if they were sold to an unrelated third party in similar quantities.

1.05 - "Effective Date" means _____.

ARTICLE 2 - LICENSE

2.01 - LICENSOR grants to LICENSEE and LICENSEE accepts from LICENSOR, upon the terms and conditions herein specified, **a non-exclusive license to make, have made, use and sell Licensed Products, without the right to sublicense.** Such license is worldwide and remains in effect, on a country by country basis for the life of the last to expire patent. The foregoing notwithstanding, LICENSEE's rights and license are subject to the rights of the U.S. Government pursuant to any funding agreement between LICENSOR and the Government.

2.02 - LICENSEE may not grant sublicenses or extend any license granted to LICENSEE to its Affiliates, without the express written consent of LICENSOR.

2.03 - The license granted hereunder does not confer any rights, title to or ownership interest to LICENSEE by implication, estoppel or otherwise as to any rights other than those expressly granted herein.

2.04 - LICENSEE agrees that any products constituting Licensed Products or produced through the use of Licensed Products will be manufactured substantially in the United States to the extent required by 35 U.S.C. Sec. 204, if such statute is applicable.

ARTICLE 3 - DUE DILIGENCE

3.01 - LICENSEE must diligently pursue the development of Licensed Products. This will include manufacturing or producing a Licensed Product for testing, development, and sale, and also



seeking required governmental approvals, if applicable, of such Licensed Product. In addition to this general commitment to diligence, LICENSEE specifically agrees to the following diligence requirement:

Within six (6) months from the Effective Date of this Agreement, LICENSEE shall deliver to LICENSOR a report showing LICENSEE's plans for commercializing the Subject Technology and will provide a similar report every six (6) months to the LICENSOR until first commercial sale under the Patent Rights.

3.02 - LICENSEE will use its best efforts to have the Subject Technology cleared for marketing in those countries in which LICENSEE intends to sell Licensed Products by the responsible government agencies requiring such clearance. To accomplish such clearances at the earliest possible date, LICENSEE agrees to file, according to the usual practice of LICENSEE, any necessary data with such government agencies. Should LICENSEE terminate this Agreement, LICENSEE agrees to assign its full interest and title in such market clearance application, including all data relating thereto, to LICENSOR at no cost to LICENSOR.

3.03 - Failure by LICENSEE to comply with the provisions of this Article 3 results in LICENSOR having the right, at its option, to cancel the license upon thirty (30) days written notice to the LICENSEE, and to require a reversion of rights to all relevant materials, research information and technology, including Patent Rights, transferred to LICENSEE by LICENSOR.

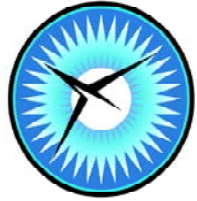
ARTICLE 4 - LICENSE FEE, ROYALTIES, RECORDS, AND REPORTS

4.01 - In partial consideration for the license granted in this Agreement, LICENSEE must pay to LICENSOR a license fee of _____ (US) (\$_____) which is due and payable to LICENSOR within thirty (30) days of the Effective Date of this Agreement. **The license fee is non-refundable and is not creditable against any future payments or royalties.**

4.02 - For as long as this license is in effect, LICENSEE must pay to LICENSOR a monthly royalty of _____ percent (___%) of Net Sales of Licensed Products by LICENSEE, which is due and payable by the LICENSEE to the LICENSOR on the 1st day of each month. A Late Payment shall be due for any payments that are not received by the LICENSOR by the 10th day of the month. In the event any payment due LICENSOR is not received when due under this section, LICENSEE shall pay a late charge of One Hundred Dollars (\$100.00) or two percent (2%) of the amount due and owing, whichever is greater ("Late Payment Charge"). The Late Payment Charge shall be issued simultaneously with issuance of the payment due notice to the LICENSEE by the LICENSOR.

4.03 - LICENSEE will deliver to LICENSOR on a quarterly basis a written account of the Net Sales of Licensed Products as of July 1, October 1, January 1, and April 1 of each calendar year. The reports of Net Sales and the royalty payment due LICENSOR thereon shall be due and payable within thirty (30) days following the applicable date. An officer of the LICENSEE shall certify in writing that the information provided to LICENSOR is true, accurate and complete. LICENSEE shall make such reports even if there have been no Net Sales or if no royalties are due to LICENSOR for a particular quarter. LICENSEE's reports shall include at a minimum the following:

- (a) All Licensed Products manufactured and sold.
- (b) Gross receipts for Licensed Products sold.
- (c) Deductions applicable as provided in section 1.05.



- (d) Total sales made to U.S. Government Agencies which may require No royalty payment.
- (e) Total royalties due to LICENSOR.
- (f) Names and addresses of all sub-licensees of LICENSEE.

4.04 - LICENSEE will keep full, true, and accurate books of accounts and other records containing all particulars which may be necessary to ascertain and verify properly such Net Sales. Upon LICENSOR's written request, LICENSEE will permit an independent accounting firm selected by LICENSOR (except one to whom LICENSEE has some reasonable objection) to have access during ordinary business hours to such of LICENSEE's records as may be necessary to determine, in respect of any three (3) month period ending not more than five (5) years prior to the date of such request, the correctness of any report made under this Agreement. Any report(s) prepared by the firm regarding its investigation shall relate solely to fees and royalties due and owing under this Agreement. In the event the amounts due LICENSOR under this Agreement are determined to have been underpaid by greater than five percent (5%), LICENSEE shall pay the cost of such examination and accrued interest at the highest allowable rate. Failure to provide records when due or requested is a material breach of the Agreement.

4.05 - All payments made as a result of this Agreement will be paid in United States dollars to an address or bank account designated by the LICENSOR. If any currency conversion shall be required in connection with the payment of royalties hereunder, such conversion shall be made by using the exchange rate prevailing at the Chase Manhattan Bank (N.A.) on the last business day of the calendar quarterly reporting period to which such royalty payments relate.

4.06 - The royalty payments set forth in this Agreement, if overdue, will bear interest until payment at a per annum rate of four percent (4%) above the prime rate in effect at the Chase Manhattan Bank (N.A.) on the due date. However, in no event shall any penalties hereunder exceed eighteen percent (18%) per annum (or 1.5 % per month).

ARTICLE 5 - GOVERNMENT CLEARANCE, PUBLICATION, OTHER USE, EXPORT, DUTIES

5.01 - LICENSEE agrees that the right of publication resides in the inventor and other staff of LICENSOR. LICENSOR shall have the right to publish papers relating to the subject matter of this Agreement. In the event LICENSOR wishes to make any such publication, LICENSOR shall provide LICENSEE, at least thirty (30) days prior to publication or presentation, a copy of the abstract, paper or manuscript for review and comment. LICENSEE's review shall be limited to a determination whether any Proprietary or Business Sensitive Information, as identified in accordance with the terms and conditions of a separate nondisclosure agreement executed by and between the parties, is disclosed by the publication and whether LICENSEE desires to have such information deleted or to seek patent protection for the information prior to publication. In the latter case, publication may be delayed up to one hundred and eighty (180) days after receipt of written notice from LICENSEE that it is filing for patent protection. The author of any publication shall have the final right and authority to determine the scope and content of a publication, subject only to LICENSEE's limited right of review for Proprietary or Business Sensitive Information.

5.02 - It is agreed that, notwithstanding any provisions herein, LICENSOR is free to use the Invention for its educational, teaching, and research purposes without restriction and without payment of royalties or other fees.



5.03 - This Agreement is subject to all of the United States laws and regulations controlling the export of technical data, computer software, laboratory prototypes and other commodities and technology. It is understood that LICENSOR and LICENSEE are subject to United States laws and regulations controlling the export of technical data, computer software, laboratory prototypes and other commodities (including the Arms Export Control Act, as amended and the Export Administration Act of 1979), and that its obligations under this Agreement are contingent on compliance with applicable United States export laws and regulations. The transfer of certain technical data and commodities may require the LICENSEE obtain an export license from the cognizant agency of the United States Government and/or written assurances by the Company that the Company will not export data or commodities to certain foreign countries without prior approval of such agency. LICENSOR makes no promise or representation that a license is not required nor that, if required, it will be issued.

5.04 - LICENSEE is solely responsible for the payment and discharge of any taxes, duties, export licensing fees, relating to any transaction of LICENSEE, its employees, contractors, agents, or sub-licensees, in connection with the manufacture, use, or sale in any country of Licensed Product(s).

5.05 - LICENSEE shall exert reasonable efforts to obtain permission or approval to market Licensed Product(s), process(es) and service(s), if such permission is required, from the applicable governmental agencies of any country within the Territory in which LICENSEE decides to market Licensed Products, process(es) and service(s). In the event LICENSEE terminates this Agreement, LICENSEE agrees to assign its full right, title to, interest in and to any such market clearance application or market clearance, including all data relating thereto, to LICENSOR.

ARTICLE 6 - PATENTS

6.01 LICENSOR must apply for, prosecute, and maintain during the term of this Agreement, the Patent Rights in the United States and in the following foreign countries:

Licensee must inform LICENSOR in writing which foreign countries, if any, in which Licensee desires patent protection and Appendix A will be amended in writing to reflect those designations. LICENSOR and/or its other licensees of Patent Rights may elect to seek patent protection in countries not so designated by Licensee, in which case LICENSOR and/or such other licensees of Patent Rights are responsible for all expenses attendant thereto. However, in such instances, such patent applications will not be Patent Rights and Licensee forfeits all rights under this Agreement to such patent applications and resulting patents.

6.02 Licensee will be given reasonable opportunities to advise LICENSOR in the filing, prosecution, and maintenance of Patent Rights and will cooperate with LICENSOR in such filing, prosecution, and maintenance. At Licensee's request and expense, Licensee shall be provided with copies of all prosecution documents relating to Patent Rights so that Licensee may have the opportunity to offer comments and remarks thereon, such comments and remarks to be given due consideration by LICENSOR. However, notwithstanding anything to the contrary in this Agreement, all decisions with respect to the filing, prosecution, and maintenance of Patent Rights are reserved solely to LICENSOR.



6.03 During the term of this Agreement, payment of all fees and costs relating to the filing, prosecution, and maintenance of the Patent Rights are the responsibility of Licensee, whether such fees and costs were incurred before or after the Effective Date. Licensee must pay all such fees and costs within 30 days of receipt of an invoice for the same, and failure pay such invoice within such 30-day period is a default hereunder for which LICENSOR may terminate this Agreement in accordance with Article 10.03. Notwithstanding the foregoing, in the event that there are multiple licensees of the Patent Rights, the patent costs shall be shared *pro rata* among the licensees, with such sharing to reflect the scope of the license, field of use, and territory for each licensee.

6.04 If Licensee provides LICENSOR with written notification that it will no longer support the filing, prosecution, or maintenance of specified patent(s) and/or patent application(s) within Patent Rights, then Licensee has no further responsibility for fees and costs relating to the filing, prosecution, and maintenance of such subject Patent Rights that are incurred following LICENSOR's receipt of such written notification. However, in such instances, from the date of LICENSOR's receipt of such written notification such patents and/or patent applications are not Patent Rights, and Licensee surrenders all rights under this Agreement to such patents, patent applications, and patent arising from such patent applications.

6.05 To the extent reasonably practical, Licensee must mark any Licensed Product, and/or Licensed Service sold in the United States and/or their containers, labels, and/or other packaging with all applicable United States patent numbers. All Licensed Products or Licensed Services shipped to or sold in other countries must be marked in such a manner as to conform with the patent laws and practices of the country of manufacture or sale.

ARTICLE 7 - DURATION AND TERMINATION

7.01 - This Agreement becomes effective upon the Effective Date and, unless sooner terminated in accordance with any of the provisions herein, remains in full force for a period corresponding to the expiration of the last to expire patent.

7.02 - In the event an order for relief is entered against LICENSEE under the Federal Bankruptcy Code, or an order appointing a receiver for substantially all of LICENSEE's assets is entered by a court of competent jurisdiction, or LICENSEE makes an assignment for the benefit of creditors, or a levy of execution is made upon substantially all of the assets of LICENSEE and such levy is not quashed or dismissed within thirty (30) days, this Agreement automatically terminates effective on the date of such order or assignment or, in the case of such levy, the expiration of such thirty day period; provided, however, that such termination will not impair or prejudice any right of remedy that LICENSOR might have under this Agreement.

7.03 - LICENSEE may terminate this Agreement by giving LICENSOR written notice at least ninety (90) days prior to such termination, and thereupon terminate the manufacture, use, or sale of Licensed Products. . LICENSEE shall pay to LICENSOR upon notice of termination a fee of _____ Dollars (\$_____), in addition to any licensing fees due by LICENSEE to LICENSOR.

7.04 - Should LICENSEE fail to pay LICENSOR royalties and/or fees, due and payable hereunder, LICENSOR may terminate this Agreement on thirty (30) days' notice, unless LICENSEE pays LICENSOR, within the thirty (30) day period, all such royalties, fees, and interest due and payable. Upon the expiration of the thirty (30) day period, if LICENSEE has not paid all such royalties and interest due and payable, the rights, privileges and license granted hereunder shall terminate.



7.05 - Either party may immediately terminate this Agreement for fraud, willful misconduct, or illegal conduct of the other party upon written notice of same to that other party. Except as provided above, if either party fails to fulfill any of its obligations under this Agreement, the non-breaching party may terminate this Agreement by providing written notice to the breaching party, as provided below. Such notice must contain a full description of the event or occurrence constituting a breach of the Agreement. The party receiving notice of the breach will have the opportunity to cure that breach within thirty (30) days of receipt of notice. If the breach is not cured within that time, the termination will be effective as of the thirtieth (30th) day after receipt of notice. A party's ability to cure a breach will apply only to the first two (2) breaches properly noticed under the terms of this Agreement, regardless of the nature of those breaches. Any subsequent breach by that party will entitle the other party to terminate this Agreement upon proper notice, with no opportunity to cure.

7.06 - If at any time prior to the first commercial sale of a Licensed Product under this Agreement LICENSEE ceases to pursue commercial development of Licensed Products or ceases practicing under the Patent Rights as contemplated herein, this Agreement automatically terminates without obligation on the part of LICENSOR to refund any of the fees or royalties which may have been paid by LICENSEE prior to such termination. LICENSEE must notify LICENSOR immediately if LICENSEE ceases to pursue commercial development of Licensed Product or ceases practicing under the Patent Rights granted herein.

7.07 - Upon the termination of this Agreement pursuant to Article 7.03, LICENSEE may notify LICENSOR of the amount of Licensed Products that LICENSEE has on hand and LICENSEE may then sell that amount of Licensed Products, but no more; provided, however, that LICENSEE pay LICENSOR any fees, royalties or other financial consideration as provided for in this Agreement.

ARTICLE 8 - INFRINGEMENT OF THIRD-PARTY RIGHTS

8.01 - In the event that LICENSOR or LICENSEE is charged with infringement of a patent by a third party or is made a party in a civil action as a result of LICENSEE's or a sub-licensee's practice of the Patent Rights under this Agreement, LICENSEE:

- (a) Must defend and/or settle any such claim of infringement or civil action;
- (b) Must assume all costs, expenses, damages, and other obligations for payments incurred as a consequence of such charges of infringement and/or civil action;
- (c) must indemnify and hold LICENSOR harmless from any and all damages, losses, liability, and costs resulting from a charge of infringement or civil action which shall be brought against LICENSOR and attributable to technology added to, incorporated into or sold with a Licensed Product by LICENSEE or a sub-licensee or to manufacturing processes utilized by LICENSEE or a sub-licensee; and
- (d) may, if such claim of infringement or civil action shall be based on patent claims contained in any pending or issued patent included in the Patent Rights, terminate this Agreement effective immediately upon LICENSOR's receipt of written notice of termination, and LICENSEE shall have no further liability for claims and/or damages arising subsequent to said date of termination unless LICENSEE is exercising its license under Section 7.07, in which case LICENSEE's liability and obligations under this Article shall continue as long as license granted in Section 7.07 is in effect.

8.02 - LICENSOR will give LICENSEE assistance, at LICENSEE's expense, in the defense of any such infringement charge or lawsuit, as may be reasonably required.



ARTICLE 9 - INDEMNITY, INSURANCE, REPRESENTATIONS

9.01 - LICENSEE must indemnify, defend and hold LICENSOR, its trustees, officers, employees and affiliates, harmless against all claims and expenses, including legal expenses and reasonable attorneys' fees, arising out of the death or injury to any person or persons or out of any damage to property and against any other claim, proceeding, demand, expense and liability of any kind whatsoever resulting from utilization of the Patent Rights in the production, manufacture, sales, use, lease, consumption or advertisement of the Licensed Products by LICENSEE, its Affiliates and its sub-licensees or arising from any obligations of LICENSEE hereunder, except for any claims or expenses arising out of the negligence or willful misconduct of LICENSOR or its officers, agents or employees.

9.02 - LICENSEE must maintain reasonable levels of product liability insurance as soon as it has commercialized Licensed Products. LICENSOR shall have the right to require such insurance policies or certificates of insurance, at LICENSOR's discretion, to be made available for LICENSOR's inspection.

9.03 - LICENSOR MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, ORAL OR IN WRITING, IN FACT OR ARISING BY OPERATION OF LAW OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE REGARDING LICENSED INVENTIONS, LICENSED PRODUCTS, LICENSED INFORMATION, AND PATENT RIGHTS PROVIDED TO LICENSEE HEREUNDER OR REGARDING THE OWNERSHIP AND FREEDOM FROM INFRINGEMENT OF ANY THIRD PARTY'S RIGHTS OR INTERESTS EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT. THE PARTIES ASSUME NO RESPONSIBILITIES WHATSOEVER OTHER THAN AS SET FORTH IN THIS AGREEMENT. IN NO EVENT WILL LICENSOR OR ANY OF ITS OFFICERS, EMPLOYEES OR AGENTS BE LIABLE FOR ANY INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES INCLUDING, BUT NOT LIMITED TO, LOSS OF ANTICIPATED PROFITS OR ECONOMIC LOSS RESULTING FROM EXERCISE OF THIS LICENSE OR MANUFACTURE, SALE, OR USE OF THE LICENSED PRODUCTS, LICENSED INFORMATION, PATENT RIGHTS OR OTHER INFORMATION, EVEN IF LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

9.04 - Nothing contained in this Agreement is intended to be or shall be construed as a representation or warranty that any patent or patent application within the Patent Rights is valid or that performance under any patent or patent application within the Patent Rights is not an infringement of any patent of any other(s).

9.05 - LICENSOR represents that, as of the Effective Date of this Agreement, it has not entered any contract, license or similar agreement with a third party that restricts, contradicts, interferes with or otherwise limits the grant of rights under this Agreement.

9.06 - LICENSOR represents it has proper authority to enter into this Agreement and to grant the rights set forth herein.

9.07 - LICENSEE represents it has proper authority to enter into this Agreement.

9.08 - LICENSEE represents that it shall use its best efforts to introduce Licensed Products, processes or services derived therefrom into the market and market its availability as soon as practicable after the Effective Date of this Agreement and shall also use its best efforts to develop, commercialize and sell the Licensed Inventions or Products, Processes or Services derived therefrom, within _____ (____) years of the Effective Date of this Agreement.

9.09 - LICENSOR AND LICENSEE EACH RESPECTIVELY REPRESENTS, WARRANTS AND COVENANTS THAT IT HAS THE FULL RIGHT, POWER AND AUTHORITY TO ENTER INTO THIS AGREEMENT.



ARTICLE 10 – PROPRIETARY OR BUSINESS SENSITIVE INFORMATION

10.01 LICENSOR and Licensee will treat any proprietary or business sensitive information disclosed to it by the other party with reasonable care and will not disclose such information to any other person, firm or corporation, except Affiliates bound by the obligations of confidentiality and restricted use set forth in this Article 11. The receiving party may not use the disclosing party's proprietary or business sensitive information other than for the benefit of the parties hereto and for the performance of this Agreement. These obligations of non-disclosure and restricted use remain effect for each subject disclosure of confidential information for 5 years from the date of disclosure. However, neither party is obligated, with respect to confidential information disclosed to it, or any part thereof, which:

- (a) Is already known to the receiving party at the time of the disclosure;
- (b) Becomes publicly known without the wrongful act or breach of this Agreement by the receiving party;
- (c) Is rightfully received by the receiving party from a third party on a non-confidential basis;
- (d) Is subsequently and independently developed by employees of the receiving party who had no knowledge of the information, as verified by written records;
- (e) Is approved for release by prior written authorization of the disclosing party; or
- (f) Is disclosed pursuant to the requirements of applicable law or pursuant to any judicial or government requirement or order, provided that the party so disclosing takes reasonable steps to provide the other party sufficient prior notice in order to contest such request, requirement or order and provided that such disclosed confidential information otherwise remains subject to the obligations of confidentiality set forth in this Article 10.

10.02 LICENSOR and Licensee agree that any information to be treated as confidential information under this Article 10 must be disclosed in writing or in another tangible medium and must be clearly marked "PROPRIETARY or BUSINESS SENSITIVE", or so marked to indicate that the information is of a sensitive nature. Information disclosed orally must be summarized and reduced to writing and communicated to the other party within 30 days of such disclosure.

10.03 Notwithstanding the foregoing, Licensee may use and disclose any confidential information related to the Patent Rights to investors, prospective investors, employees, consultants and agents with a need to know, collaborators, prospective collaborators and other third parties in the chain of manufacturing and distribution, but if and only if Licensee obtains from each such recipient a written non-disclosure agreement, the provisions of which are at least as protective of LICENSOR's non-disclosure information as those provided in this Article 10.

10.04 Notwithstanding anything to the contrary in this Agreement, all information relating to filing, prosecution, maintenance, defense, infringement, and the like regarding the Patent Rights (no matter how disclosed) is the proprietary information of LICENSOR and subject to the provisions of this Article 10.

ARTICLE 11 - GOVERNING LAW

11.01 - This Agreement is entered into in the Commonwealth of Virginia and must be interpreted in accordance with and its performance governed by the laws of the Commonwealth of Virginia, without



reference to its conflicts of laws provisions. Any and all litigation relating to this Agreement or the parties' performance hereunder must be in the State Courts of Virginia, with the venue being City of Hampton, Virginia. The parties consent to the jurisdiction of those courts.

ARTICLE 12 - NON-ASSIGNABILITY

12.01 - This Agreement may not be assigned by LICENSEE except in connection with the sale or other transfer of LICENSEE's entire business or that part of LICENSEE's business to which this license relates. LICENSEE shall give LICENSOR thirty (30) days prior written notice of such assignment or transfer. Any other assignment of this Agreement without the prior written consent of LICENSOR shall be void.

ARTICLE 13 - NOTICES

13.01 - It shall be a sufficient giving of any notice, payment, request, report, statement, disclosure or other communication hereunder, if the party giving the same shall deposit a copy thereof in the Post Office in certified mail, postage prepaid, or by regular commercial delivery service, addressed to the other party at its address hereinafter set forth or at such other address as the other party shall have theretofore in writing designated:

LICENSOR

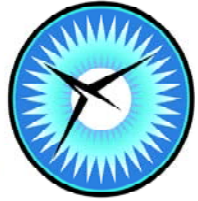
LICENSEE

Karl L. Drews
Vice President of Operations &
Technology Transfer
100 Exploration Way
Hampton, VA 23666
(757) 325-6710
karl@nianet.org

The date of giving any such notice, request, report, statement, disclosure or other communication, and the date of making any payment hereunder required (provided such payment is received), shall be the date of the U.S. postmark of such envelope if marked or actual date of receipt if delivered otherwise.

ARTICLE 14 - NON-USE OF NAMES

14.01 - LICENSEE may not use the name of LICENSOR, or any trademark, trade device, service mark, symbol, or any abbreviation, contraction, or simulation thereof, owned by LICENSOR, nor the names of any of its employees, or any adaptation thereof, in any advertising, promotional, or sales literature without prior written consent obtained from an authorized officer of LICENSOR in each case, except that LICENSEE may state that it is licensed by LICENSOR under one or more of the patents and/or patent applications comprising the Patent Rights. Failure by LICENSEE to comply with this restriction shall be deemed a material breach of this Agreement pursuant to section 7.05. Such material breach shall be deemed cured if the offending use is terminated within sixty (60) days of LICENSEE's receipt of a written notice from LICENSOR.



ARTICLE 15 - SEVERANCE

15.01 - Each clause of this Agreement is a distinct and severable clause and if any clause is deemed illegal, void, or unenforceable, the validity, legality, or enforceability of any other clause or portion of this Agreement will not be affected thereby.

ARTICLE 16 - ENTIRE AGREEMENT

16.01 - This Agreement, including any schedules or other attachments which are incorporated herein by reference, contain the entire agreement between the parties as to its subject matter. This Agreement merges all prior discussions between the parties and neither party shall be bound by conditions, definitions, warranties, understanding, or representations concerning such subject matter except as provided in this Agreement or as may be specified later in writing and signed by the properly authorized representatives of the parties. This Agreement can be modified or amended only by written agreement duly signed by persons authorized to sign agreements on behalf of the parties. This agreement is non-assignable without the written approval of LICENSOR,

ARTICLE 17 - WAIVER

17.01 - The failure of a party in any instance to insist upon the strict performance of the terms of this Agreement shall not be construed to be a waiver or relinquishment of any of the terms of this Agreement, either at the time of the party's failure to insist upon strict performance or at any time in the future, and such term or terms shall continue in full force and effect.

ARTICLE 18 - TITLES

18.01 - All titles and article headings contained in this Agreement are inserted only as a matter of convenience and reference. They do not define, limit, extend, or describe the scope of this Agreement or the intent of any of its provisions.

ARTICLE 19 - SURVIVAL OF TERMS

19.01 - The provisions of Articles 1, 4, 6, 9, 10, 11, 13, 14 and 19 shall survive the expiration or termination of this Agreement. In addition, any term, provision or condition required for the interpretation of this Agreement or which is necessary for the full observation and performance by each party hereto of all rights and obligations arising prior to the date of termination shall survive such termination.

19.02 - This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document.

The Parties hereby cause this Agreement to be executed by their duly authorized representatives effective as of the date first written above.

National Institute of Aerospace

LICENSEE

By: _____

By: _____

Name: _____

Name: _____



Title: _____

Title: _____

Date: _____

Date: _____



APPENDIX A