

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING entered into this 26th day of February, 1979, by and between the Board of Regents of the University System of Georgia ("Board of Regents") for and on behalf of the University of Georgia ("UNIVERSITY") and the University of Georgia Research Foundation, Inc. ("FOUNDATION") shall become effective on the first day of April, 1979.

WITNESSETH

WHEREAS, in 1785 the General Assembly of the State of Georgia did charter the UNIVERSITY as an institution of higher learning;

WHEREAS, the three-fold mission of the UNIVERSITY is to teach, to acquire new knowledge and to serve the public;

WHEREAS, the FOUNDATION was established as a nonprofit corporation under the laws of the State of Georgia in 1978;

WHEREAS, the FOUNDATION is organized and is to be operated for scientific, literary, educational and charitable purposes including, but not limited to, the following:

(1) To promote, encourage, sponsor, aid or conduct scientific, literary and educational research, studies, investigations, activities and pursuits of all kinds, and to train and develop persons for the conduct of such activities and pursuits, and to acquire and disseminate knowledge in relation thereto;

(2) To foster, increase, expand and encourage education and learning in all branches of knowledge;

(3) To provide sponsored research project development, project administration and general management services;

(4) To seek, acquire, receive, hold, administer and use either the principal or the income therefrom, gifts, grants, contracts, memoranda of agreement and devises, and to act without profit as trustee of educational or charitable trusts of benefit to and in keeping with the foregoing;

(5) To provide, or assist in providing, ways and means through which discoveries, inventions and processes may be identified, developed, applied and patented, and through which such utilization or disposition may be made of such discoveries, inventions, processes and patent rights, or interests therein, as may tend to provide funds for, and to stimulate and promote further investigation and research;

(6) To acquire, hold, use or provide real and personal property, funds, credit or financial assistance for the accomplishment of any of the foregoing purposes and matters necessarily or properly incident thereto or connected therewith;

(7) To make gifts, grants, scholarships, fellowships or otherwise pay out and distribute the corporation's funds for the furtherance of any corporate purposes expressed herein;

(8) To engage in any and all lawful activities incidental to the foregoing purposes;

WHEREAS, the FOUNDATION intends to contribute to the educational, research and service functions of the UNIVERSITY in securing gifts, contributions and grants from individuals, industrial or other private organizations, government or other public agencies and in obtaining contracts with such individuals or entities for the performance of sponsored research, development or other programs by the various colleges, schools, departments or other units of the UNIVERSITY; and

WHEREAS, it has been determined that it would be advisable and to the material benefit of all concerned to establish certain understandings by and between the Board of Regents, the UNIVERSITY and the FOUNDATION.

For and in consideration of the mutual benefits for and to the Board of Regents, the UNIVERSITY, the FOUNDATION and the people of Georgia, through the efforts and cooperation of the foregoing parties, BE IT COVENANTED AND AGREED as follows:

1.

The work of the FOUNDATION in contributing to the functioning of the UNIVERSITY in research, development and other fields shall include the securing of gifts, contributions and grants from individuals, industrial or other private organizations, governmental agencies or other public agencies and the obtaining of and entering into contracts with such individuals or entities for the performance of sponsored research, development or other programs to be performed under subcontract by the UNIVERSITY.

The UNIVERSITY shall perform the research, development or other programs or projects secured by the FOUNDATION and approved by the UNIVERSITY under the terms of the contracts between the FOUNDATION and the sponsoring entities, under the terms of the sub-contracts by and between the Board of Regents for and on behalf of the UNIVERSITY and the FOUNDATION and in accordance with the following:

(a) The persons who are to collaborate or work upon these programs or projects shall be selected by officials of the UNIVERSITY.

(b) The UNIVERSITY shall prepare and submit to the FOUNDATION or its order, reports upon the progress of these programs or projects in accordance with their various requirements.

(c) Any and all discoveries, innovations, inventions, applications for patents, patents and copyrights thereon relating to the subject matter of these programs or projects which may be made hereafter by faculty members, staff members or agents of the UNIVERSITY during the time they are performing work on these projects or as a result thereof, shall become the property of the FOUNDATION, except where such discoveries, innovations, inventions, applications for patents, patents and copyrights remain the property of the sponsoring entity by virtue of other agreements. The UNIVERSITY will cause all employees and/or agents working on these projects to execute an employee patent agreement protecting the aforesaid interest of the FOUNDATION.

(d) Upon request and at the expense of the FOUNDATION the UNIVERSITY agrees to use its best efforts to cause its faculty members, staff members and agents to execute when necessary papers to make applications for Letters Patent of the United States and of foreign countries and to convey complete title to the FOUNDATION or its order.

(e) The parties hereto shall negotiate in good faith an agreement to be executed by and between the Board of Regents, for and on behalf of the UNIVERSITY, and the FOUNDATION, such agreement to provide for a sharing of net royalties and income which may result from said discoveries, innovations, inventions, patents and copyrights by the UNIVERSITY, the FOUNDATION and inventors. Said agreement shall conform with the UNIVERSITY'S Patent Policy. Said agreement may provide for assignment to and administration by the FOUNDATION of other UNIVERSITY- or employee-related discoveries, innovations, inventions, patents and copyrights.

(f) The UNIVERSITY shall cause to be kept complete and systematic memoranda in writing, including notes on all experimental and research work, descriptions, diagrams and other data resulting from work on said programs and projects, which memoranda shall be available to the FOUNDATION at all times during normal hours.

(g) In the event a sponsor requests that the FOUNDATION keep secret or confidential any process, device, machine or composition of matter relating to the programs or projects, the UNIVERSITY shall use its best efforts to maintain such secrets or

confidences and not allow the disclosure of same to anyone without the consent of the FOUNDATION.

(h) Upon the termination of these programs and projects all original scientific records and data resulting from them shall belong to the FOUNDATION but shall remain in the files of the UNIVERSITY.

(i) The UNIVERSITY shall furnish office space, telephone services, and other auxiliary services to the staff of the FOUNDATION.

(j) The UNIVERSITY shall incur no obligations or expenses on behalf of the FOUNDATION without the FOUNDATION'S written approval.

3.

The FOUNDATION in connection with all contractual matters in which it is engaged and with which it is connected shall keep the UNIVERSITY informed and shall transfer, ^{at least monthly,} to the UNIVERSITY funds to cover direct costs of the work performed and a service charge to cover indirect costs in connection with programs and projects performed by the UNIVERSITY under subcontract with the FOUNDATION, said service charge to be an amount equal to the base for computing indirect cost recoveries under such programs and projects multiplied by a percentage equal to 36/46th of the percentage points established annually by the cognizant government audit agency.

4.

The FOUNDATION, after paying the necessary costs of its operation, shall hold any balance in trust for the UNIVERSITY and shall use such balance from time to time and in such a manner as the Board of Directors of the FOUNDATION may see fit for the promotion of research at the UNIVERSITY.

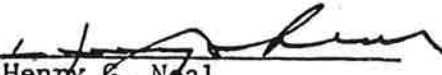
5.

The Board of Directors of the FOUNDATION shall submit annually to the President of the UNIVERSITY a full report of its actions and activities for the period of such report.

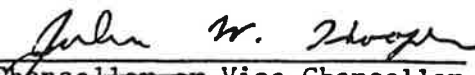
This Agreement shall continue in full force and effect until terminated by either party upon ninety (90) days written notice to the other party and the satisfactory completion of all research projects being performed under subcontract for the FOUNDATION by the UNIVERSITY.

BOARD OF REGENTS OF THE
UNIVERSITY SYSTEM OF GEORGIA

ATTEST:



Henry G. Neal
Executive Secretary

By:

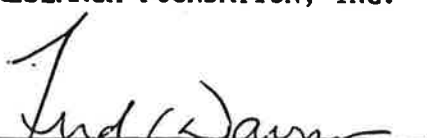

~~Chancellor or Vice Chancellor~~

UNIVERSITY OF GEORGIA
RESEARCH FOUNDATION, INC.

ATTEST:


William O. Burke
Secretary

By:


Fred C. Davison
Chairman of the Board