

REGISTRO DE CONTRATOS
TOMO 23 PAGINA 82
CONTRATO NUM. 2014-000425

BASIC RESEARCH AGREEMENT
Between
Cutting Edge Superconductors, Inc.

And
University of Puerto Rico Mayaguez
Mayaguez, PR ,00681-9000

This Agreement is made and entered into by and between Cutting Edge Superconductors, Inc. hereby represented by its CEO Dr. Yong-Jihn Kim, (CES) and the University of Puerto Rico - Mayaguez (UPRM), hereby represented by its Acting Chancellor Lucas Noé Avilés Rodríguez, authorized to enter into this agreement by Law Number 1 of January 20, 1966 also known as The University of Puerto Rico Law (UPRM).

The terms of this Agreement are intended to provide the administrative framework for Cutting Edge and UPRM (the Parties) to cooperate in the performance of this project under Cutting Edge SBIR award from the National Science Foundation (NSF) IIP-1315159 SBIR Phase I: Optimization of a Sintering and Manufacturing Process for Prototype MgB2 Wires for Next-Generation Cryogenic-Free 1.5T and 3.0T MRI." The effective date of this SBIR award is from July 1, 2013 through June 30, 2014.

ARTICLE I - STATEMENT OF WORK

UPRM shall make all reasonable efforts to perform the scope of work as outlined in Appendix A.

UPRM shall provide necessary personnel and facilities to conduct the work of this agreement, as described in Appendix A.

ARTICLE II - PERIOD OF PERFORMANCE

This Agreement shall begin on the date of the last signature and shall not extend beyond June 30, 2014 unless the period is extended by modification of this Agreement.

ARTICLE III – FINANCIAL SUPPORT

CES will reimburse UPRM for the work done under this agreement up to a total amount of \$19,657.00 as stated in Appendix B (Budget).

ARTICLE IV - ADMINISTRATIVE CONSIDERATION

The policies of UPRM concerning salaries and fringe benefits are to apply.

ARTICLE V - ADMINISTRATIVE PERSONNEL

UPRM:

Marisol Vera, Ph.D.
Director, R&D Center
University of Puerto Rico Mayaguez
CALL Box 9000
Mayaguez, PR 00681-9000
Phone: (787) 831-2065
Fax: (787) 831-2060
E-mail: marisol.vera@upr.edu

CES:

Dr. Yong-Jihn Kim
President and CEO
La Quinta Industrial Park
Calle Balboa 177
Mayaguez PR00680
Phone: (787) 834-5700
Fax: (787) 834-5895
E-mail: yongjih.kim@gmail.com

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ARTICLE VI – UPRM Principal Investigador

Dr. Pedro Quintero
University of Puerto Rico Mayaguez
Department of Mechanical Engineering
PO Box 9000, Mayaguez
PR, 00681-9000
Phone: (787) 832-4040
e-mail: pedro.quintero@upr.edu

ARTICLE VII- AUDIT

All costs incurred in the performance of this Agreement will be subject to audit by the cognizant audit agency.

ARTICLE VIII - PUBLICATION

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UPRM will be free to publish the results of the Research after providing CES with a thirty (30) day period in which to review each publication to identify patentable subject matter and to identify any inadvertent disclosure of Confidential Information. If necessary to permit the preparation and filing of U.S. patent applications, the Principal Investigator may agree, at his discretion, to an additional review period not to exceed sixty (60) days. Any further extension will require subsequent agreement between CES and UPRM, provided any delay in publication shall not exceed ninety (90) days from the date CES receives a copy of the proposed publication.

ARTICLE IX – INTELLECTUAL PROPERTY

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CES INTELLECTUAL PROPERTY. Title to any invention made solely by the CES's personnel without the use of UPRM administered funds or facilities ("CES Invention") shall remain with CES. Title to and the copyright in any copyrightable material first produced or composed in the performance of the Research solely by employees of CES without the use of UPRM administered funds or facilities ("CES Copyright") shall remain with CES. This shall not apply to any service related to sample testing.

Neither CES Inventions nor CES Copyrights shall be subject to the terms and conditions of this Agreement.

JOINT INTELLECTUAL PROPERTY.

Right, title and interest in and to any invention involving this research, whether or not patentable, invented jointly by employees of both parties will be owned jointly by the parties ("Joint Inventions"), each party having an equal and undivided interest. For Joint Inventions, the parties will negotiate in good faith a separate agreement detailing, among other things, which party will take the lead role in preparing, filing, and prosecuting patents that originate from the research and take the lead role in business development activities. It is anticipated that the parties will share out-of-pocket patent costs. (Can be equally or divided by percentages i.e. 50%-50%; 60%-40% or the negotiated percent)

UPRM INTELLECTUAL PROPERTY

- A. UPRM INVENTIONS. UPRM shall have sole title to any invention conceived or first reduced to practice solely by the NSF SBIR subawardee, Dr. Pedro Quintero, his students, and any other UPRM employee approved by both parties to work on the performance of the Research (each an "UPRM Invention"). Dr. Kim will not conduct any research in the project as an employee of the UPRM.

The CES shall be notified of any UPRM Invention promptly after a disclosure is received by UPRM's Technology Licensing Office. UPRM may (a) file a patent application at its own discretion or (b) shall do so at the request of CES and at the CES's expense.

- B. LICENSING OPTIONS. For each UPRM Invention on which a patent application is filed by UPRM, UPRM hereby grants the CES a non-exclusive, non-transferable, royalty-free license for internal research purposes. If any other purpose besides internal research is intended, the CES shall have other licensing and commercialization options available subject to further negotiation.
- C. CONFIDENTIALITY OF INVENTION DISCLOSURES. The CES shall retain all invention disclosures submitted to the CES by UPRM in confidence and use its best efforts to prevent their disclosure to third parties. The CES shall be relieved of this obligation only when this information becomes publicly available through no fault of CES.
- D. COPYRIGHT OWNERSHIP AND LICENSES. Title to and the copyright in any copyrightable material first produced or composed in the performance of the Research solely by employees and/or students of UPRM shall remain with UPRM.
- E. LICENSE EFFECTIVE DATE. All licenses elected by CES pursuant to Section B of this Article 11 become effective as of the date the Parties sign a separate license agreement.

ARTICLE X – CONFIDENTIAL INFORMATION

If, in the performance of the Research, the Principal Investigator and members of the UPRM research team (PI, students and any other UPRM collaborator) require and accept access to CES Confidential Information (as defined in Attachment C to this Agreement), with the agreement of CES, the rights and obligations of the Parties with respect to such information shall be governed by the terms and conditions set forth in Appendix C to this Agreement.

ARTICLE XI - REPORTING REQUIREMENTS

UPRM shall render to CES, in a timely manner, technical progress reports as delineated in Appendix A.

ARTICLE XII – REIMBURSEMENT OF COSTS.

CES will reimburse UPRM for all direct and indirect costs incurred in the performance of the research project as set forth in the Approved Budget (Appendix B).

At the end of the project (June 30, 2014) UPRM will invoice CES for all the costs incurred in the performance of the research. CES shall reimburse UPRM within 30 days after the invoice is received.

ARTICLE XIII- TERMINATION

Either party may terminate this Agreement upon seven (7) days by written notification to the other. In the event of termination, UPRM will be reimbursed for all costs incurred and any non-cancelable obligations properly incurred through the date of termination.

ARTICLE XIII - MODIFICATIONS

Modifications to this Agreement may be made only in writing signed by authorized representatives of both parties.

ARTICLE XIV - COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be considered an original, but which together shall constitute but one and the same Agreement.

ARTICLE XV - OTHER TERMS AND CONDITIONS

EXPORT CONTROLS. UPRM is subject to United States laws and regulations controlling the export of goods, software and technology including technical data, laboratory prototypes and other commodities. UPRM's policy is to comply with all applicable laws and regulations including the Arms Export Control Act, the International Traffic in Arms Regulations ("ITAR"), the Export Administration Regulations ("EAR") and the laws and regulations implemented by the Office of Foreign Assets Control, U.S. Department of the Treasury ("OFAC"). Diversion contrary to U.S. law is prohibited. The transfer of certain technical data, services and commodities may require a license from the cognizant agency of the United States Government and/or written assurances by CES that it will not re-export or retransfer the data or commodities, other than prohibited information, to certain foreign countries without prior approval of the cognizant U.S. government agency. While UPRM agrees to cooperate in securing any license which the cognizant agency deems necessary in connection with this Agreement, UPRM cannot guarantee that such licenses will be granted. CES agrees to obtain permission from the U.S. government to re-transfer or re-export for any goods, software and technology that requires such authorization and will not allow any U.S.-origin goods, software or technology to be used for any purposes prohibited by United States law, including, without limitation, support for terrorism or for the development, design, manufacture or production of nuclear, chemical or biological weapons of mass destruction.

GOVERNING LAW. The validity and interpretation of this Agreement and the legal relationship of the Parties to it shall be governed by the laws of the Commonwealth of Puerto Rico and the applicable U.S. Federal law.

FORCE MAJEURE. Neither Party shall be liable to the other for failure to perform any of its respective obligations imposed by this Agreement provided such failure shall be occasioned by fire, flood, explosion, lightning, windstorm, earthquake, subsidence of soil, governmental interference, civil commotion, riot, war, terrorism, strikes, labor disturbance, or any other cause beyond its reasonable control.

NAMES AND LOGOS Neither party shall use the name or logos of the other in any advertising, sales, promotion, or other publicity matter without prior written approval.

NO DISCRIMINATION Both parties are equal opportunity employers and do not discriminate on the basis of sex, race, color, age, religion, national origin or handicap, veteran status, religious or political beliefs. This policy is consistent with relevant government statutes and regulations, including those pursuant to Title IX of the Federal Rehabilitation Act of 1973, as amended.

INDEMNIFICATION To the extent authorized by the Constitution of Puerto Rico and the laws of the Commonwealth of Puerto Rico, UPRM is responsible for its own wrongful or negligent acts or omissions, and those of its directors, officers, employees, and agents to the extent that the same arise out of or on account of any failure on the part of UPRM to perform any work or duty required under the terms of this Agreement, or from risks of personal injury or property damage attributable to the negligence or intentional misconduct of UPRM.

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CES is responsible for its own wrongful or negligent acts or omissions, and those of its directors, officers, employees, and agents to the extent that the same arise out of or on account of any failure on the part of the CES to perform any work or duty required under the terms of this Agreement, or from risk of personal injury or property damage attributable to the negligence or intentional misconduct of CES.

ARTICLE XVI - ENTIRE AGREEMENT

This Agreement consists of the following parts:

1. Articles I – XVII
2. Appendix A: Scope of Work
3. Appendix B: Approved Budget & Compensation
4. Appendix C: Confidential Information
5. Appendix D: Prime Award

This instrument contains the entire Agreement between the parties with respect to the subject matter hereof. Any other agreement, written or oral, is hereby superseded.

ARTICLE XVII - ENDORSEMENTS

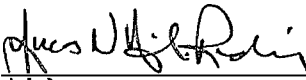
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates set forth below:

CES

University of Puerto Rico Mayaguez



Dr. Yong-Jihn Kim
President CES

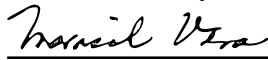


Name: Lucas N. Aviles Rodriguez
Title: Acting Chancellor

June 10, 2014
Date

June 11, 2014
Date

Recommended by:



Marisol Vera, Ph.D.
Director
R&D Center
UPRM



Dr. Pedro Quintero
Principal Investigator