

CONTRACT AND CONSULTANT SERVICES CONTRACTS

1. PERFORMANCE. Seller shall use its best efforts, shall perform or assign work personnel satisfactory to Buyer, shall perform the work in accordance with the highest standards, shall effect completion of each assigned task on or before the date specified, if any, and shall pay promptly, when due, all claims by Seller's personnel for services relating to the work. Seller agrees that it will comply with all U.S. export laws and regulations and in particular, warrants that it will not disclose any information provided under this purchase order ("Order") to any individual who is not a United States Citizen or does not have Permanent Resident Alien status or to any entity which is not a U.S. company or other U.S. entity, unless the appropriate export license or agreement has been obtained.

2. TIME. Time is of the essence; however, Seller shall not be liable for any delay in performance due to causes beyond Seller's reasonable control and without Seller's fault or negligence.

3. SECURITY. When access to Buyer's facility is required by Seller or Seller's personnel in the performance of services under this Order, Seller shall secure and execute Buyer's security forms furnished by the Buyer for facility access. These forms shall be returned to Buyer at least twenty-four (24) hours prior to the desired access. If access to classified information is required in performance of services hereunder, Seller shall meet the Facility Clearance (FCL) requirements of the U.S. Government as set forth in the National Industrial Security Program Operating Manual (DoD 5220.22-M, dated: February 28, 2006). In the event such Facility Clearance requirements are not met by Seller, this Order shall be of no force or effect. Seller agrees that all of Seller's personnel who, pursuant to this Order, will have access to classified information shall have appropriate Personnel Security Clearances (PCL) which are still in effect, prior to being accorded access to such information. Seller shall at all times safeguard all classified information received, generated or reproduced during the performance of this Order in accordance with the provisions of the National Industrial Security Program Operating Manual (DoD 5220.22-M, dated: February 28, 2006) The Seller's personnel requiring access to classified information at the Buyer's facility shall comply with the security Standard Practice & Procedures (SPP) of the Buyer relative to the control, handling, and protection of classified information/material.

4. INDUSTRIAL PROPERTY RIGHTS AGREEMENT. Whenever an employee of Seller performs services under this Order in Buyer's facilities with personnel of Buyer, Seller consents to said employee by signing the "Industrial Property Rights Agreement" attached as "Exhibit A" and incorporated by this reference, and agrees that any conflicts with Seller agreements with said employee will be resolved in favor of such Industrial Property Rights Agreement with Buyer. Each executed Agreement shall be furnished to Buyer prior to said employee entering Buyer's facilities.

5. ACCESS TO PLANT PROPERTY. Without limiting Seller's obligations under Clauses 1, 3 and 4 above, Seller shall comply with all the rules and regulations established by Buyer for access to and activities in and around Buyer's plants and properties.

6. DISCLOSURE OF INFORMATION.

(a) Seller hereby grants to Buyer all right, title and interest to any and all computer software, technical data or other information developed or modified under this Order together with any other data submitted hereunder and agrees that such information will be held in confidence for, and is proprietary to Buyer and shall not be divulged by Seller to other parties verbally or in writing without prior written approval of Buyer. Notwithstanding any other provision of this Order, Buyer retains the unilateral and unrestricted right to use the computer software, technical data or other information produced or furnished hereunder in any and all ways Buyer may deem necessary.

(b) Any information disclosed by personnel of Buyer or observed within any facility of Buyer, will be used only by said personnel or agents of Seller in performing under this Order shall not otherwise be disclosed to others except to Buyer's personnel on a need-to-know basis in performing under said Order. The foregoing restrictions shall not apply to documented information already in possession of Seller, already in the public domain, or received from a third party without restrictions.

(c) Information which is disclosed to an employee of Buyer or submitted as a deliverable item during or as a result of Seller's performance under this Order, shall not be deemed disclosed or received in confidence unless pursuant to an agreement in writing between Buyer and Seller or predetermined and agreed to in this Order.

The text of this document shall not be changed except by written agreement between HRL and Consultant

(d) The obligations of confidentiality and restrictions on use and disclosure set forth herein shall survive completion or termination of the Order into which this attachment is incorporated.

(e) Classified Information is the property of the U.S. Government. As such, the Seller shall ensure that classified information entrusted to the Seller or its personnel, shall not be disclosed to unauthorized persons. The seller shall not disclose classified or unclassified information pertaining to a classified contract to the public without prior review and clearance as specified in the Contract Security Classification Specification (DD254) for the contract or as otherwise specified by the Buyer and the Government Contracting Activity (GCA).

7. INVENTIONS

(a) Seller hereby assigns to Buyer all right, title, and interest in and to and agrees to promptly disclose to Buyer, in writing, all inventions, developments, improvements or discoveries (whether or not patentable) which Seller, or any of Seller's personnel, makes or conceives, either solely or jointly with others and which relate to Seller's performance under this Order or which result from knowledge of Buyer's activities obtained by performance hereunder; excepting, however, inventions (patented or unpatented) which Seller has made or conceived and has disclosed in writing to others prior to commencing performance of this Order.

(b) At all times during the performance of this Order and thereafter, whenever requested to do so by Buyer, Seller shall execute and deliver to Buyer any and all applications, assignments, and other instruments which may be necessary in order to apply for and obtain or protect, for Buyer's benefit, letters patent of the United States and foreign countries covering said inventions, and which may be necessary to assign and convey to Buyer or its nominee the sole and exclusive right, title, and interest therein. These obligations shall be binding upon Seller's assigns, executors, administrators, or other legal representatives.

8. COPYRIGHTS

(a) With respect to all reports, technical data, computer software programs, or other copyrightable material, (hereinafter defined as "Works") first produced and furnished in the performance of this Order, Seller hereby grants and assigns exclusively to Buyer for its use any and all rights of whatsoever kind or nature now or hereafter protected by the Copyright Laws of the United States (common or statutory) and all foreign countries in all languages in and to the foregoing works, including all subsidiary rights and, without limiting the generality of the foregoing, Seller hereby grants to Buyer the sole and exclusive right to obtain registration of the copyright in the aforementioned works.

(b) Exclusive of privately developed computer software, related documentation and other proprietary data, if agreed in accordance with Clause 6, Seller agrees to provide a royalty-free, nonexclusive, irrevocable license to reproduce, deliver, perform, translate, publish, use, and dispose of, and to authorize others to do so, all copyrightable material not first produced in the performance of this Order but which is incorporated in the material furnished under this Order.

(c) Seller shall exert all reasonable effort to advise Buyer, at the time of delivering any copyrightable or copyrighted work furnished under this Order, of any adversely held copyrights or copyrightable material incorporated in any such work.

(d) Seller hereby agrees to the use of Seller's name on all original works of authorship co-authored with an employee of Buyer.

9. RELATIONSHIP

(a) For service contracts, Seller and all individuals assigned by the Seller to assist the Buyer will, at all times during the performance of this Order and in connection with any services rendered to Buyer, be considered employees of Seller. No relationship of employer-employee is created by this Order or by Seller's service.

(b) For consultant services contracts, Seller will at all times during the performance of this Order and in connection with any services rendered to Buyer, be considered an independent contractor.

(c) Seller hereby acknowledges that Buyer is not obligated to provide Worker's Compensation Insurance covering Seller's personnel or any other employee insurance or benefits of Buyer. Seller is notified that Buyer considers the Federal Insurance Contributions Act and the withholding provisions of the Federal or State Revenue Codes as not being applicable to any payments by Buyer to Seller pursuant to this Order.

10. INSURANCE. Seller shall comply with Buyer's Attachment GL-14, "Insurance Protection, Indemnification and Security Requirements", and said attachment is incorporated into this Order by this reference. However, if Seller is an individual who will personally perform all the work, Seller shall not be required to submit evidence of Worker's Compensation or Employer's Liability Insurance.

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11. PAYMENT. Unless different intervals are stipulated in the Order, payment for the services performed by Seller shall be made monthly, at the rates prescribed, upon submission by the Seller of properly certified invoices, including time statements, on or before the 10th day of the month next following the month in which such services were performed.

In addition to the foregoing, and when specifically authorized in the Order, Seller shall be reimbursed for reasonable travel expenses incurred at the request of Buyer. Such request shall be submitted in writing to Seller prior to the incurrence of any such expense and signed by Buyer's representative charged with the direct responsibility for Seller's performance hereunder. Subject to applicable law, Buyer will bill in accordance to California Overtime Law.

12. CONTROLS

(a) The Seller shall maintain careful records in such a manner as to be able to determine at all times the exact current balance of the not-to-exceed funds in this Order. If at any time Seller has reason to believe that the applicable payments which will accrue in the performance of this Order in the next succeeding thirty (30) days, when added to all other payments and costs previously accrued, will exceed seventy-five percent (75%) of the not-to-exceed price then set forth, Seller shall give written notice to Buyer to that effect.

(b) Buyer shall not be obligated to pay Seller any amount in excess of the not-to-exceed price set forth in this Order, and Seller shall not be obligated to continue performance if to do so would exceed the price, unless and until Buyer shall have notified Seller in writing that such not-to-exceed price has been increased and shall have specified in such notice a revised not-to-exceed amount which shall constitute the price for performance of this Order. When and to the extent that the not-to-exceed price set forth has been increased, any time expended and authorized costs incurred by Seller in excess of the not-to-exceed price prior to the increase shall be allowable to the same extent as if such time expended and costs had been incurred after such increase.

13. TERMINATIONS

(a) In addition to any other rights of Buyer hereunder and not in limitation thereof, this Order may be terminated by Buyer at no cost to Buyer or by Seller upon two (2) weeks written notice; provided however, that all rights of the parties under this Order arising by calls or work assignments from the Buyer which were issued prior to the time of such termination shall survive such termination (see subsection (b) below).

(b) Calls or work assignments under this Order may be terminated by Buyer by giving written notice to Seller. Upon receipt of Notice of Termination, Seller shall terminate all work and deliver to Buyer the results of Seller's performance to that time, including, without limitation, the documents called for under Clauses 6, 7, and 8 above. In the event of such termination, Buyer shall make to Seller, and Seller shall accept as full compensation, payment at the rates prescribed in this Order for travel expense as stipulated in this Order and work performed up to the time of receipt of the Notice of Termination, less any and all previous payments made, and Buyer shall then be released from further obligation to make payments under this Order.

14. LIMITATION OF LIABILITY

Neither party shall be liable to the other whatsoever for any special consequential, indirect, exemplary or punitive damages, including any damages on account of lost profits, lost data, loss of use of data, or lost opportunity whether or not placed on notice of any such alleged damages and regardless of the form of action in which such damages may be sought. The fees and billings due under this agreement are not considered special damages or lost profits and shall not be limited by these provisions

[End of Attachment SS-02]