

Memorandum of Understanding Between State of New Mexico And The Sharp Corporation

1. GENERAL PURPOSE

The purpose of this Memorandum of Understanding (“MOU”) is to record an understanding between the State of New Mexico and Sharp Corporation (“SHARP”: 22-22 Nagaike-cho, Abeno-ku, Osaka-city, Osaka Japan) with respect to the commercialization of solar energy and fuel cells (“NEW ENERGY”) through research and development within the State of New Mexico.

TEAM NEW MEXICO will be a combination of national laboratories, universities, institutes and appropriate private companies in the State of New Mexico that focus on technical areas that SHARP wishes to research and hopefully commercialize. The State of New Mexico, through the Office of Science and Technology in the New Mexico Economic Development Department, will facilitate SHARP’s ability to work with TEAM NEW MEXICO seamlessly by being a coordinator for the business agreements necessary for collaborative research and ensuing commercialization. The actual projects will be managed by TEAM NEW MEXICO and SHARP representatives as they see fit.

SHARP, the leading vendor of solar power in the world, will be able to take advantage of the enormous research capacity, superb solar environment for testing, and prototype manufacturing capabilities within the State of New Mexico. SHARP will be able to accomplish its goals of bringing advancements to market in solar energy and fuel cells. SHARP will be able to make New Mexico investments such as research and prototype manufacturing facilities to meet its corporate agenda.

The goal for the State of New Mexico will be to commercialize scientific advancements made in NEW ENERGY technologies. Ultimately, the goal for the State of New Mexico is to use NEW ENERGY technology to create new companies, new high-wage jobs and new opportunities for New Mexicans.

The goals for SHARP will be the ability to progress the science of NEW ENERGY into commercial products, enable this research to be sustainable via the success of commercialization, and to promote new areas to be influenced by NEW ENERGY.

Of immediate interest to SHARP will be three projects. These projects include (1) the development of advanced fuel cell technologies, (2) the advancement of photovoltaic

system technologies (which includes reliability, durability, calibration and advanced applications) and (3) agricultural applications.

2. DURATION AND SCOPE

- a) It is agreed that this MOU will be effective for a period of one (1) year from June 15, 2004, subject to automatic renewal on each anniversary date, unless thirty (30) days' prior written notice of non-renewal is given by one of the parties to the other.
- b) It is agreed that a review of the collaboration between the State of New Mexico and SHARP hereunder will be undertaken at the end of each contract year to discuss progress to-date and future directions.

3. PROGRESSION FROM NEW ENERGY SCIENCE RESEARCH TO COMMERCIALIZATION

- a) It is agreed that the primary objective of establishing the collaboration hereunder is to enable the State of New Mexico and SHARP to cooperate in an endeavor to promote the progression from NEW ENERGY science research to commercialization.
- b) It is recognized that there may be several ways in which SHARP and TEAM NEW MEXICO can collaborate in the progression from NEW ENERGY science research to commercialization, such as:
 - a. Technology transfer from TEAM NEW MEXICO to SHARP;
 - b. Sales of technology, service, or products based on the research;
 - c. Establishment of joint ventures;
 - d. Investment by SHARP in high-tech ventures established or to be established based on the technologies which will be developed through the projects by SHARP and TEAM NEW MEXICO;
 - e. And, joint development of intellectual property.
- c) It is recognized that SHARP and TEAM NEW MEXICO may enter into separate agreements facilitated by the implementation of this MOU. The terms and conditions of such agreements facilitated shall be discussed and concluded between SHARP and TEAM NEW MEXICO. If either party wishes to make public these agreements, such party will give thirty (30) days prior written notice of the publication to the other party.

4. SHARP'S ROLE

- a) SHARP, jointly with TEAM NEW MEXICO, will select and identify the technologies from the NEW ENERGY science research to commercialization.
- b) It is recognized that the commercialization may take a number of different forms and that SHARP's role in securing a successful commercial business may vary from project to project.

5. STATE OF NEW MEXICO'S ROLE

- a) The State of New Mexico will assist SHARP by introducing it to TEAM NEW MEXICO members, and the State of New Mexico may coordinate meetings,

tours, and/or seminars to facilitate SHARP's ability to communicate with TEAM NEW MEXICO, to select and identify the technologies for commercialization, and to develop commercial businesses when reasonable.

6. STATUS OF UNDERSTANDING

This MOU, excepting articles 7 and 9 hereof, is not intended to constitute a binding contract, nor to create any legal liability or obligations on either of the parties hereto, but only to express the mutual intention of the State of New Mexico and SHARP to act in good faith in pursuance of the provisions hereto. Nothing contained in these provisions shall be construed as forming any contract, business entity, partnership or fiduciary relationship between the State of New Mexico and SHARP.

7. SECRECY

Either party hereto shall not divulge or disclose to a third party or parties any and all matters of a confidential nature related to the technologies, transaction and business which have come to its knowledge through transactions under this MOU, except those which belong to the domain of public knowledge and which the other party hereto otherwise procures lawfully from other sources and has the right to disclose to another third party.

8. TERMINATION

Either party hereto may terminate this MOU without prior written notice if and when the other party:

- a) Breaches or does not perform any of each of the roles under this MOU;
- b) Becomes or be caused to become insolvent, bankrupt or liquidated;
- c) Makes suffer from loss or damages by the causes attributable to such other party.

9. GOVERNING LAW

This MOU shall be construed in accordance with and governed by the laws of the State of New Mexico.

AGREED TO, THIS 15th DAY OF JUNE 2004 BY:

STATE OF NEW MEXICO

SHARP CORPORATION

By: _____

By: _____

The Honorable Bill Richardson
Governor
State of New Mexico

Mr. Takashi Tomita
Group General Manager
Solar Systems Group, Sharp Corp.