

LICENSE AGREEMENT

This Agreement is entered into this   eighth   day of   July   1982, between Papp International Incorporated, a Nebraska Corporation, herein referred to as Licensor, and Rohner Engine, Inc. an Iowa Corporation herein referred to as Licensee.

RECITALS

A. Licensor Representations and Warranties. Licensor represents and warrants that:

- (1) Joseph Papp has discovered and developed a new type of energy source, resulting from the reaction of a combination of certain inert gases, and represented by the Papp Thermonuclear Noble Gas Plasma Engine. The new energy source and the engine, along with the knowledge related to their discovery and development, are the subject of a certain patent application filed with the United States Patent Office.
- (2) On September 22, 1980, the invention described above, including the rights under the patent application, (herein sometimes called the PAPP INVENTION) was sold and assigned to Licensor, a corporation formed by Joseph Papp to own all rights to the PAPP INVENTION.
- (3) Licensor is desirous of considering the grant to others of rights to manufacture the PAPP ENGINE and PAPP FUEL and generally to exploit the PAPP INVENTION, in order to enjoy the maximum financial rewards which should result from the commercial exploitation of the PAPP INVENTION.

B. Licensee Representations and Warranties. Licensee represents and warrants that it is desirous of obtaining a non-exclusive license under the above patent applications and the patents that may issue thereon.

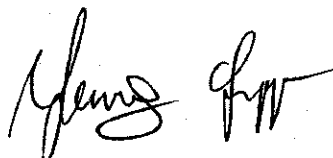
*Joseph Papp*  
*Michael P. Rohner*

July 82

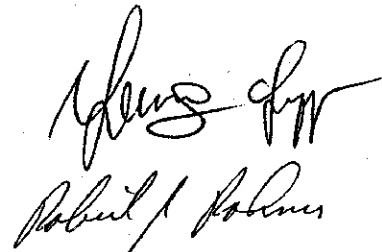
AGREEMENTS

In consideration of the mutual benefits to be derived hereunder, and in consideration of services rendered, the parties agree as follows:

- A. Grant of License. Licensor grants to Licensee, on the terms and conditions hereinafter stated, the non-exclusive and non-transferrable right and license under the aforesaid patent applications and under any divisions, continuations in part thereof, and under any patents that may issue thereon or any reissues or extensions thereof, to manufacture the PAPP ENGINE in the United States of America, and to produce fuel for use in these engines exclusively, the engine and inventions described and claimed in such patents and patent applications.
- B. Payment. In consideration for this license agreement, Licensee shall pay Licensor as follows:
- 1) One million dollars within 30 days of release of technology.
  - 2) Nine million dollars within 180 days thereafter.
  - 3) Five million dollars within 360 days thereafter.
- C. Royalty. Licensee shall pay to Licensor royalties as follows:
- 1) All products sold by Licensee during the term of this Agreement that (i) are covered by any claim of any patent application or patent under which Licensee is hereby licensed, or (ii) are made by the use of any process or apparatus covered by such claim, Licensee shall pay to Licensor a royalty of 5% of the net sales price of these products.
- D. Licensor grants that any technology released to any Licensee or other entity will at the same time be released to Licensee and Licensee grants that no rights under this agreement may be exercised until this initial technology is released.
- E. All engines produced by Licensee will be known as the PAPP ENGINE.

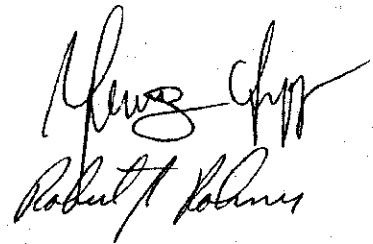


- F. Records. Licensee shall keep accurate records and books of account showing the quantity of the licensed products sold by Licensee. Any certified public accountant authorized in writing by Licensor shall be given access to such records and books at all reasonable times. Quarterly, within forty-five (45) days after the end of each fiscal quarter of Licensee's fiscal year during the continuance of this Agreement, Licensee shall render written reports to Licensor stating in each such report the quantities of all licensed products sold by Licensee during the preceding quarter. Each such report shall be accompanied by remittance in full covering the royalties shown thereby to be due Licensor. Licensed products shall be considered sold when paid for.
- G. Sublicenses. Licensee shall not have the right to grant sub-licenses covering any application covered by this Agreement.
- H. Marking. Licensee shall mark all licensed products sold by him under this Agreement with the number of any patent that is applicable thereto and under which he is hereby licensed.
- I. Notice. Any written notice necessary or appropriate under this Agreement shall be deemed to be properly given if sent by United States Registered Mail to the party to be notified at the address set forth herein or at such other address as either party may hereafter designate in writing. The date of service of any notice so sent by registered mail shall be deemed to be the day received by the receiving party, or immediately, if delivered by hand to a party.
- J. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida.
- K. Binding Effect and Assignment. This Agreement shall be binding on and inure to the benefit of the successors to the parties, and neither party, without the consent of the other party, shall have the right to assign this Agreement, except to a corporation formed by such party to carry out and perform the duties of such parties hereunder.

  
Robert J. Palmer

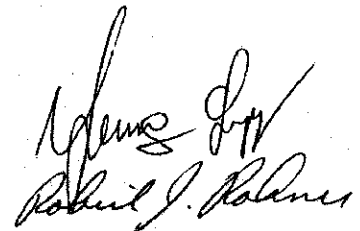
L. Infringement. In the event that any infringement of the licensed patents comes to the attention of either party, such party shall promptly notify the other party of the infringement. Thereupon, the parties shall consult with a view of reaching agreement as to ways and means of eliminating the infringement. If either party desires to litigate the infringement and the other party refuses to do so, or refuses to bear one-half of the cost thereof in return for one-half of the recovery, the party desiring litigation may at his sole discretion, and at his sole cost and expense, bring suit to restrain such infringement, and shall be entitled to receive and retain for his own use and benefit any recovery awarded in such suit. In the event Licensee elects to litigate any patent infringement, and if Licensor elects not to become a party to such litigation, it is agreed that Licensee shall have standing to bring any patent infringement action involving an infringement of any patent under which rights are granted Licensee hereunder without the necessity of making Licensor a party to such litigation, and Licensee agrees, in such event, that he will not make Licensor a party to such litigation.

M. Invalidity of Patent. In the event that any material claim of any patent application under which this license is granted shall be finally rejected, or if any material claim of any patent under which this license is granted shall, by a final decision of a court of competent jurisdiction, be declared invalid or shall be awarded to another; then, if the parties hereto are unable to agree as to the continuation of this contract as may be modified by written agreement of the parties annexed hereto, this Agreement shall become void, and Licensee shall be relieved of any further obligation hereunder, and shall be entitled to no further license rights hereunder.

  
Robert T. Holmes

N. Termination. If licensee fails to pay to Licensor the royalties payable under the terms hereof, or if Licensee violates or fails to perform any other obligation, term or condition hereof, or if Licensee shall be adjudged bankrupt or becomes insolvent or make an assignment for the benefit of creditors, or be placed in the hands of a receiver or trustee in bankruptcy, then Licensor may, at his option, cancel and terminate this Agreement by giving ninety (90) days, written notice, specifying the default complained of; provided, however, that if Licensee shall, within such ninety (90) days, cure the default complained of, then the notice shall cease to be operative and this License Agreement shall continue in full force and effect as though such default had not occurred. If Licensor violates or fails to keep or perform any obligation, term or condition of this Agreement, then Licensee may, at his option, cancel and terminate this Agreement by giving ninety (90) days, written notice, specifying the default complained of; provided, however, that if Licensor shall, within such ninety (90) days, cure the default complained of, then the notice shall cease to be operative and this License Agreement shall continue in full force and effect as though such default had not occurred.

O. Hold Harmless Agreement. Licensor shall in no way be responsible for any statements or representations made by Licensee in connection with this Agreement. Licensee agrees that he shall save and hold harmless Licensor from any liability resulting from any such statements, representations or actions. Licensee shall in no way be responsible for any statements or representations made by Licensor in connection with this Agreement. Licensor agrees that he shall save and hold Licensee harmless from any liability resulting from any such statements, representations or actions. Licensor shall not be responsible for any commissions or other compensation paid to third parties as finders in connection with this Agreement, or in any other manner related to this Agreement, and Licensee agrees that he shall save and hold harmless Licensor from any liability to any such third parties.

  
Robert J. Palmer

- P. Continued Support. Licensee is relying upon the scientific expertise of Licensor in executing this Agreement and carrying out its terms and provisions. Licensor will therefore provide such scientific expertise as is needed to initiate production of these products. Any further assistance provided by Licensor will be by agreement and at the expense of the Licensee.
- Q. Term. This license shall remain effective during the life of any and all patents covering the PAPP INVENTION.

IN WITNESS THEREOF, the parties have executed this Agreement at

Ormond Beach, Florida

on eight

July, 1982.

Charles D. Nortman  
Witness, Charles D. Nortman

PAPP INTERNATIONAL INCORPORATED

By

Joseph Papp 7/8/82  
JOSEPH PAPP, PRESIDENT

ROHNER ENGINE, INCORPORATED

Fontelle Mullink  
Witness, Fontelle Mullink

By

Robert J. Rohner 7/8/82  
ROBERT J. ROHNER, PRESIDENT