

**MANAGEMENT SERVICES AND DEVELOPMENT AGREEMENT
BETWEEN
GREENSBORO CENTER FOR INNOVATIVE DEVELOPMENT, INC.
AND
NORTH CAROLINA AGRICULTURAL AND TECHNICAL STATE UNIVERSITY
AND
THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO**

This Management Services and Development Agreement ("Agreement"), is entered into as of July 1, 2005, by and between North Carolina Agricultural and Technical State University ("A&T"), the University of North Carolina at Greensboro ("UNCG" and collectively with A&T, the "Universities") and Greensboro Center for Innovative Development, Inc. ("GCID").

WHEREAS, the General Assembly of North Carolina and the Board of Governors of The University of North Carolina designated certain state property to be developed as a Joint Millennial Campus ("JMC") by the Universities under the terms of the Millennial Campus Financing Act, Article 21 B, Chapter 116 of the North Carolina General Statutes, and

WHEREAS, to effect the creation of the JMC, the Boards of Trustees of the Universities, by resolutions dated August 22, 2003 and August 28, 2003, authorized formation of a nonprofit corporation (1) to accept transfer of the property designated as the JMC and (2) to manage the park and any joint ventures with private business that may occur at the JMC, and

WHEREAS, GCID was organized and incorporated on October 30, 2003 for those purposes, and

WHEREAS the Universities and GCID desire to work cooperatively towards development of JMC's full potential to enhance scholarly research, increase the range of educational experiences for students and to foster economic development in the region,

NOW THEREFORE, in consideration of the foregoing and the promises and mutual covenants contained herein, the parties agree as follows:

Section I. Relationship of the Parties.

A. GCID is a separately incorporated nonprofit organization created (i) to support the educational and research missions of the Universities, including without limitation, enhancing scholarly research and increasing the range of educational experiences for faculty and students and (ii) to foster economic development and entrepreneurial activities in the region, by engaging in such activities as purchasing, developing or managing real estate for expansion, research facilities or other capital improvements desired by the Universities at the JMC.

B. The Board of Directors of GCID shall manage the business and affairs of GCID.

C. In carrying out its duties and responsibilities under this Agreement, GCID will act at all times as an independent contractor of the Universities, and nothing herein shall be construed as making GCID an employee, partner, agent or joint venturer of the Universities or vice-versa.

D. The Chancellors of the Universities shall communicate to GCID on an annual basis the Universities' priorities and long-term plans regarding the JMC. The Board of Directors of GCID, in consultation with the Universities, shall develop specific performance measures as benchmark indicators of GCID's performance towards meeting the objectives of the Universities.

E. The Executive Director of GCID shall have regular access to the Chancellors, Provosts and Vice Chancellors of the Universities.

F. The Universities shall lease to GCID any or all property designated as the JMC, subject to necessary governmental approvals. Such leases shall be long-term leases for nominal consideration.

G. The Universities may provide certain support services to GCID, including but not limited to staff, financial, accounting and payroll services, office space, and office equipment, in each case as requested by GCID. The Universities shall, in advance, provide GCID with the cost of any services requested by GCID, and GCID shall reimburse the Universities for all such support services provided.

Section II. GCID Services.

A. GCID shall have primary responsibility for developing and managing the JMC in accordance with a master plan to be developed by GCID in consultation with the Universities. In furtherance of its responsibilities, GCID will recruit private and public tenants, negotiate lease agreements, coordinate space assignment, collect rents, negotiate with local governments as needed for roads, sewer and water and other such improvements to the JMC infrastructure, and undertake any other management functions requested by the Universities. GCID shall recruit tenants for the leased properties that will produce a significant level and mix of benefits in support of the Universities' mission.

B. The Universities may assign or license to GCID any intellectual property held by the Universities. GCID will manage any intellectual property assigned or licensed to it by the Universities in accordance with any licensing agreement related thereto executed by the parties at the time of the assignment or license. To the extent required, while performing its duties with respect to intellectual property, GCID will meet the requirements of an invention management organization under the Bayh-Dole Act (35 U.S.C. Section 202(c)(7)(A)).

Section III. Reporting.

A. Beginning on or about July 15, 2006, and annually thereafter, GCID shall submit for review and evaluation to the Universities an "Annual Report." Such report shall include financial results for the prior year, a summary of activities for the prior year, a review of performance against benchmark indicators and a 5-year financial projection. It shall also include a summary of planned activities for the upcoming fiscal year, along with a budget for the upcoming fiscal year's programs, operations and services.

B. GCID also shall report quarterly in writing on its financial condition, with such reports being made through the Chancellors Offices of the Universities.

C. GCID shall maintain copies of the plans, budgets, and records developed in connection with the performance of its obligations. The Universities and the State Auditor shall have full access, during normal business hours, and upon request and reasonable notice, to all of GCID's financial records

for the purpose of ensuring that GCID is carrying out its fiduciary responsibilities in the development, management and use of State property.

Section IV. GCID Funding.

A. Each University shall provide operating funding to GCID of \$150,000 per year for each of the five (5) fiscal years ending June 30, 2010.

B. In furtherance of GCID's obligations under this Agreement to manage the JMC on behalf of the Universities, each University shall use its best efforts (in compliance with all applicable laws and regulations) to transfer to GCID any funds received by it for the benefit of the JMC or GCID.

C. GCID may incur indebtedness upon proper resolution of GCID's Board of Directors and in accordance with its Bylaws.

Section V. GCID Compensation for Services.

Each of the Universities receives State funds through the Continuation Budget which are to be used to operate and maintain University facilities (subject to annual amendment, the "O&M Budgeted Amount"). Pursuant to this Agreement, GCID shall operate and maintain on behalf of the Universities those University facilities located on the JMC and such other University facilities as the Universities may designate from time to time (each, a "Managed Facility"). As compensation for such services, each University shall pay to GCID an annual management fee equal to the O&M Budgeted Amount for each such Managed Facility. GCID and the Universities may negotiate from time to time other mutually agreeable compensation which shall be payable by the Universities to GCID in consideration for GCID performing development, marketing and/or asset management services. Such other compensation agreements shall be set forth in writing and acknowledged by the parties.

Section VI. Termination.

A. Either GCID or the Universities may, upon six months prior written notice to the other, terminate this Agreement.

B. In the event either University breaches its funding or compensation obligations under Sections IV or V of this Agreement, and fails to cure such breach within sixty (60) days of written notice regarding such breach, this Agreement shall terminate.

C. Upon termination of this Agreement, GCID's Board shall dissolve GCID in accordance with its bylaws and its articles of incorporation.

Section VII. License to Use Other Party's Marks.

A. Each of A&T, UNCG and GCID hereby grant each of the others a non-exclusive, non-assignable, non-sublicensable, royalty-free license for the use of all its trademarks and service marks, registered and unregistered, in ways consistent with their respective rights, duties, powers, and authorities under this Agreement; provided, however, that each licensee shall use reasonable efforts to assure that the quality of the marks and the goods or services associated with its use of the marks shall be no less than the quality afforded to such things by the licensor, and provided that licensor may notify the licensee of objections to particular marketing materials or uses, and the parties shall use reasonable efforts to address any such objections. A licensee may provide the licensor notice of specific uses of marks and/or

marketing materials; and in such event, any objections shall be asserted by the licensor within 30 days of such notice.

B. GCID acknowledges that the phrase "Joint Millennial Campus" is not restricted or exclusive to properties leased by GCID.

Section VIII. Access to Libraries and other University Facilities.

A. GCID and its tenants shall have library privileges at each University, including access to information systems, as permitted by the respective University's rules and procedures and as governed by the appropriate database licensing agreements.

B. GCID and its tenants may be granted access to such other University facilities as the parties agree is appropriate and beneficial.

Section IX. Miscellaneous.

A. Notices. All communications and notices provided for hereunder shall be in writing, and shall be deemed given if and when hand delivered or sent by first class, United States Mail, postage prepaid, addressed to the party to receive the same at the address which such party shall have last notified the other party to use for such purposes. Initially, such addresses shall be as follows:

If to GCID: Greensboro Center for Innovative Development
North Campus
5900 Summit Avenue
Brown Summit, NC 27214
Attention: John Merrill, Executive Director
Facsimile: (336) 375-9661

With a copy to: Brooks, Pierce, McLendon, Humphrey & Leonard, L.L.P.
230 N. Elm Street, Suite 2000
Post Office Box 26000
Greensboro, North Carolina 27420
Attention: J. Lee Lloyd
Facsimile: (336) 232-9120

If to A&T: North Carolina A&T State University
1601 East Market Street
Greensboro, NC 27411
Attention: Willie T. Ellis, Jr., Vice Chancellor for Business & Finance
Facsimile: (336) 334-7914

With a copy to: Camille L. Klutz-Leach, Esq.
Special Assistant to the Chancellor for Legal Affairs
North Carolina A&T State University
Office of Legal Affairs
1601 East Market Street
422 Dowdy Administration Bldg.

Greensboro, North Carolina 27411
Facsimile: (336) 334-7194

If to UNCG:

University of North Carolina at Greensboro
303 Mossman Bldg.
Greensboro, NC 27402-6170
Attention: Phil Richman, Vice Chancellor for Business Affairs
Facsimile: (336) 334-3071

With a copy to:

Lucien "Skip" Capone III
University Counsel
303 Mossman Bldg.
UNCG
Greensboro, NC 27402-6170
Facsimile: (336) 256-0408

B. Waiver. The failure of any party to strictly enforce any provision of this Agreement shall not be construed as a waiver thereof or as excusing the defaulting party from future performances.

C. Severability. The invalidity or unenforceability of any portion of this Agreement shall not affect the remaining valid portion hereof.

D. Entire Agreement. This Agreement constitutes the entire understanding among the parties regarding the subject matter hereof and supersedes any and all prior agreements, representations and warranties, whether written or oral, and no change, modification, alteration, or variation hereto shall be made unless in writing signed by the parties hereto.

E. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of North Carolina, without regard to the conflict of law principles thereof.

F. Survival. All obligations of the parties shall survive the expiration or termination of this Agreement to the extent required for their full observance and performance.

G. Successors and Assigns; No Third Party Beneficiary. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. GCID shall not assign this Agreement without the prior written consent of the Universities, and neither A&T nor UNCG shall assign this Agreement without the prior written consent of GCID. No person or entity other than the parties hereto shall be deemed a third-party beneficiary of, or otherwise have any rights under or with respect to, this Agreement.

H. Counterparts; Facsimile. This Agreement may be executed in two or more counterparts, all of which, when taken together, shall constitute one and the same agreement. Execution of this Agreement by facsimile shall be deemed effective and signatures received by facsimile shall be effective as original signatures.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of the day and date first above written.

NORTH CAROLINA A&T STATE UNIVERSITY

By: Velma Speight Buford
Chair of the Board of Trustees

By: James C. Renick
Chancellor

**GREENSBORO CENTER FOR
INNOVATIVE DEVELOPMENT,
INC.**

By: John Merrill
John Merrill, Executive Director

**UNIVERSITY OF NORTH CAROLINA
AT GREENSBORO**

By: [Signature]
Chair of the Board of Trustees

By: Patricia Sullivan
Chancellor