

## SMALL/LARGE COMPANY MEMBERSHIP AGREEMENT

For

Ceramic and Composite Materials Center  
Managed By

The University of New Mexico, Pennsylvania State University and Rutgers University

This Agreement is entered into and made effective on the date executed by both Parties by and between Rutgers, The State University of New Jersey (hereinafter "UNIVERSITY") through the Ceramic and Composite Materials Center (hereinafter "CENTER"), an educational institution of the State of New Jersey having offices at Piscataway, New Jersey and \_\_\_\_\_, a corporation duly organized and existing under the laws of the State of \_\_\_\_ having offices in \_\_\_\_\_(hereinafter "CENTER MEMBER").

### W I T N E S S E T H:

WHEREAS, the University of New Mexico, Pennsylvania State University and Rutgers University have established the CENTER in association with the National Science Foundation and Los Alamos and Sandia National Laboratories, with the CENTER'S purpose being to conduct research in areas related to ceramic synthesis, processing and characterization, with the cost of such research funded by membership fees received from fully paid-up member companies, research support from Federal Agencies including the National Laboratories, and the National Science Foundation;

NOW THEREFORE, in consideration of the mutual terms, conditions and covenants hereinafter set forth, the parties agree as follows:

1. The CENTER'S principal office shall be located on the Rutgers, the State University of New Jersey's Piscataway Campus with a second office located on the Albuquerque Campus of the University of New Mexico and with a third office located on the University Park Campus of the Pennsylvania State University. CENTER research shall primarily be carried out at the University of New Mexico, Rutgers University, Penn State University, Los Alamos National Laboratory, and Sandia National Laboratories utilizing, among others, personnel from among the aforementioned five institutions.
2. The UNIVERSITY shall maintain, as part of the CENTER, an Industrial Advisory Board ("IAB") composed of one (1) representative from each fully paid-up company whether that company is a CENTER MEMBER at the Rutgers University Center, University of New Mexico Center or the Pennsylvania State University Center. The representative shall be an employee of the CENTER MEMBER he/she is representing. The IAB shall make recommendations to the CENTER on (a) the general technical direction of the CENTER'S research and (b) all aspects of the CENTER'S administration and operation.

3. The CENTER shall keep CENTER MEMBER(S) informed of the progress and results of research performed at the CENTER through regular meetings of the IAB, delivery of research reports, and other means deemed appropriate by the CENTER Directors.
4. Although the UNIVERSITY intends that research undertaken by the CENTER will be conducted in accordance with accepted scientific principles on a reasonable effort basis, it does not guarantee the results or that patentable inventions will result therefrom.
5. CENTER TECHNOLOGY shall mean: (i) inventions conceived and reduced to practice, including any patent applications filed thereon and patents issuing thereon in the United States and foreign countries; and (ii) data, samples, prototypes, computer software, firmware, copyrightable matter, and technical information; that are created under research projects funded solely by CENTER MEMBERS' membership fees pursuant to a research plan approved by the IAB. Subject to availability for licensing and good commercial practice and consistent with its obligations to faculty inventors, Rutgers University will endeavor to make available to CENTER MEMBERS under a royalty-bearing license background technology necessary to practice the CENTER TECHNOLOGY. Title to CENTER TECHNOLOGY shall vest in the UNIVERSITY. Neither CENTER MEMBER, its representative, nor its employees shall at any time assert an ownership interest in any CENTER TECHNOLOGY based solely on its/his/her participation in CENTER governance or support of the CENTER. CENTER MEMBER, its representative, and employees shall retain all CENTER TECHNOLOGY in confidence and not disclose same to third parties for a period of five (5) years from date of disclosure, until patent issues on said CENTER TECHNOLOGY, or CENTER TECHNOLOGY is released in accordance with CENTER policy.
  - a. is publicly known prior to or after disclosure hereunder other than through acts or omissions attributable to CENTER MEMBER; or
  - b. as demonstrated by prior written records, is known to CENTER MEMBER prior to receipt from CENTER directly or indirectly from a source other than one having an obligation of confidentiality to CENTER; or
  - c. is disclosed in good faith to CENTER MEMBER by a third party having a lawful right to do so; or
  - d. is independently developed, without reference to CENTER TECHNOLOGY, by representatives of CENTER MEMBER as evidenced by CENTER MEMBER'S written records; or
  - e. is the subject of written consent or authorization of the CENTER authorizing disclosure.
6. Consistent with the UNIVERSITY'S Policy on Patents, Copyrights, and Licensing, its rights in CENTER TECHNOLOGY may be assigned by the UNIVERSITY to a non-profit corporation or foundation associated with the UNIVERSITY.

7. CENTER MEMBER certifies that it is an industrial company or research and development organization that is incorporated in the United States and that has significant research and development or manufacturing operations located within the United States.
8. Upon execution of this Agreement, SBIR eligible CENTER MEMBERS shall be obligated to pay to the UNIVERSITY, for support of the CENTER, the sum of Ten Thousand Dollars (\$10,000) as payment of the first year's full membership fee. Non- SBIR eligible CENTER MEMBERS shall be obligated to pay to the UNIVERSITY, for support of the CENTER, the sum of Thirty Five Thousand Dollars (\$35,000) as payment of the first year's full membership fee. CENTER MEMBER may initially or at any time thereafter augment the required minimum annual membership fee with additional payments. CENTER MEMBER continues its membership on an annual basis in the second and all subsequent years by paying on or before the Anniversary Date each year the required membership fee as established by the UNIVERSITY in accordance with Article 9 herein. However, the CENTER reserves the right to change terms of membership in the CENTER, any changes to be effective on and after the renewal date of each CENTER MEMBER. CENTER MEMBER may cancel its membership after paying the first year's membership fee by giving at least six (6) months notice of cancellation to UNIVERSITY.
9. SBIR eligible CENTER MEMBER's annual membership fee for the first two membership years shall be Ten Thousand Dollars (\$10,000) and non-SBIR eligible CENTER MEMBER's annual membership fee for the first two membership years shall be Thirty Five Thousand Dollars (\$35,000).UNIVERSITY shall, however, have the right to change the amount of the membership fee for the third and any subsequent year by giving CENTER MEMBER at least twelve (12) months written notice of such change. Any such change shall be limited to a maximum of 15% of the current membership fee.
10. The UNIVERSITY in its sole discretion shall have the right to dissolve the CENTER at any time upon six (6) months prior written notice to all CENTER MEMBERS. Such dissolution shall not constitute a breach of this contract, and the UNIVERSITY and CENTER shall incur no liability to CENTER MEMBERS therefore, except return of membership fees on a pro rata basis. If dissolution occurs prior to the end of the CENTER MEMBERS current full year term licenses granted prior to dissolution shall remain in effect.
11. Subject to the provisions of the CENTER'S Intellectual Property Policy and Procedures, (found in the CCMC PROSPECTUS, MAY 2005 attached as an Appendix to this agreement) CENTER MEMBER has the right to obtain a royalty-free, non-exclusive, non-transferable license without the right to sublicense to all CENTER TECHNOLOGY made during any membership year in which CENTER MEMBER has paid the full required membership fee, upon filing a written request for such right with CENTER. In addition, CENTER MEMBER shall have the following rights during the period that CENTER MEMBER'S membership fees are fully paid-up.

a. One-third vote on the CENTER'S Industrial Advisory Board for SBIR eligible MEMBERS, a full vote on the CENTER'S Industrial Advisory Board for Non-SBIR eligible MEMBERS,

b. Prepublication access to research results,

c. Right to attend seminars on research results.

12. Although the CENTER may seek the recommendation of the IAB, the initial determination of whether to file any patent applications in the United States or foreign countries will be within the sole discretion of the UNIVERSITY (or its designee) in consultation with the CENTER. All CENTER TECHNOLOGY disclosed to CENTER MEMBER for review and interest determination on whether to seek intellectual property protection shall be kept confidential and not disclosed to a third party for a confidential period of five (5) years from date of the disclosure.

13. The CENTER MEMBER, for itself and its Affiliates, and the UNIVERSITY for itself, for Pennsylvania State University and University of New Mexico, and for the research personnel of the UNIVERSITY, Pennsylvania State University and University of New Mexico, reserves the right to publish in scientific journals and present at scientific meetings the results of research funded in whole or in part by CENTER MEMBERS. No such publication, herein defined as presentation at symposia, national or regional professional meetings, submissions of abstracts or proposals, publication in journals or other public disclosure, shall occur before being reviewed by one of the Center Site Directors. Each proposed publication, in the form of the complete publication or an extended abstract, by either a Center Faculty Researcher or a member of a center company, will be submitted to one of the Center Site Directors to be screened for intellectual property content. If the Center Site Director determines that the proposed publication or presentation does not contain patentable material, the Director may authorize publication. If the Center Site Director determines that the proposed publication may contain patentable material, a copy of the proposed publication or an extended abstract of it shall be sent to each CENTER MEMBER in good standing for review. Before the end of the 30 day review period, the beginning of which period shall start to run with submittal of a research paper or report to each fully paid member, if a CENTER MEMBER determines that the proposed publication does contain CENTER TECHNOLOGY of interest, the member may request a three-month moratorium to allow it to decide if the proposed publication contains patentable CENTER TECHNOLOGY of interest. The reasons for the three-month moratorium on public disclosure, which may be granted at the discretion of the Center Site Director, must be clearly stated in the request. During and after the 30-day review period, CENTER MEMBER shall keep such disclosures confidential, in accordance with the terms of this Agreement, in order to allow the UNIVERSITY or any CENTER MEMBER to evaluate the research results for patent purposes. Notwithstanding anything to the contrary in this Article 13, the Center will notify CENTER MEMBER when a graduate thesis or dissertation, which has been authored by a student supported entirely or in part on a CENTER project, has been submitted for approval to any faculty member of the UNIVERSITY. CENTER MEMBER shall have the right to request and receive a copy of said thesis or dissertation prior to any public disclosure of the thesis or dissertation, in

accordance with the provisions of this Article 13. The CENTER MEMBER will have 30 days from receipt of such copy in which to review the thesis or dissertation to identify intellectual property of interest to the CENTER MEMBER. In no event shall publication of the thesis or dissertation be delayed more than 60-days after the end of the 30-day thesis/dissertation review period for an appropriate intellectual property filing to be made by the UNIVERSITY or any CENTER MEMBER.

14. The parties agree that this Agreement, provided no confidential information or information related to the work performed hereunder is used, shall not be deemed to prohibit the CENTER or the UNIVERSITY or any employee or CENTER MEMBER thereof from engaging in and complying with sponsored research agreements covering research projects in the same scientific areas as those of the projects undertaken by the CENTER pursuant to this Agreement.
15. Aside from the inclusion of a CENTER MEMBER'S name in the CENTER'S brochures and Prospectus, any advertising or publicity relating to CENTER MEMBER'S association with the CENTER shall first be approved by the UNIVERSITY and CENTER MEMBER prior to public release.
16. All notices and communications sent hereunder shall be in writing and shall for all purposes be deemed to be fully given and received on the date of delivery if hand-delivered or three (3) days after the date of mailing when forwarded by registered or certified mail to the recipient's address as set out below:

- a. If to UNIVERSITY or CENTER:  
Center for Ceramic Research  
Rutgers, The State University of New Jersey  
607 Taylor Road  
Piscataway, NJ 08854  
732/445-5700

- b. If to CENTER MEMBER:

Company:

Street Address:

City, State, Zip:

Attn: Contact Name:

Either party may change its address by prior written notice duly given to the other party.

17. This Agreement shall not be binding until executed by an authorized official of Rutgers, The State University of New Jersey.

IN WITNESS WHEREOF, the parties have executed this Agreement by affixing hereto the signatures of their duly authorized representatives:

For: CENTER MEMBER

For: Ceramic and Composite Materials Center

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Print Name

Name: Richard A. Haber

\_\_\_\_\_  
Title

Title: Director, CCMC

\_\_\_\_\_  
Date

Date:

For: Rutgers, the State University of New Jersey

By: \_\_\_\_\_

Name: William T. Adams

Title: Director, OCLTT

Date: \_\_\_\_\_

APPENDIX: CCMC Prospectus, May 2005