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Contract #: BITC 1711 Mod #: 2 Award type: STAGR
 Prime #: Contract entity: GT
Contract type: CRNF

CFDA: NA
 PE #: NA

Project unit: BEC Unit code: 56
 Project director(s):
 PDPI- BURROW M F BITC (404)894-7034

Sponsor : MEDICAL COLLEGE OF GA/AUGUSTA, GA
 Division Id: 400 / 5785
 Award period: 01-JAN-1997 to 31-OCT-1997 (performance) 31-OCT-1997 (reports)

Sponsor amount	New this change	Total to date
Contract value:	4,525.00	20,375.00
Funded:	4,525.00	20,375.00
Cost sharing amount:	0.00	0.00

Does subcontracting plan apply? N

Title: BUSINESS PLAN DEVELOPMENT FOR ELECTRONIC HOUSE CALL SYSTEM - AMEND #2

PROJECT ADMINISTRATIVE DATA

OCA contact: Ina R. Lashley (404) 894-4820

Sponsor technical contact: DR MAX STACHURA THE MEDICAL COLLEGE OF GEORGIA TELEMEDICINE CENTER 112 15TH STREET AUGUSTA GA 30912-1655 Phone: 706-721-6616 Fax: Email:	Sponsor issuing office: CAROLINE WITT THE MEDICAL COLLEGE OF GEORGIA OFFICE OF GRANTS AND CONTRACTS AUGUSTA GA 30912-4810 Phone: 706-721-6482 Fax: 706-721-6478 Email:
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Security class (U,C,S,TS): U ONR resident rep is ACO (Y/N): N
 Defense priority rating : NA Supplemental sheet: NA

Equipment title vests with:

Administrative comments -

> MOD 2 ADDS \$ 4,525 NEW FUNDS & EXTENDS PERIOD OF PERFORMANCE 2 MOS.

5/14/62

Closeout Notice Date 09-MAR-1998

Project Number B-03-629

Doch Id 40877

Center Number 10/24-6-R0411-0A0

Project Director BURROW, MICHAEL

Project Unit BEC

Sponsor MEDICAL COLLEGE OF GA/AUGUSTA, GA

Division Id 5785

Contract Number BITC 1711

Contract Entity GTRC

Prime Contract Number

Title BUSINESS PLAN DEVELOPMENT FOR ELECTRONIC HOUSE CALL SYSTEM -
AMEND #2

Effective Completion Date 31-OCT-1997 (Performance) 31-OCT-1997 (Reports)

Closeout Action:	Y/N	Date Submitted
Final Invoice or Copy of Final Invoice	Y	
Final Report of Inventions and/or Subcontracts	N	
Government Property Inventory and Related Certificate	N	
Classified Material Certificate	N	
Release and Assignment	N	
Other	N	

Comments

Distribution Required:

Project Director/Principal Investigator	Y
Research Administrative Network	Y
Accounting	Y
Research Security Department	N
Reports Coordinator	Y
Research Property Team	Y
Supply Services Department/Procurement	Y
Georgia Tech Research Corporation	Y
Project File	Y

B-03-629
#1

**Final Letter Report
Project B03-629**

March 4, 1998

BUSINESS PLAN DEVELOPMENT FOR THE ELECTRONIC HOUSECALL SYSTEM

**By:
Michael F. Burrow
Biomedical Interactive Technology Center
Parker H. Petit Institute for Bioengineering and Bioscience
Georgia Institute of Technology**

**Submitted To:
Dr. Max Stachura
Medical College of Georgia
Telemedicine Center
1120 15th Street
Augusta, GA 30912-1655**

Contracting Through:

**GEORGIA TECH RESEARCH CORPORATION
Georgia Institute of Technology
Atlanta, Georgia 30332**

Abstract

This final letter report summarizes activities conducted by C-Med in developing a business plan for commercializing the Electronic HouseCall (EHC) system. Whereas the initial goal was to develop a formal business plan that could be presented to interested companies in the July '97 timeframe, the results of early efforts required that the focus of C-Med's activities be redirected. As a result, the role of C-Med became one of managing the interests of 23 companies desiring to license the technology and ultimately coaching finalists in submitting an offer.

The project was extended on two occasions such that the period of performance was from January 20, 1997 through October 31, 1997. The program resulted in the formation of CyberCare, Inc., a Georgia-based start-up company, as the commercial partner to bring the EHC technology to market.

Program Description

The initial program was established to allow the Georgia Institute of Technology (GIT) and the Medical College of Georgia (MCG) to retain a consultant to develop a business plan for commercializing the EHC technology. Both institutions contributed half the funding necessary to contract with C-Med Corporation to perform services defined in the Statement of Work. Mr. Tony Jatecko, President of C-Med Corporation, directed activities conducted by C-Med under this contract.

The initial statement of work required that C-Med work with and under the direction of the resources at GIT and MCG to develop a business plan for the potential commercial capitalization of the jointly owned technology application developed under the EHC project. The resultant business plan was to serve as a tool for attracting a commercial entity or to facilitate the formation of a start-up company to refine and market the EHC system. The work proposed under this contract was to be carried out in four phases.

The first phase involved initial planning and preparation of a preliminary business prospectus. The planning efforts focused on defining the current status of the EHC system from a technical, financial, and intellectual property standpoint. In addition, background work was conducted in consultation with both universities to determine what the universities wanted in return for an exclusive license to the technology. Once the universities determined what they wanted for the technology, a complete business prospectus was developed (Appendix A). The prospectus included a basic business overview, description of potential markets, definition of the products and services, projected target financials, and suggested potential relationships with the commercial partner. The prospectus was used as the initial presentation materials and information for aligning the external communities of interest, prior to having a finished business plan. As a result of feedback from various potential partners, the business prospectus was modified to project a consortium approach to establishing a new Georgia-based company (Appendix B).

The second phase involved researching the business plan content. Activities centered around gathering the information and details necessary as content to a thorough business plan, socializing the opportunity to and aligning the appropriate external communities of interest and markets, and finalizing the costing and overall product and/or services plan, integrations, design

and schedules. Phase 3 and 4 of the initial statement of work was redefined as a result of the interest obtained from potential commercial partners after the first two phases had been completed. Therefore, C-Med did not develop a formal business plan, but their activities were redirected to socializing the opportunity with the 23 interested companies. A list of prospective commercial partners, as of June 5, 1997, is provided in Appendix C.

C-Med pursued the commercial business relationships until the end of the initial contract on June 30, 1997. It was apparent that there was a strong potential of securing a commercial partner as a result of activities conducted since January 20; however, the process of selecting a single partner had not been concluded. As a result, the contract with C-Med was extended for two months with a new statement of work consisting of two tasks. The first task involved securing best and final offers from the potential commercial partners and providing recommendations to the administrations regarding selecting a single partner. The second task involved completion of a formal business plan that could be used as the basis for a Georgia-based start-up company. The goal of the second task was to develop an alternative commercial avenue should all offers from existing interested companies prove unacceptable. Since the response from requests for final offers appeared promising, C-Med focused its attention on nurturing those relationships rather than developing a formal business plan.

A letter requesting best and final offers from the 23 potential partners was prepared and mailed in July (Appendix D). It established a deadline of August 1, 1997 by which the universities expected to be in a position to make a decision regarding a commercial partner. Two of the original 23 interested companies responded with a best and final offer; however, each offer was sufficiently vague as to require follow-up to clarify a number of outstanding issues. In the meantime, a local group of executives comprising The Willow Group assembled a team to respond to the opportunity to commercialize the technology. As a result, there were three viable offers to license the EHC technology from the universities.

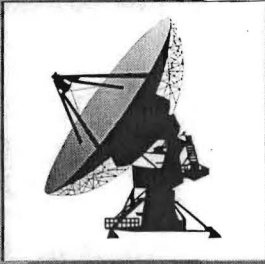
After considerable due diligence to clarify the offers from the three potential partners, it was determined that a meeting with administrative representatives from GIT and MCG in which each potential partner would present their offer would be held on September 18, 1997. Since the contract with C-Med was set to expire on August 31, 1997 and there was more work to be done in securing a commercial partner, an extension was requested and granted through October 31, 1997. The objectives of C-Med under the extension were to finalize the meeting on September 18 with the three finalists, assist them in preparing their presentations, and to finalize the partnership with the organization selected as the commercial partner following the meeting. On September 18, 1997, representatives from the three final candidates, Thermo Information Solutions, Inc., Health Consultants International/NetSpeak, Inc., and The Willow Group, traveled to Augusta to present their offer to the GIT and MCG administrations. Following the meeting, Dr. Max Stachura and Mr. Michael Burrow provided recommendations to the university administrations based on an analysis conducted of each offer. The administrations subsequently chose to partner with The Willow Group to form a Georgia-based company and commercialize the EHC technology.

C-Med's activities during the latter half of September and during the month of October focused on assisting The Willow Group in preparing a business plan and formalizing he

relationship between GIT, MCG, and The Willow Group. On October 31, 1997, CyberCare, Inc. was formed by John Haines, President of The Willow Group, to commercialize the EHC technology. GIT and MCG maintain a 20% equity position in CyberCare, a 4% royalty position based on net sales, and research and development funding totaling to \$2.1 Million over three years. A copy of the final license agreement is provided in Appendix E.

APPENDIX A

INITIAL BUSINESS PROSPECTUS



**AN INDUSTRY
/UNIVERSITY
PARTNERSHIP FOR
COMMERCIALIZING
THE ELECTRONIC
HOUSE CALL
TELEMEDICINE
APPLICATION**

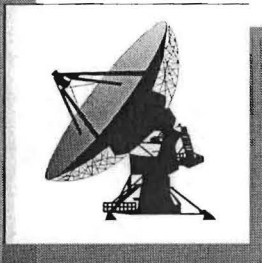
**Georgia Institute of
Technology
Medical College of Georgia**

Prepared by Tony Jatcko, CMed Corp



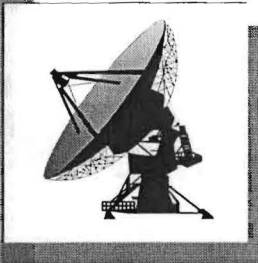
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- **Introductions/Participants** Page 3
- **EHC Defined** Page 4
- **Current Capabilities** Page 6
- **Markets Available** Page 7
- **State of the Opportunity** Page 8
- **Near Term Tasks Remaining** Page 11
- **Suggested Buy-in Arrangements** Page 12



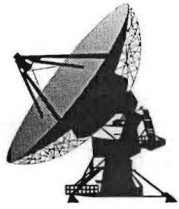
INTRODUCTIONS/ PARTICIPANTS

- **Telemedical Center of the Medical College Of Georgia**
 - Directed by Max Stachura, M.D., with Dr. John Searle
 - Formerly Directed by Dr. Jay Sanders, ATA President
 - Integral to Georgia Statewide Telemedical Program - GSTP
- **Biomedical Interactive Technology Center of the Georgia Institute of Technology**
 - GIT - Worldwide Technology Researcher & Developer.
 - BITC Projects led by Jim Toler, Mike Burrow & John Peifer
 - BITC - R&D in Telemedicine, Surgical Simulation, Diagnostic Devices & Medical Robotics
- **Assisted by CMed Corporation**
 - Led by Tony Jatcko
- **Combination Provides:**
 - Unique Application Level Development with High User Focus



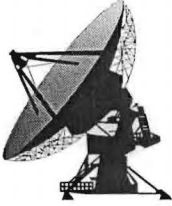
EHC DEFINED

- **Telemedicine System in Productive Clinical Trial With Proprietary,**
 - Integration of Diagnostic Devices - PC Based
 - Multimedia Graphical User Interfaces
 - Administrative/Patient Database
- **Extensive Provisional Patent Application Filed**
- **Enhances Access - Patients to Care Center**
 - Interactive Video & Audio
 - 6 Critical Vital Signs Diagnostic Interfaces
 - Interactive Storage & Retrieval of Patient & Provider Data
 - Guided, High Human Factors Multi Media Integration
 - Diagnostic Measurement & Transmission
 - Usage Training, Instructional/Reference Videos
 - Scheduled or Random Dial-up, by Either End
 - Interactive or Store & Forward Sessions



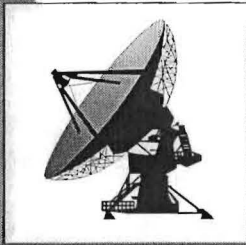
EHC DEFINED (Cont.)

- **Application That Promises:**
 - **Extended Access for Clinical Staff to Point-of-Care Sites**
 - **Significant Reduction in Per Visit Costs**
 - **Increased Healthcare Staff Productivity**
 - **Releases Medical Facilities, Inpatient & Emergency Services**
 - **Better Patient Access to Healthcare**
 - **Home, Community or Commercial Placements**



CURRENT CAPABILITIES

- **PC Multi Media System, Integrated with Six Medical Diagnostic Devices in a Comfortable Package, Operating under Windows 95, Intel Proshare and Utilizing the Proprietary Software, Experience and Knowledge of the Resources of MCG and GIT.**
- **Patient Systems have been Deployed in 17 Homes & 1 Nursing Home for 25 Patients**
- **Monitoring Systems Deployed at MCG Hospital and Residence and office of the Medical Director of the Nursing Home**
- **Deployed in Augusta Area on a LAN Extended "Ethernet" Network over Coax Cable & ISDN, to Ludowici, GA on Basic Rate ISDN**
- **Diagnostics Measurements Include: Blood Oxygen, Blood Pressure, Heart/Lung Sounds, EKG, Weight, Temperature & Pulse**

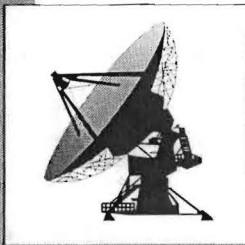


MARKETS AVAILABLE

- **Traditional Clinical Outreach to Patient Homes**

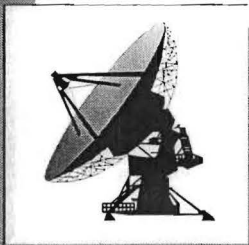
- **Health Service Centers**
 - Nursing Homes
 - Industrial Health Centers
 - HMO's

- **Community Monitoring Locations**
 - Pharmacies
 - Health/Fitness Centers
 - Malls, Schools, Libraries, Rec. Centers
 - Hotels



STATE OF THE OPPORTUNITY

- **11 Mil. Patients in Need and 18,500 Providers Available in 1996 (NAHC Data, Traditional Homecare Agencies only)**
 - Fastest Growing Telemedical Application (CBO or NMES Data)
 - 13% CGR or 18.2% CGR
 - In 1996 - \$36 Bil. (Omitting Hospital Based) or \$52 Bil.
- **Why? Many Benefits to Home Health Care, Relative to Others!**
 - It's Needed! - \$400 Bil. costs of Hospital care in 1996
 - Very Cost Effective Service
 - Humane Compassionate Delivery
 - Supplements Family
 - Maintains Dignity and Independence
 - Patient's Active Role - Team Member
- **Trends in Care Costs? (NAHC)**
 - Hospital Day = \$1872.
 - Nursing Home Day = \$334.
 - Traditional Homecare = \$88.
 - Tele-HomeCare = \$35, or less.



TELE-HOME CARE REVIEW - LIMITED MARKET STUDY

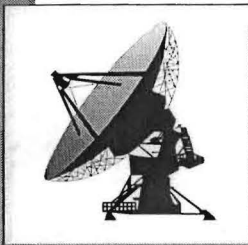
- **Connecticut 2 year Study of 600 Psychiatric Patients**
 - 80.7% Could have been Treated at Home
 - 11.97 reduced to 7.48 Days as Inpatient
 - 11.8% versus 45.9% Readmitted
- **VA Study of Terminal Ill Veterans**
 - Reduced Per Capita Costs by \$971
- **COPD Patients**
 - Those Admitted Used 5.9 fewer days
 - Overall Cost per Patient Reduced by \$328/month
- **Congestive Heart Failure Group**
 - Admissions Decreased from 3.3 to 1.2 per Year
 - Average Length of Stay Decreased from 26 to 6 days
- **Cardiovascular Group**
 - Admissions Decreased from 2.9 to 0.8 per Year
 - Average Length of Stay Decreased from 23 to 4 days



COMMERCIAL INITIATIVES LIMITED MARKET STUDY

- **1996, Successful Roll-out to 40 Patients at Helen Ellis Memorial**
- **1996, Program Rolled-out in Hays/Lawrence, KS (Reimbursement)**
- **1996, CVS Pharmacies/Pfizer Jointly Funding**
 - VueCom, RTI
- **1996, Kaiser Permanente, Purchased 200 American Telecare Units**
- **1997, SNET & VNA HealthCare Hospice, Plan 1998 Service, w/HANC**
- **1997, Jay Sanders, Global Telemedicine Group - Forming Consortium**
- **etc.**

THE TIME IS RIGHT FOR TELE-HOME CARE



NEAR TERM TASKS REMAINING

- **Commercially Prepare Existing Integration for Market**
- **Repackage Functions and Software**
 - **Costs & Market Requirements**
 - Modular "Plug & Play" Design
 - Selectable Features, Levels of Capability
 - Scalable Communications
 - Various Kiosk Systems
- **Develop Business Plan, Relative to Partner's Direction**
 - Focus Efforts
 - Market Surveys
 - Address Reimbursement
- **Develop Business Operational Plan, Organize Accordingly**
- **Develop Additional Medical Diagnostics for Future**
- **Continue Formal Clinical Data Gathering**



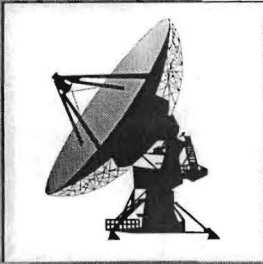
SUGGESTED BUY-IN ARRANGEMENT

**To Acquire an Exclusive EHC
Technology License & On-Going
Involvement of MCG & GIT Resources**

- **Up-Front Fee - \$300,000**
- **Fund Existing EHC Project Staffs for
On-Going R&D**
 - \$2.7 Million over Next Three Years
 - Reduced Funding, as Required, After Three Years
- **On-Going Royalties at 6% of Revenues
Realized**
- **20% Stock Equity Position for GIT**
- **Retained Resource, Integral to
Established Company**
 - Represent MCG & GIT Business Interest

APPENDIX B

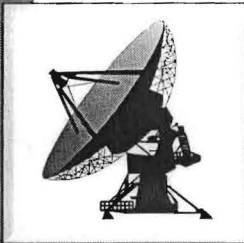
**REVISIONS TO THE INITIAL BUSINESS
PROSPECTUS**



**AN INDUSTRY
/UNIVERSITY
PARTNERSHIP FOR
COMMERCIALIZING
THE ELECTRONIC
HOUSE CALL
TELEMEDICINE
APPLICATION**

**Georgia Institute of Technology
Medical College of Georgia**

Prepared by Tony Jatcko, CMed Corp



OVERALL MARKET POTENTIAL?

"A Perspective"

Note: Based on 1996 Healthcare Industry "Average" Statistics

- 350 million Visits/year @ \$80/visit = \$28 Billion Market
- 50% Can be done w/remote Electronic Terminals
- So! 50% of \$28 Billion = \$14 Billion "in play".

Electronic Housecalls are "estimated" @ \$35/visit.

- Yields, 50% of 350 B. @ \$35 = \$6.125 B. Service \$'s,
(22%).
- Nets, \$14 B. - \$6.125 B. = \$7.875 B. Savings, (28%).



CLINICS POTENTIAL?

"A Perspective"

- 28% Operational Savings over Traditional Calls
- Or: Focus on Productivity of Electronic Calls

Nurse can do: 15 versus 5 visits/day (on 1/2 the patients)

So? While Maintaining a constant force, Nurses are

- Twice as Productive
- Clinic "Reaches" 2X more patients.

Note: Also, Productivity of portable units accompanying visiting nurse



SERVICE PROVIDERS POTENTIAL?

"A Perspective"

- Traditional: 5/day @ \$80 visit = \$400/Nurse Day
- Electronic: 15/day @ \$35 visit = \$525/Nurse Day
- Thus: \$125/Nurse Day in additional revenue

Assume: Clinic maintains constant Nurse Revenue, while extending reach, then \$125/Nurse Day, Available.

For provider?:

That's: \$32,500/year or \$2,708/mo., For each Nurse
"Or"

That's: \$650,000/year, For a 20 Nurse Clinic
"Or"

That's: \$14.6 Mil./year, For 1% Market Penetration

Carrier Usage?

For 20 nurse Clinic, = \$900/day or \$19,800/mo. (300 ses./day
@ 20 min./ea. @ 15cpm)

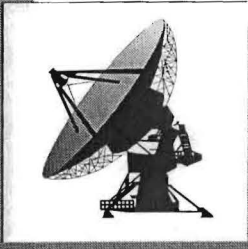
+ Additional Usage Applications



WHAT'S NEEDED?

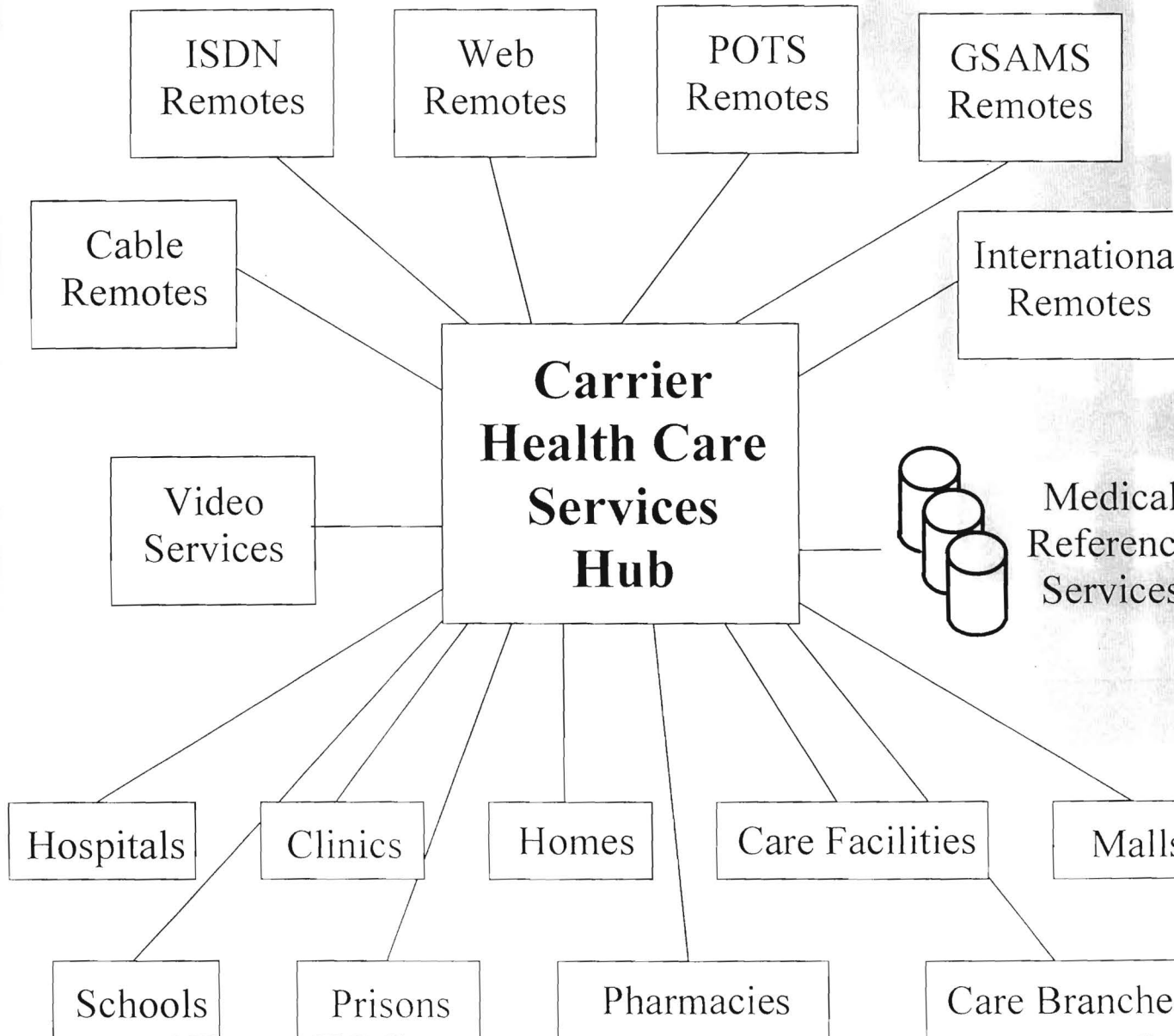
"At This Point - 6/1/97"

- **Partners - Committed to Fund & Work Jointly.**
- **Continuance of Roll-out of EHC Test Beds.**
 - **Maintain Momentum & P.R.**
 - **Capture Opportunities**
- **Focused Work Period:**
 - **Finalize "Formal Business Plan".**
 - **Structure & Capitalize "Newco".**
- **Interim Budget - \$600K over a Max. 6 months.**
 - **Funds:**
 - MCG & GIT Continuance.**
 - Formation of "Newco" - In ATDC**
 - Resources - Plan, Form and Capitalize**
 - **Provides:**
 - 4 Month Go/No Go!**
 - Partner Exclusivity & "First Rights".**
 - Time For Role Definitions & Assignments.**
 - Establishment of Equity/Royalty Positions.**



HEALTH CARE CARRIER SERVICE?

One Homogeneous "Medical Transport Service"



APPEDIX C

LIST OF 23 POTENTIAL PARTNERS

6/5/97 Status of EHC Commercialization

Opportunity

1. Thermo Electron
2. Johnson & Johnson
3. NEC
4. Healthdyne/Matria
5. Matsushita
6. Welch-Allyn
7. Sprint
8. NetSpeak
9. Bell South
10. Hitachi
11. G. E. Med Syst.
12. Hewlett-Packard
13. Turner TeleCom
14. Comp. Dev. Can.
15. B I D
16. TeleAssist
17. Pacific Interpreters
18. U N Hospital
19. Global Telemed
20. Interactive Med
21. Phizer/CVS
22. Raytel Cardiac
23. VCom Systems

Description of Company

Large Conglomerent Focused on New Business Developments
 Very Large Health Industry Corporation
 Very Large Japanese Industrial w/Healthcare Focus/Products
 Atlanta Based Medical Diagnostic Equipment Corporation
 Very large Japanese Industrial, (Panasonic)
 Medical Diagnostic Equipment Company
 Large National Com. Corp. w/Healthcare Focus/Products
 Entrepreneurial Web Tech. Co. funds by Motorola & Health Org.
 Large Local Communication Corp. w/ Healthcare Interest
 Very large Japanese Industrial
 Large USA Based Industrial w/ Healthcare Bus Units
 Large USA Electronic Industrial w/ Healthcare Focus
 New Atlanta Based Network Appl. Business Unit Start-up
 Large Canada Based Supplier of Tech./Med. Appl. to Military
 Start-up "Business for International Development" w/Med Kiosk
 Start-up Co. w/HouseCall Product
 Small Company Building Language Interpreting Units
 Utah based Hospital Administrator/Entrepreneur, Steven Mabry
 Consortium, Jay Sanders Formed
 Start-up Desktop Telemedical Product Provider
 Joint Corporate Effort, Vuecom Coor, For Medical Monitor Kiosk
 Smaller Medical Device Provider, Considering Remote Monitor
 Small System Integrater Focused on Ophthalmology Technologies

Status/Outcome as of 6/5/97

Many Mtgs, Made 1st Offer on 5/30/97, Requesting resubmittal
 Intro Mtg, Short Time Problem / Requesting Final Chance
 Intro Mtg, Can't Do/Timing Problem, Interested / Keep in Touch
 Multiple Mtgs, Joint Planning, Offer Mtg. Scheduled, 6/4/97
 Intro Mtg, Can't Do/Timing Problem / Keep in Touch
 Intro Mtg / No "System" Strategy / Remain a Device Supplier
 Intro Mtgs. / Feedback Positive / Offer Pending
 Multiple Mtgs / Very Interested / Expect offer by 6/5/97
 Multiple Calls / Review mtg. on 5/28/97 / Expect Offer 6/5/97
 Intro Mtg / Limited Interest / No Follow-up Needed
 Stachura Intro, No Follow-up Contacts thereafter
 Toler Intro, F-up w/many Phone Calls, Interested, b/Timing Bad
 Jatcko Intro & Demo, Interested b/Bad Timing for Funds
 Multiple Calls, Interested b/Timing Not Possible
 Intro Mtg, Interested in Joint Venture, Time/Seek Funds Minimal
 Intro Mtg, Many Calls, Interested, b/No Add'l Funds Available
 Multiple Calls, Interest in Multi-Media Interface, b/No Funds
 Multiple Calls, Interest in Promoting and Developing, b/No Funds
 Conf. Attendance, Limited Interest, Will produce Their Own Unit
 Intro Mtg, Multiple Calls, No Funds to Incorporate EHC Tech.
 Demo Visit, Mult Calls, No Response to Inquiry Memo
 Phone Intro, Reviewing Info, No Response Back Yet
 Phone Intro, materials sent, Interested in Sub license, if available

Summary Statistics:

of Visits, Meetings & Demo's = 23, (3-4 Hour sessions)

of Visits, Meetings & Demo's = 22 (3-4 hour sessions)

of Conference Calls w/Team = 8 (1-2 hour Sessions)

of Phone Reviews, one-on-one = Numerous

Results To Date Over 23 Contacts:

5 - Expect an Offer, (1,4,8,9&7)

3 - Still Remain Open, Offer Possible, (2,22&23)

6 - Interested Big Orgs, Can't Fund By 7/1, (3,5,10,12,13&14)

4 - Interested Smaller Orgs. w/Limited Funds, (15,16,18,&20)

5 - Limited Interest at this Point, (6,11,17,19&21)

APPENDIX D

**LETTER REQUESTING BEST AND
FINAL OFFERS FROM THE THREE
FINALISTS**

July 15, 1997

Mr. John Doe
President
XYZ Company
Anywhere, GA 12345

Dear Mr. Doe,

The Georgia Institute of Technology (GIT) and Medical College of Georgia (MCG) are entering into their final evaluation phase of the opportunity to commercialize the Electronic Housecall Technology. This letter is intended to clearly and consistently communicate our time-line for this decision, to reiterate our offer, as well as update you on our alternatives at this point. We enjoyed discussing this commercialization opportunity with you and hope that we will be working together in the future to capitalize on this exciting market opportunity.

We are requesting from all interested parties that final offers be submitted no later than August 1st, 1997. This will permit our scheduled final presentation to the University Presidents during the following week of August 4th-8th, 1997. It is recommended that preliminary offers be faxed or E-mailed to CMed Corporation by July 25, 1997 to allow GIT and MCG representatives to review the documents and clarify issues that the University Presidents are likely to raise. Addressing these issues before the meeting will allow us to represent your organization in the best possible light.

We have made every attempt to consistently and fully communicate our offer to all candidates interested in the EHC technology during this commercialization project. To clearly restate: Our original request for \$3 million funding over 3 years plus 20% equity and 6% royalties for full rights to the EHC technology has not changed, but has been modified to include, if required, an up-front final business crafting period of 6 months at an initial funding level of \$500,000. This initial funding will allow the GIT/MCG team to maintain their momentum from both a clinical and technical perspective while "NewCo" is being capitalized. Upon successfully establishing capitalization for the anticipated formally and fully planned "NewCo," a commitment to provide the balance of \$2.5 million, plus equity and royalties would still be required for full transfer of the EHC property rights to "NewCo."

At this point, I, working with the established GIT/MCG team, anticipate presenting 5 alternative directions for Executive decision, with our corresponding recommendations. Our 5 present alternatives include 3 separate, external corporate candidates who wish to acquire full, exclusive manufacturing/distribution licensing for the EHC technology and also 6 candidates who would consider a secondary sub-licensing arrangement with our selected partner commercializing EHC, at a later date.

Our 4th alternative is to fully develop the business plan, for which I was originally hired by GIT/MCG, and form a "NewCo" here in Atlanta, with Atlanta based technical and managerial resources and funded via local venture capital sources. This alternative has become a possibility based on interest expressed by the local health care community and local funding sources.

The 5th alternative, which has evolved over the course of this project, is for GIT/MCG to simply license copyrighted versions of the EHC software. Recent funding potentials and advances in the EHC technology have made this a viable alternative. A favorable anticipation of being granted an award for full funding to participate in the Federal Government's NIST Advanced Technology Program, which is focused on developing commercialized home healthcare products, would allow us to pursue this option.

In any event, we have enjoyed specifically working with you and wish sincerely to maintain an on-going relationship with you and the assets you represent. Georgia Tech and the Medical College of Georgia are leaders in telemedicine as part of an unequaled Statewide Telemedical Network and an application development effort that certainly may have other technologies of interest to you.

Thank you!

Best regards,

Tony Jatcko, CMed President

APPENDIX E

LICENSE AGREEMENT

COPY**LICENSE AGREEMENT**

THIS AGREEMENT is made and entered into the 16th day of December, 1997 (hereinafter "Effective Date") by and between the **GEORGIA TECH RESEARCH CORPORATION**, a nonprofit corporation organized and existing under the laws of the State of Georgia and having its principle offices at the Georgia Institute of Technology (hereinafter "GIT"), Centennial Research Building, Atlanta, Georgia 30332-0415, (hereinafter "GTRC") and **CYBERCARE, INC.**, a corporation existing under the laws of the State of Georgia and having its principle offices at 430 Tenth Street, N.W., Suite S-004, Atlanta, Georgia 30318 (hereinafter "CYBERCARE").

WITNESSETH:

WHEREAS certain employees of the Georgia Institute of Technology and the Medical College of Georgia (MCG) have collaborated in creating an invention known as the "Electronic House Call: A Telemedicine System for Monitoring the Health of Patients in Their Homes", which is the subject GTRC Invention Disclosure Number 1798 and Software Disclosure Number 1810, and U.S. Patent Application Number 08/934,442 (hereinafter "Invention"); and

WHEREAS said employees have assigned all their right, title and interest in the Invention to GTRC and the Medical College of Georgia Research Institute (MCGRI) respectively; and

WHEREAS GTRC and MCGRI have available to them certain know-how, technology, trade secrets and methods (hereinafter "Know-How") which relate to the Invention; and

WHEREAS by Agreement dated October 13, 1997, a copy of which is attached as Exhibit "A" to this Agreement, GTRC and MCGRI (the "Joint Owners") agreed that GTRC would act on behalf of the Joint Owners in pursuing intellectual property protection and commercialization of the Invention and Know-How related to the Invention (hereinafter "Technology"); and

WHEREAS CYBERCARE wishes to utilize the Technology to achieve the development, manufacture, use and sale of Products containing the Technology; and

NOW, THEREFORE, GTRC and CYBERCARE in consideration of the foregoing and the mutual promises contained herein and intending to be legally bound hereby agree as follows:

1. DEFINITIONS

As used herein:

- 1.1 "Net Selling Price" shall mean the gross sales by CYBERCARE or any approved sublicensee of the Products, less only installation charges, usual trade discounts, sales tax which the seller has to pay or absorb, customs duties and transportation and

insurance charges, if not included in the gross price, and any and all Federal, foreign, State or local taxes (except income tax) incurred by the seller on such sales.

- 1.2 "Patent" shall mean any issued letters patent disclosing and claiming the Invention, including a reissued patent, a patent issuing from a continuation application, divisional application or continuation-in-part application, and means any foreign patent similar thereto.
- 1.3 "Products" shall mean any system or equipment incorporating the Technology (a "System") through which the Technology is commercialized and utilized by CYBERCARE, but shall not include any peripheral equipment, devices or other products (collectively, "Ancillary Products") not regularly incorporated in the standard operating unit of the System as offered for sale by CYBERCARE, whether or not the Ancillary Product is located within the same container, shell, cover or other housing in which the standard operating unit resides.
- 1.4 "Sales", "Sell, or "Sold" shall mean any sale, transfer, lease, license, rental, fee for service, permission to use or other transfer of the right of possession or other conveyance by CYBERCARE or any approved sublicensee.
- 1.5 "Sales Made" shall mean Sales for which payment has been received by CYBERCARE.
- 1.6 "Proprietary Information" shall mean information and trade secrets owned or controlled by GTRC and MCGRI at any time during the term of this Agreement, which relates to the Inventions covered by the licensed Patents, including but not limited to, invention records, research records and reports, engineering and technical data, designs, production specifications, processes, methods, procedures, facilities and know-how.
- 1.7 "Territory" shall mean the world.

2. GRANT OF LICENSE

- 2.1 With respect to the Technology to which GTRC and MCGRI have exclusive rights, GTRC, acting on behalf of the Joint Owners, hereby grants to CYBERCARE an exclusive, nontransferable, royalty-bearing license, with a right of sublicense, to make, have made, sell, and use Products throughout the Territory. CYBERCARE shall not export any Product or enter into any sublicense without fully and completely complying with any and all United States export or munitions control regulations and laws.

- 2.2 Any provision of this Agreement to the contrary notwithstanding, GTRC and MCGRI reserve an irrevocable, nonexclusive, royalty-free, nontransferable license to make and use the Technology for educational and research and development activities practiced by GTRC, GIT, MCG and MCGRI.

3. CONSIDERATION

- 3.1 In consideration of the granting herein of the License as described in Article 2, CYBERCARE shall:

3.1.1 Pay GTRC and MCGRI, collectively, the sum of Two Million One Hundred Thousand U.S. Dollars (\$2,100,000) during the three years following the Effective Date of this Agreement, in the manner and subject to offsets detailed in Article 10 herein; and

3.1.2 Pay GTRC the Royalties as set forth below in Article 5; and

3.1.3 As additional consideration for the License granted herein, CYBERCARE shall issue to GTRC and MCGRI a sufficient number of shares of its common stock so that GTRC and MCGRI will each own Ten percent (10%) of the total number of shares issued. Upon initial issuance and thereafter until infusion of total capital from eight (8) million shares sold to investors or committed to lenders, a proportionate number of shares shall be issued to GTRC and MCGRI so that their Ten percent (10%) ownership interest each in CYBERCARE shall be maintained. If additional shares are sold for cash thereafter, GTRC and MCGRI shall be given the opportunity to purchase additional shares at the same price as the new shares being sold, such that each may maintain their Ten percent (10%) ownership.

- 3.2 Simultaneously with the execution of this Agreement, CYBERCARE, GTRC and MCGRI will enter into a Shareholders Agreement in substantially the form attached hereto as Exhibit "B".

4. SUBLICENSE

- 4.1 Subject to this Paragraph, CYBERCARE may grant sublicenses to persons or entities specifically approved in writing by GTRC, which approval shall not be unreasonably withheld, provided that each sublicense contains a provision that such sublicense and the rights thereby granted are personal to the sublicensee thereunder and such sublicense cannot be further assigned or sublicensed.

- 4.2 Any sublicense granted pursuant to this Article shall be in accordance with the terms and conditions of this Agreement and shall at a minimum, contain the same protection for the Joint Owners' Proprietary Information as is set forth herein.
- 4.3 In respect of any sublicense granted by CYBERCARE in accordance with this Article, CYBERCARE shall promptly pay to GTRC an amount equal to Thirty percent (30%) of any lump sum or other upfront consideration, made by the sublicensee thereunder in consideration for the grant of such sublicense to it by CYBERCARE. No such lump sum or other upfront consideration shall be included in Sales Made for purposes of this Agreement, and CYBERCARE shall not be required to pay GTRC any royalties pursuant to Article 5 of this Agreement on such a lump sum or other upfront payment.

5. ROYALTIES

- 5.1 For the term of this Agreement, CYBERCARE shall pay GTRC royalties for Sales Made at the rate of Four percent (4%) of the Net Selling Price of Products sold by CYBERCARE or any sublicensee under this Agreement. This royalty rate is based on a projected annual total gross profit on gross sales ("taxable income") for CYBERCARE of Thirty percent (30%) before Federal and state government taxes. It will be reviewed annually and adjusted up or down as appropriate to maintain this proportion to actual total gross profit. This new rate shall then apply for Sales Made during the following year with a minimum rate of zero (0). For example, if the annual total gross profit of CYBERCARE before Federal and state taxes for any year is forty-five percent (45%), the royalty rate for the following year would be Six percent (6%) of Net Selling Price, which is equal to One Hundred Fifty percent (150%) of the base royalty rate of Four percent (4%).
- 5.2 All payments to GTRC under this Agreement shall be made in U.S. dollars at GTRC's address for notice. Such payments shall be paid to GTRC annually on a calendar year basis. Payment for Sales Made during each calendar year shall be made to GTRC within thirty (30) days after the last day of each calendar year.
- 5.3 CYBERCARE shall pay all royalties due hereunder to GTRC and GTRC shall not be required to look to any other entity for payment.

6. ACCOUNTS

- 6.1 Not later than March 1 of each calendar year CYBERCARE shall furnish to GTRC a statement showing the total net Sales Made of Products by CYBERCARE during the immediate preceding calendar year, and the royalties payable thereon calculated in the manner required in Article 5.

- 6.2 CYBERCARE shall keep at its usual place of business true and particular accounts of all matters connected with the use of the Technology and the manufacture and sale of all Products and shall keep books of account relating to royalties payable hereunder containing true entries complete in every particular as may be necessary or proper for enabling the amount of such royalties to be conveniently ascertained.
- 6.3 If requested in writing by GTRC, CYBERCARE shall at all reasonable times produce evidence of the matters referred to in Article 6 and shall permit such evidence to be verified by an independent accountant to be selected and paid for by GTRC. CYBERCARE shall give such accountant all necessary facilities for verifying such evidence and shall give such information as may be necessary or proper to enable the amount of the royalties to be verified.

7. IMPROVEMENTS

- 7.1 Should CYBERCARE or any consultant or employee of CYBERCARE during the term of this Agreement make or discover any improvement in connection with the Technology, whether patentable or not, which if practiced would constitute an infringement of any Patent, CYBERCARE shall forthwith disclose or cause the same to be disclosed to GTRC, and such improvement shall be deemed to be a part of the "Technology" and shall be subject to the terms hereof for the purpose of calculating royalties hereunder. The foregoing notwithstanding, CYBERCARE shall own all right, title and interest in any such discovery or improvement. However, CYBERCARE shall make available to GTRC and GIT any improvements or modifications it makes to the Technology and grants to GTRC, GIT, MCGRI, and MCG an irrevocable, non-exclusive, royalty-free, non-transferable license to use the improvements throughout the world for educational and research and development purposes only. If so requested by GTRC, CYBERCARE shall make available or supply to GTRC and MCGRI such information or data as is necessary or convenient for the proper understanding or use of such discovery or improvement.
- 7.2 If GTRC or MCGRI makes or discovers any improvement to the Technology that is developed solely by one or more of the inventors as shown in U.S. Patent Application Number 08/934,442, whether patentable or not, which if practiced would constitute an infringement of any Patent, GTRC and MCGRI shall, subject to the pre-existing rights of any third party, forthwith disclose or cause the same to be disclosed to CYBERCARE and such improvement shall be deemed to be included in the term "Technology" and to be included in this Agreement and be subject to the terms hereof and any application for letters patent or other equivalent protection made in respect thereof shall be treated as if it were included in the term "Patent". The costs of prosecuting such applications for letters patent or equivalent protection and

maintaining the letters patent issuing from such applications shall be borne by CYBERCARE during the term of this agreement. Any such discovery or improvement shall belong to and be the sole and exclusive property of GTRC or MCGRI.

- 7.3 If GTRC or MCGRI makes or discovers any improvement to the Technology that is developed other than solely by one or more of the inventors as shown in U.S. Patent Application Number 08/934,442, whether patentable or not, which if practiced would constitute an infringement of any Patent, GTRC and MCGRI shall, subject to the pre-existing rights of any third party, offer to CYBERCARE the right of first refusal to take up a license to make, sell or use such new invention within the Territory on terms and conditions to be negotiated.

8. NEW DEVELOPMENTS

- 8.1 Should GTRC or MCGRI make or discover any new invention which if practiced would not constitute an infringement of any Patent, but is in the Field of Tele-Homecare, then, subject to the pre-existing rights of any third party, GTRC and MCGRI shall offer to CYBERCARE the right of first refusal to take up a license to make, sell and use such new invention within the Territory on terms and conditions to be negotiated.

9. CONFIDENTIALITY

- 9.1 CYBERCARE shall not disclose any Proprietary Information pertaining to the Invention other than to CYBERCARE employees or consultants who must have access to such Information in order to carry out CYBERCARE's obligations under this Agreement and to potential sublicensees of the Technology, provided such disclosure is in accordance with Paragraph 9.3 hereof. Prior to disclosure of Proprietary Information to CYBERCARE employees or consultants, such employees or consultants shall be under a written obligation of confidentiality to CYBERCARE at least as restrictive as the provisions contained herein. Proprietary Information shall be maintained in confidence by CYBERCARE for so long and to such extent as such Information is maintained in confidence by the Joint Owners.
- 9.2 To protect the Joint Owners' Proprietary Information, CYBERCARE shall adopt security measures commonly observed in industries that rely on proprietary information. These measures shall include, but not be limited to, restricted access to such information, marking such information, and the selective destruction of sensitive materials. Upon termination of this Agreement, CYBERCARE shall return or destroy all documents or materials embodying the Joint Owners' Proprietary Information.

- 9.3 Any disclosure of Proprietary Information by CYBERCARE to potential sublicensees of the Technology shall be prohibited, unless such potential sublicensee has signed an agreement which imposes obligations of confidentiality and nonuse at least as restrictive as those imposed on CYBERCARE hereunder.

10. **INITIAL DEVELOPMENT AND FULL USE OF TECHNOLOGY**

- 10.1 Demonstration units of the Electronic House Call System held by GIT or MCG will be made available to CYBERCARE under arrangements to be agreed between CYBERCARE and the Technical Contacts for GTRC and MCGRI, as noted in Article 21.1 of this Agreement.
- 10.2 As soon as reasonably practicable after the Effective Date of this Agreement, but not later than Eighteen (18) months after the Effective Date hereof, CYBERCARE shall take steps to meet the reasonable requirements of the market by offering for sale Products in sufficient quantities to meet a reasonable public demand.
- 10.3 CYBERCARE shall, during each of the first Three (3) years from the Effective Date of this Agreement, provide to each of the Joint Owners at least Three Hundred and Fifty Thousand U.S. Dollars (\$350,000) for further research and development in connection with the Technology. The sum of at least Seven Thousand Five Hundred U.S. Dollars (\$7,500) will be paid to each of the Joint Owners on the first (1st) business day of each of the three (3) calendar months following the Effective Date of this Agreement as an advance payment on such funding. At the end of such three (3) months or on the execution of Basic Ordering Agreements in accordance with Article 10.4, payment of all costs of agreed Statements of Work, as referenced therein, shall be payable in accordance with the terms of such agreements.
- 10.4 The further research and development to be undertaken in accordance with this Article shall be agreed periodically between CYBERCARE and the Joint Owners under subsequent Statements of Work, which shall be covered by Basic Ordering Agreements to be entered into respectively between CYBERCARE and GTRC, and CYBERCARE and MCGRI. The Basic Ordering Agreement and the first such Statements of Work with each of the Joint Owners will be agreed and entered into within Thirty (30) days from the Effective Date of this Agreement. The first of such Statements of Work for each succeeding License Agreement year shall be agreed and entered into within Thirty (30) days of each anniversary date of this License Agreement. The last of such Statements of Work satisfying the annual commitment for funding in accordance with this Article will be agreed and entered into within Eight (8) months of each such anniversary year.

- 10.5 Should funding for salaries, fringe benefits and overheads be made available to GTRC or MCGRI by the Georgia Research Alliance, the U.S. Federal Government or other entities primarily as a result of a CYBERCARE initiative, such funding may be offset against CYBERCARE's commitment in accordance with Article 10.3 herein. Should such funding be made available as a result of GTRC, GIT, MCGRI or MCG initiatives, and in the opinion of the GTRC and MCGRI nominees to the CYBERCARE Board of Directors, CYBERCARE made a significant contribution to the success of those initiatives, then a partial offset of such funds may be allowed as determined by the GTRC and MCGRI.
- 10.6 Should GTRC not receive at least Fifty Thousand U.S. Dollars (\$50,000) in royalty payments from CYBERCARE within Twenty-four (24) months from the Effective Date of this Agreement and should GTRC not receive at least Two Hundred Thousand U.S. Dollars (\$200,000) in royalty payments during each Twelve (12) month period thereafter for the term of this Agreement, GTRC shall have the option to terminate the license granted hereunder, to allow this Agreement to continue in full force and effect or to convert the license granted hereunder to a nonexclusive license upon written notice to CYBERCARE.

11. CONSULTING

- 11.1 Any use of GIT or MCG personnel as consultants shall be on a noninterfering basis with normal GIT and MCG activities. CYBERCARE shall make arrangements with GIT and MCG to assure noninterference. Compensation and travel reimbursement are to be paid directly to consultants by CYBERCARE. The relationship between CYBERCARE and its consultants shall be outside the scope of this Agreement, except that such consulting agreements shall not under any circumstances grant CYBERCARE rights to any GIT/GTRC or MCG/MCGRI intellectual property.

12. PROTECTION OF INTELLECTUAL PROPERTY

- 12.1 GTRC shall file any and all patent applications, trademark registrations or copyright registrations (hereinafter "Intellectual Property Protection"), domestic and/or foreign, in the Joint Owner's names to protect the Technology and/or improvements to the Technology licensed hereunder. CYBERCARE shall have the right to file such applications or registrations in GTRC's name, should GTRC fail to do so. CYBERCARE shall be responsible for all future costs, fees and expenses incurred in connection with the filing, prosecution and maintenance of all Intellectual Property Protection and the maintenance of any patent, trademark or copyright issuing thereon, as long as the license rights granted herein remain exclusive.
- 12.2 If patent, trademark or copyright protection is obtained for the Technology and/or improvements to the Technology, CYBERCARE shall cooperate with the Joint Owner's in enforcing or policing such protection as provided in Article 13 herein and

by taking all appropriate measures including marking trade secrets and other Proprietary Information as required and taking other measures as mutually agreed to by GTRC and CYBERCARE.

13. **NOTICE OF INFRINGEMENT AND ENFORCEMENT OF RIGHTS**

- 13.1 Immediately upon CYBERCARE's learning of any infringement, misappropriation or other unauthorized use of the Joint Owner's Proprietary Information, and/or Patents, copyrights or trademarks pertaining to the Joint Owners' Invention licensed hereunder (hereinafter "Intellectual Property Rights"), CYBERCARE shall promptly inform GTRC.
- 13.2 If CYBERCARE and the Joint Owners agree to jointly pursue enforcement of the Joint Owner's Intellectual Property Rights, then CYBERCARE and GTRC shall share equally all costs, fees and/or expenses incurred in connection with enforcement of the Joint Owners' Intellectual Property Rights provided only that the GTRC's maximum exposure for such costs, fees and expenses shall be the amount of royalties paid and/or payable to GTRC by CYBERCARE hereunder. Any payments accruing from such action to enforce the Joint Owners' Intellectual Property Rights shall be paid to CYBERCARE and GTRC in proportion to the parties' respective contributions to all costs, fees and/or expenses incurred in such action.
- 13.3 In the event that either party shall determine, for any reason, that it does not choose to enforce the Joint Owners' Intellectual Property Rights, then that party shall promptly notify the other party of such decision. The party choosing to enforce the Joint Owners' Intellectual Property Rights may then proceed with such enforcement action solely at its own expense and any and all recoveries shall be awarded solely and exclusively to that party.

14. **INDEMNITY**

- 14.1 CYBERCARE hereby indemnifies and holds harmless GTRC, GIT, MCGRI, MCG, and the Board of Regents of the University System of Georgia, and their employees, officers, board members and agents (hereinafter "Indemnitees") from and against all claims, suits, liabilities, damages, costs, fees, expenses or losses arising out of or resulting from CYBERCARE's performance of this Agreement, including but not limited to any third party claims against the Indemnitees for patent, copyright, and/or trademark infringement and/or patent interference, and any damages, losses or liabilities whatsoever with respect to death or injury to any person and damage to any property arising from the possession, use or operation of Products produced or sold by CYBERCARE or its sublicensees or their customers in any manner whatsoever.

15. **DISCLAIMER, WARRANTY AND LIMITATION OF LIABILITY**

15.1 EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE JOINT OWNERS DISCLAIM ANY AND ALL PROMISES, REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE TECHNOLOGY, INCLUDING ITS CONDITION, CONFORMITY TO ANY REPRESENTATION OR DESCRIPTION, THE EXISTENCE OF ANY LATENT OR PATENT DEFECTS THEREIN AND ITS MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE.

15.2 In no event shall the Joint Owners be liable for any use by CYBERCARE of the Technology or any loss, claim, damage or liability, of whatsoever kind or nature, which may arise from or in connection with CYBERCARE's performance under this Agreement.

16. **TRADEMARK**

16.1 Except for the purposes of identifying the Technology, no right, title, interest or license to any trademark or service mark, is granted to CYBERCARE.

17. **PRODUCT LIABILITY**

17.1 CYBERCARE shall during the term of this Agreement, as from the date of the first sale of Products, maintain in full force and effect a product liability insurance policy in the amount of at least One Million U.S. Dollars (\$1,000,000) and shall each year provide to GTRC evidence of such policy.

18. **RELATIONSHIP BETWEEN THE JOINT OWNERS AND CYBERCARE**

18.1 The Joint Owners and CYBERCARE are and shall remain independent contractors and nothing herein shall create a partnership or joint venture between the Joint Owners and CYBERCARE.

19. **ADVERTISING, PUBLICITY AND PUBLICATIONS**

19.1 Except as otherwise provided herein, CYBERCARE shall not use the names of Georgia Tech Research Corporation, the Georgia Institute of Technology, Georgia Tech, the Georgia Tech Foundation, the Medical College of Georgia Research Institute, the Medical College of Georgia, or any of their respective affiliates or divisions in any advertisement or sales materials without the prior written consent of GTRC and MCGRI, which consent shall not be unreasonably withheld.

19.2 In any publication (including advertisements, sales and trade literature and instruction manuals) relating to the Invention used pursuant to this Agreement, CYBERCARE

shall, when appropriate, give due credit to the Joint Owners, as owners and licensors and in the case of professional journals, trade publications and editorials to the Inventors as shown in the Patents, as Inventors of the Invention.

- 19.3 The Joint Owners and the Inventors shall have the right to publish papers and other scholarly materials on the Technology in the appropriate literature. Such publication shall in no event disclose proprietary or confidential information of the other party. GTRC, GIT, MCGRI and MCG may catalog and place such publications in the GIT and MCG libraries. CYBERCARE shall have the right to review materials related to the Technology prior to publication.

20. TERM AND TERMINATION

- 20.1 This Agreement shall commence on the Effective Date of this Agreement and shall continue until the expiration of the last expiring patent covering any of the Technology licensed hereunder.
- 20.2 In the event of the breach of a material obligation hereunder by either party, the nonbreaching party shall inform the alleged breaching party of said breach in writing. The alleged breaching party shall have sixty (60) days from the date of said notification during which time to cure the breach. In the event the alleged breaching party does not cure the breach within sixty (60) days, the nonbreaching party may terminate the Agreement.
- 20.3 CYBERCARE shall, within ten (10) days of termination of this Agreement for any reason, deliver to GTRC all written documentation in the possession of CYBERCARE which contains Proprietary Information pertaining to the Technology.
- 20.4 Notwithstanding the foregoing, the obligations of the parties under Articles 5, 6, 9, 13, 14, 15 and 20 shall survive any termination of this Agreement.

21. NOTICES

- 21.1 All notices required or permitted under this Agreement shall be in writing and shall be delivered personally or sent by certified registered mail to CYBERCARE or GTRC at the addresses set forth below:

GTRC - For Administrative Matters:

GEORGIA TECH RESEARCH CORPORATION
Centennial Research Building
Georgia Institute of Technology
Atlanta, Georgia 30332-0415
Attn: Director, Technology Licensing

- For Technical Matters:

Mr. Michael F. Burrow, Acting Director
Biomedical Interactive Technology Center
Georgia Institute of Technology
Atlanta, Georgia 30332-0823

Dr. Max E. Stachura, Director
Center for Telemedicine
Medical College of Georgia
Augusta, Georgia 30912-1655

CYBERCARE:

CYBERCARE, INC.
430 Tenth Street, N.W.
Suite S-004
Atlanta, Georgia 30318
Attn: John Haines

22. **WAIVER**

22.1 Waiver by either party of any term or provision of this Agreement shall not constitute a continuing waiver thereof nor of any further or additional rights such party may hold under this Agreement.

23. **SEVERABILITY**

23.1 If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, illegality or unenforceability of the remaining provisions shall not in any way be affected or impaired.

24. **GOVERNING LAW**

24.1 This Agreement shall be construed in accordance with the laws of the State of Georgia, U.S.A.

25. **ENTIRE AGREEMENT**

25.1 This Agreement is the complete and exclusive statement between the parties relating to the subject matter hereof, and supersedes all prior understandings, communications, or representations, either oral or written, between the parties. This License Agreement may not be modified or altered except by a written instrument duly executed by CYBERCARE and GTRC.

26. **CUMULATIVE RIGHTS**

26.1 Unless expressly stated to the contrary elsewhere in this Agreement, all rights, powers and privileges conferred hereunder upon the parties hereto shall be cumulative and not restrictive of those given by law.

27. **SECTION HEADINGS**

27.1 Section headings have been inserted herein for convenience of reference only and shall in no way modify or restrict any of the terms or provisions of this Agreement.

28. **ASSIGNMENT**

28.1 Subject to this Paragraph, the License is personal to CYBERCARE. It is expressly understood by the parties that the License may be assigned by GTRC to the Georgia Institute of Technology, the Medical College of Georgia or the Board of Regents of the University System of the State of Georgia. Except as otherwise agreed herein, this Agreement may not be assigned by either party without the prior written consent of the other.

29. **SUCCESSORS AND ASSIGNS**

29.1 This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but nothing contained herein shall be deemed to permit assignment by either party except as otherwise permitted in this Agreement.

30. **INTERPRETATION**

30.1 In the interpretation of this Agreement, words importing the singular or plural number shall be deemed to import the plural and singular number respectively, words denoting gender shall include all genders and references to persons shall include corporations or other bodies and vice versa.

31. **FORCE MAJEURE**

31.1 Neither party shall be held in breach of this Agreement because of acts or omissions caused by any act of God or other cause beyond the control of the parties, including, but not limited to, fire, floods, labor disputes, or other unforeseen circumstances.

IN WITNESS WHEREOF, the parties have set their hands and seals and duly executed this Agreement effective as of the date first above written.

GEORGIA TECH RESEARCH CORPORATION

CYBERCARE, INC.

By: _____

By: _____

Typed Name: Barry Rosenberg ✓

Typed Name: John E. Haines

Title: Director, Technology Licensing

Title: President & CEO

Date: 12/16/97

Date: 12/16/97

By: _____

Typed Name: J.W. Dees

Title: Asst. Secretary

Date: 12/16/97