



Dear Partners,

During the past three months representatives from College of the Mainland and CAPT, Inc. held several discussions and worked through a number of settlement drafts. On April 20, 2009, the Board of Trustees of the College voted to approve a settlement whereby CAPT at College of the Mainland and CAPT, Inc. would form a new entity to carry out all the activities under the current National Science Foundation (NSF) grant and the commercial fee-for-service activities being conducted by CAPT, Inc.

We are pleased to announce that we now have the completed, signed agreement between College of the Mainland and CAPT, Inc. As mentioned in my note of 5 May, we appreciate the cooperation and efforts of the CAPT, Inc. team and look forward to working toward a smooth merger between CAPT at College of the Mainland and CAPT, Inc.

Next, let me thank everyone for your patience. CAPT at College of the Mainland understands that many partners have in some way been impacted by the lawsuit. We appreciate that you have held a high standard while the issues were being resolved.

I am not attempting to give a legal interpretation of the seven-page document but will highlight a few points that may address your concerns. Please understand that the reorganization is a work in progress. Certainly, not everything will be resolved at once. Our goal is to seamlessly continue supporting all partners and clients of CAPT and CAPT, Inc while we work out the details of our future. These points are:

- CAPT at College of the Mainland and CAPT, Inc combine to create one CAPT organization.
- The sole purpose of the combined CAPT organization shall be the advancement of process technology and will be a direct-support, not-for profit, 501(c)(3) organization.
- The combined organization will be housed at the current CAPT office at College of the Mainland.
- All employees of the combined organization will be employees of College of the Mainland.
- The combined organization will continue to fulfill the goals of the NSF grant under which CAPT is currently funded. College of the Mainland will be the fiscal agent for the NSF grant funds.
- College of the Mainland and the combined CAPT organization will own all intellectual property jointly.
- Director of the combined CAPT organization will take direction from the Chair of the Steering Committee and the College President jointly.

Best Regards,

Jack Berry
Director

Center for the Advancement of Process Technology
www.capttech.org
409.938.1211 ext. 107
jberry@com.edu